



FINAL INTEGRATED DEVELOPMENT PLAN

2023-2024

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1.1 EXECUTIVE MAYOR'S FOREWORD

Realising the objective of developmental local government is a challenging task for municipalities. Integrated Development Planning is a key instrument which focuses on local issues rather than being a sector-or development dimension-driven approach. The notion of integration, central to integrated development planning, suggests that both sectors and dimensions need to be approached not in and for themselves.

Alternatively, the key consideration in the integrated development planning process that drives decision-making is the priority issues that are identified and defined by every citizen. These priority issues are derived from a process of analysing the existing local situation and focusing on the problems facing the communities living in the municipal area, as well as the municipality's development potentials.

From this range of problems and potentials, the priority issues are extracted and become the focus for planning. The municipality simply does not have enough resources to address all issues identified by all members of the community. In terms of this issue-driven approach, dimensions are considered as crosscutting concerns or principles throughout the planning process-they underlie the very concept of development.

Sectors, on the other hand, should be considered where they are relevant to the local priority issues and in relation to one another rather than in isolation. Developmental local government should address the crosscutting dimensions of development throughout the planning process as these dimensions are aspects of all development and cannot be ignored in any local planning process if it is to be sustainable and developmental in nature.

Care needs to be taken to ensure that the dimensions are appropriately dealt with throughout the planning process that they are mainstreamed, and that guidelines, principles and strategies relating to dimensions are considered and used to guide and inform the municipality. Although specific sector requirements were met during the planning process, sector planning only featured in the Integrated Development Planning Process where it was part of the municipality's priorities identified in the Integrated Development Planning Process.

A key concern among role-players in the Integrated Development Planning Process is how to achieve alignment between the different development sectors to support municipal development. For municipal planning and delivery to be integrated, vertical and horizontal alignment needs to take place between and within the spheres of government.

Secondly, since the latest municipal demarcation process, establishes wall-to-wall municipal across the country, the provincial and national sector departments implement their programmes within the municipal area. This means that local priorities need to form the basis for alignment between governmental sectors and spheres.

Local development is multi-dimensional, underpinned by development dimensions relevant to the planning and delivery processes. "Dimensions" are simply aspects of development including social, economic, institutional and environmental aspects. In addition to these, in Phumelela, there is also certain issues that cut across and influence all development processes, such as HIV/AIDS, migration and population issues.

These crosscutting issues are part and parcel of the development dimensions affecting local development. It is also important not to confuse the concept of crosscutting issues with priority issues: the latter are the specific local issues the municipality will identify in the local area that need to be addressed in the planning process.

To illustrate the concept of dimensions and crosscutting issues, consider for instance the notion of unemployment in the municipal area. Unemployment has many development facets and impacts; it affects household income and poverty levels, rates and service payment, private investment in housing and commercial activities.

Similarly, the concept of dimensions and crosscutting issues can also be considered at the strategy formulation and project design level. Employment generation strategies would need to consider a range of development dimensions and sectors. These may include environmental impact, fiscal sustainability for the municipality, gender issues in terms of who should be employed in different projects and sector programmes promoting employment generation.

It is also important to consider the impact of the development dimensions on all sector issues. For example, settlement patterns in a municipal area may be spatially fragmented and segregated. This spatial reality will have an influence on sectors such as transport, the cost of providing municipal services and the possibility of identifying specific projects to address the spatial fragmentation.

An awareness of the following dimensions and crosscutting issues have formed the basis on which the integrated development planning process for the 2023/2024 was undertaken, as they have affected all the development processes in the context of integrated development planning. These are:

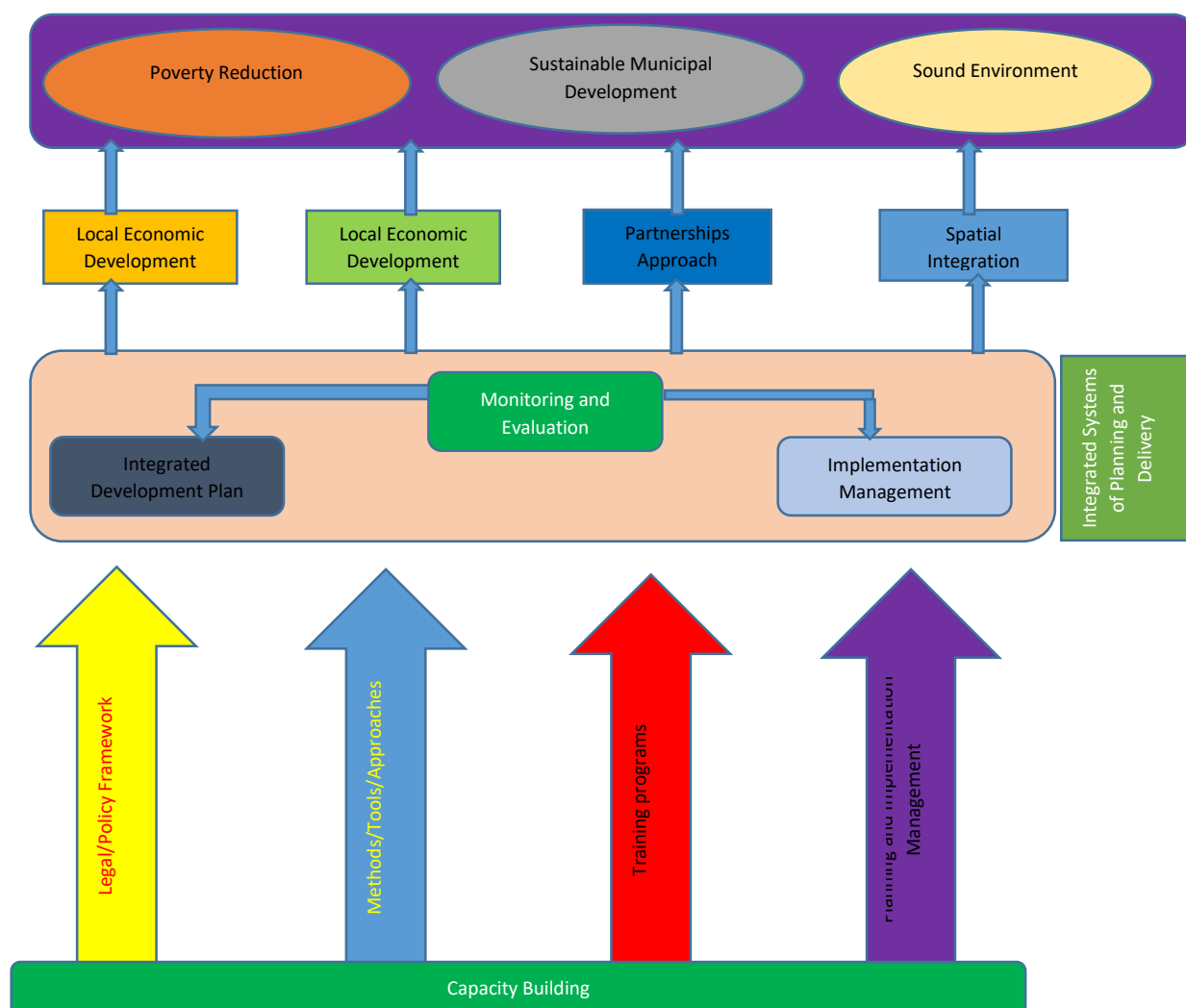
- Demographics
- Infrastructure Development
- Natural Environment;
- Spatial Dimension;
- Economic Dimension;
- Institutional Dimension;
- Public Safety and Security;
- Health;
- Education;
- Social Security.

Many stakeholders including national and provincial departments of local government have been involved in the Integrated Development Planning process for the 2023/2024 financial. I am therefore confident that, as a result, this Integrated Development Plan 2023/2024 will be useful in providing sustainable services to our communities and a source of inspiration for all of you who were involved in the integrated development planning process in our endeavour to make the Integrated Development Plan a tool to address the social and economic needs of our communities more effectively. This is indeed the year in which we ***“Building the relationships of trust within the municipal environment-the road toward sustainable basic services provision”***

1.2 MUNICIPAL MANAGER'S OVERVIEW

Integrated Development Planning is a process through which municipalities prepare a strategic development plan, for a five-year period, which is evaluated and reviewed on an annual basis. The Integrated Development Plan is a product of the integrated development planning process.

The Integrated Development Plan is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. The Integrated Development Planning Systems can be summarised as follows:



According to the Municipal Systems Act, 32 of 2000, all municipalities must undertake an integrated development planning process to produce integrated development plans. As the Integrated Development Plan is a legislative requirement it has a legal status and it supersedes all other plans that guide development at a local government level.

Every new council that comes into office after the local government elections may prepare its own Integrated Development Plan which will guide them for the five years that they are in office. The Integrated Development is therefore linked to the term of office of councillors. The new council has the option either to adopt the Integrated Development Plan of its predecessor should it feel appropriate to do so or develop a new Integrated Development Plan taking into consideration the already existing planning documents.

Integrated development planning is a very interactive and participatory process which requires involvement of several stakeholders. Because of its participatory nature it takes a municipality approximately six to nine months to complete and Integrated Development Plan and this timing is closely related to the municipal budgeting cycle. However, during this period delivery and development is not at a standstill, it continues. The Integrated Development Plan is reviewed annually which results in the amendment of the plan it should be necessary.

In aligning the municipal planning priorities to that of government programme priorities, the municipality amended the key performance areas to be the following with their respective predetermined objectives:

Key Performance Area	Predetermined Objective
Basic Services	Supporting delivery of municipal services to the right quality and standard
Financial Management	Ensuring sound financial management and accounting
Local Economic Development	Creating a conducive environment for economic development
Institutional Capacity and Transformation	Building institutional resilience and administrative capacity
Promoting Good Governance, Transparency, Accountability and Public Participation	Promoting good governance, transparency, accountability Putting people and their concerns first

The Councillors and Management of the municipality would like to sincerely thank all the stakeholders and members of the public who took their time to contribute in the development of the Integrated Development Plan 2023/2024. Through this document the municipality believes that all the aspirations of the Phumelela citizenry will be met and the municipality will sure be a place where our local community receives a pleasant, sustainable, effective and efficient basic services provision amid our financial constraints.

1.3 Introduction

The Integrated Development Plan is the municipality's principle strategic planning document. Importantly, it ensures close co-ordination and integration between projects, programmes and activities, both internally and externally. The Integrated Development Plan, therefore, ultimately, enhances integrated service delivery, development and promotes sustainable integrated communities, providing a full basket of services, as communities cannot be developed in a fragmented manner.

As a key strategic plan for the municipality, the priorities identified in the Integrated Development Plan inform all financial planning and budgeting undertaken by the municipality. The attainment of the Integrated Development Plan and Budget targets and deliverables is monitored and evaluated on an ongoing basis. However, this requires that targets and deliverables are credible and realistic. Consequently, the Financial Plan as well as the Performance Management Systems of the municipality are also outlined in the Integrated Development Plan.

This is the 5th generation Integrated Development Plan of the municipality for the period 2022-2027 which is the current term of the council of the municipality. This IDP will inform the Budget as well as the Service Delivery and Budget Implementation Plan.

1.4 The need for Integrated Development Plan

An Integrated Development Plan is a constitutional and legal process required of South African municipalities; however, apart from the legal compliance, there are many advantages and benefits to undertaking the Integrated Development Planning. These include the following:

- (a) Prioritisation and allocation of scarce resources to areas of greatest need aligned to spatial budget;
- (b) Achieving sustainable development and economic growth;
- (c) Democratising local government by ensuring full public participation in its planning, budgeting, implementation, monitoring and evaluation processes;
- (d) Providing access to development funding through Medium-Term Revenue and Expenditure Framework;
- (e) Encouraging both local and outside investment by developing local economic strategies; and
- (f) Using the available capacity effectively, efficiently and economically.

1.5 Why an Integrated Development Plan

Local government operates in an over-arching environment. The dynamic nature of local, district, provincial, national and global environments constantly presents local government with new demands and challenges. Similarly, the needs of communities of municipality continuously change.

This Integrated Development Plan, is as a result of conforming to a legislative requirement in terms of Local Government: Municipal Systems Act, 32 of 2000, as amended, which states that in:
Section 25:

- (1) Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which-
 - (a) Links, integrates and co-ordinate plan and takes into account proposals for the development of the municipality;
 - (b) Aligns the resources and capacity of the municipality with the implementation of the plan;
 - (c) Forms policy framework for general basis on which annual budgets must be based;
 - (d) Complies with the provision of this Chapter; and
 - (e) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.
- (2) An integrated development plan adopted by a municipal council in terms of section (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next council.
- (3) (a) A newly elected municipal council may, within a prescribed period referred in subsection (1), adopt the integrated development plan of its predecessor, but before taking a decision, it must comply with section 29(1) (b) (i) (c) and (d).

(b) A newly elected municipal council that adopts the integrated development plan of its predecessor with amendments in accordance with the process referred to in section 34 (b).

The focus of this council term's Integrated Development Plan amendments has therefore been on aligning municipal programmes, projects and strategies with:

- (a) Community needs and priorities identified for the term of office of council and the present challenges;
- (b) Update statistical data due to the Community Survey 2016;
- (c) Identification of targets to keep them realistic within the scarce resources;
- (d) Revision of Spatial Development Framework and other relevant sector plans;
- (e) Alignment with the Sustainable Development Goals 2030;
- (f) Alignment with the National Development Plan Vision 2030;
- (g) Alignment with the Medium-Term Strategic Framework 2014-2019;
- (h) Alignment with Government 12 Outcomes;
- (i) Alignment with the Free State Growth and Development Strategies;
- (j) Alignment with the Election manifesto mandates;
- (k) Alignment with State of the Nation Address;
- (l) Alignment with the State of the Province Address;
- (m) Alignment with Operation Hlasela injunctions; and
- (n) Alignment with the Executive Mayor Budget Speech.

The Integrated Development Plan Process Plan and the Budget Process Timetable 2022/2023 was adopted by Council on the 31 August 2022 and was not implemented accordingly due to the election year.

1.6 Integrated Development Plan and the Budget Process

The review of the Integrated Development Plan 2023/2024 has been informed by the following Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 which was adopted by council on 31 August 2022 as per council resolution. The Timetable enhances integration between the Integrated Development Plan and Budget, thereby ensuring the development of an Integrated Development Plan based Budget. The integrated Development Plan and Budget Process Timetable is as per the Municipal Finance Management Act, 56 of 2003, Circular 54.

Process	Activity	Narration	Timeframe	Responsibility
IDP and Budget 2022/2023 to COGTA and National and Provincial Treasury	Submission of approved documents to relevant authorities	Approved IDP and Budget 2022/2023	June 2022	IDP Manager
Development of a budget timeline with budgeted costs	Draft Action Plan	Formulate a detailed timetable for the Budget ensuring that the timetable is integrated, realistic and compliant with any relevant legislation, policies, and circulars	July 2022	Chief Financial Officer
Draft IDP Process Plan 2022/2023 and draft Budget Process 2022/2023 Timetable	Formulate a detailed process plan for the IDP and Budget timetable to ensure that they are integrated, realistic and compliant with any relevant legislation, policies, and circulars	Draft IDP Process Plan 2022/2023 and draft Budget 2022/2023 Timetable	July 2022	Municipal Manager Chief Financial officer
Public Notice on the IDP Review and the Budget Process 2022/2023 Timetable	Advertise the IDP Process Plan for and the Budget Process Timetable 2022/2023 and Invite submissions from Public	•MSA chapter 4	July 2022	IDP Manager
Audit and Performance Audit Report	Submission of 4 th Quarter Report to Audit and performance Audit Committee	•Legislative Requirement	July 2022	Municipal Manager
Binding Document	Print documents	•300 copies	July 2022	Service Providers
4 th Quarter Report	4 th Quarter Assessment	•Municipal Manager •Directors •Manager •Supervisors	July 2022- August 2022	Assessment Panel
Tabling of the draft IDP Review Process Plan 2022/2023 and the draft Budget process 2022/2023 Timetable	The Executive Mayor tables the draft IDP Review Process Plan 2022/2023 and the draft Budget Process 2022/2023 outlining key deadlines for preparing the IDP 2023/2024 and the Budget 2023/2024 as per Municipal Systems Act, 32 of 2000 as amended and the Municipal Finance Management Act, 56 of 2003; and budget related policies	Chapter 5 of the MSA, 2000, section 28 (1) and Municipal Finance Management Act, 2003, 21 (1)(b) and section 34 of the Municipal Systems Act, 32 of 2000	August 2022	Speaker Executive Mayor Municipal Manager

	Mayor tables the timetable outlining key deadlines for preparing, tabling, and approving the budget and reviewing the IDP Advertise budget schedule			
IDP Process Plan 2022/2023 and Budget Process 2022/2023 Timetable	Workshop on the development of the IDP Process Plan 2022/2023	Presentation of the IDP Review Process Plan 2022/2023 and the Budget Process Timetable 2022/2023 to stakeholders	September 2022	IDP Manager
Process	Activity	Narration	Timeframe	Responsibility
Strategic Workshop by Strategic Management Team.	Management to agree on the Key Development Priorities from agreed Key Development Priority Issues that are in line with the organizational strategy to set the tone for the ‘organizational strategic choices’ and strategic objectives	Corporate Strategic Planning Workshop-Setting up of organisational goals and direction for the remaining term of office of council	September 2022	Speaker Executive Mayor Councillors Municipal Manager Senior Managers Middle Managers
Audit and Performance Audit Report	Submission of 1 st Quarter Report to Audit and performance Audit Committee	Legislative Requirement	October 2022	Municipal Manager
External Stakeholder Engagement	Public Participation/Izimbizo • Ward Councillors • Ward Committees • NGO’s • CBO;s • Political Parties • Businesses • Trade Unions Presentations • Status Quo Report • Confirm Community Needs Input on Development Plan	• Community consultation led by the Mayor 1 st Quarter performance on municipal progress	October 2022-December 2022	Executive Mayor IDP Manager
	Briefing session with the Municipal Manager, all Managers, and all Supervisors regarding the completion of budget forms	Supply Office of the Executive Mayor, Office of the Speaker, Municipal Manager and Heads of Departments with guidelines; instructions and formats to be completed for the budget 2023/2024	September 2022	Chief Financial Officer
Councillors on the IDP priorities for 2023/2024	Engage Councillors on the IDP priorities for 2023/2024	Councillors guided by the Mayor and Supported by the Speaker	October 2022-December 2022	IDP Manager
1 st Quarter Report	1 st Quarter Assessment	Assessment of the quarterly reports up to the fourth level of management	October 2022-December 2022	Assessment Panel
Budget 2023/2024	Preparation of budget			Chief Financial

		Submission of completed budget forms to the budget office		Officer
Letter to departments and divisions as a circular	Invitation to departments and divisions to review their business plans in line with the agreed strategic choices from the corporate strategic workshop	Department and divisions to prepare reviewed business plans	November 2022-December 2023	Municipal Manager
Process	Activity	Narration	Timeframe	Responsibility
Issuance of departmental budget forms	Preparation for revenue projects and proposed services charges. Engagement with National Provincial departments on sector specific programmes for alignment with municipality's plan	Budget Division develop MTERF and determines revenue projections and proposed rates and serviced charges and draft initial allocations to divisions and departments for the next financial year after taking into consideration the strategic objectives. (MFMA sections 21, 22 and 23)	November 2022	Municipal Manager Chief Financial Officer
Strategic choices	Identifying gaps and sector alignment	Joint session	November 2022	IDP Steering Committee Municipal Manager's Coordinating Task Team
Budget preparation	Preparation of revenue projections and proposed and service charges	Engages with Provincial and National Sector Departments on sector specific programmes for alignment with municipality plan (schools, libraries, clinics, water, electricity, roads, etc)	December 2022	Chief Financial Officer
Budget submission	Department to submit their revised business plans to IDP and Budget Divisions	Consolidation of the revised business plans	January 2023	Directors
Finalise 1 st Draft IDP 2023/2024	Draft IDP 2023/2024	Complete 1 st Draft IDP to guide the Budget process	January 2023	Municipal Manager
Consolidation of proposals to the draft budget	Budget and Reporting receive budget proposals form departments for consolidation	Accounting Officer and Senior officials consolidate and prepare proposed draft budget and plans for next financial year considering previous year's performance as per audited financial statements and the draft IDP	January 2023	Municipal Manager Chief Financial officer
2 nd Quarter Report	2 nd Quarter Assessment	<ul style="list-style-type: none"> •Municipal Manager •Directors •Manager •Supervisors 	January 2023	Assessment Panel
Budget preparation	Accounting Officer and Senior Officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per	Finalisation of budget proposals and reprioritisation of needs identified in the IDP	January 2023	Municipal Manager Directors

	audited Financial Statements and the reviewed Integrated Development Plan (IDP) of the municipality			
Audit and Performance Audit Report	Submission of 2 nd Quarter Report to Audit and performance Audit Committee	Legislative Requirement	January 2023	Municipal Manager

Process	Activity	Narration	Timeframe	Responsibility
Alignment with National and provincial Priorities	Accounting Officer finalises and submits to the Executive proposed draft budget and plans for the next three year	Accounting officer reviews proposed National, Provincial and District allocations to municipality for incorporation into the draft budget for tabling (proposed National and provincial allocations for three years must be available by 20 January, MFMA section 36)	January 2023	Municipal Manager Chief Financial Officer
Mid-Year Performance Review Report	Submit Mid-Year Budget and Performance Assessment Report 2022/2023 and tabling of the draft Annual Report 2022/2023 to Council	MFMA Sections 72 and 121	January 2023	Municipal Manager
Draft Budget 2023/2024 and Plans for the next three years	The Accounting Officer finalises and submits to the Executive mayor proposed draft budget and plans for the next three year budget taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited Annual Financial Statements and Annual Report	Submission of draft IDP 2023/2024 and the draft Budget 2023/2024 to the Executive Mayor	February 2023	Municipal Manager Chief Financial Officer
Budget preparation	Alignment of plans and priorities for the next financial year	Account Officer reviews proposed National, Provincial, District allocations to municipality for incorporation into the draft budget for tabling. (Proposed National and Provincial allocations for three years must be available by 20 January) MFMA S36	January 2023	Chief Financial Officer
Budget preparation	Accounting Officer finalises and submits to Mayor proposed budgets and plans for	Preliminary tabling /discussion on the draft budget with FINCOM	February 2023	Chief Financial Officer

	next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited Financial Statement and Annual Report			
Adjustment Budget	Submission of Adjustment Budget if any to Council	Special Council Meeting	February 2023	Municipal Manager
2 nd Draft Capital and Operational Budget 2023/2024	Draft Budget 2023/2024 to the Finance Committee and the Mayoral Committee	Presentation of the 1 st Draft Budget 2023/2024 to the Mayoral Committee	March 2023	Executive Mayor
Final Draft IDP 2023/2024 and Final Draft Budget 2023/2024	Presentation of drafts to full council	The Executive Mayor tables the resolutions, plans and proposed revision of the draft IDP 2023/2024 and draft Budget 2023/2024	March 2023	Executive Mayor

Process	Activity	Narration	Timeframe	Responsibility
Publication on Draft IDP 2023/2024 and Draft Budget 2023/2024	Issue a public notice on both draft Budget 2023/2024 and IDP 2023/2024	Publication on the following medium: <ul style="list-style-type: none"> • National newspaper • Provincial newspaper • Local newspaper • Municipal website 	03 April 2023 to 07 April 2023	Municipal Manager
IDP 2022/2023 and Budget 2022/2023 to COGTA and National and Provincial Treasury	Submission of drafts to relevant authorities	Approved IDP 2022/2023 and Budget 2022/2023 and consultation with National and provincial sector departments to finalise sector plans	07 April 2023	Municipal Manager Directors
3 rd Quarter Report	3 rd Quarter Assessment	<ul style="list-style-type: none"> • Municipal Manager • Directors • Manager Supervisors 	April 2023	Assessment Panel
Audit and Performance Audit Report	Submission of 3 rd Quarter Report to Audit and performance Audit Committee	Legislative Requirement	April 2023	Municipal Manager
External Stakeholder Engagement	Public Participation/Izimbizo <ul style="list-style-type: none"> • Ward Councillors • Ward Committees • NGO's • CBO's • Political Parties • Businesses • Trade Unions Presentations <ul style="list-style-type: none"> • Status Quo Report • Confirm 	<p>Once the period of 21 days has lapsed the IDP Community Representative forum will be held to consolidate all the inputs from the relevant stakeholders including the MEC for Corporative Governance and Traditional Affairs</p> <p>Consultation with National and Provincial Treasuries and finalise sector plans for water, sanitation, electricity, etc MFMA S 21</p>	April 2023- May 2023	Speaker Executive Mayor Municipal Manager

	Community Needs <ul style="list-style-type: none"> • Input on Development Plan 			
Consideration of comments	The Executive Mayor responds to submissions made during the consultative sessions	Development of responds lists	April 2023-May 2023	Executive Mayor Municipal Manager Directors
Preparation of the final IDP 2023/2024 and the final Budget 2023/2024	Documentation of all the information gathered during the advertisement period to present	The Accounting Officer assist the Executive Mayor in preparing the final IDP 2023/2024 and the final Budget 2023/2024 documentation for consideration for approval at least 30 days before the start of the budget year considering the processes and any other new information of material nature	May 2023	Executive Mayor Mayoral Committee Members Municipal Manager Directors
Process	Activity	Narration	Timeframe	Responsibility
Budget 2023/2024 and IDP 2023/2024 Approval	Submit Final Budget 2022/2023 and Final IDP 2023/2024	<p>The Executive Mayor tables the budget to council to consider approval of Budget 2023/2024 and IDP 2023/2024 in terms of Municipal Finance management Act, 56 of 2003 and the Municipal Systems Act, 32 of 2000, as amended.</p> <p>Council must approve annual IDP and annual Budget by resolution, setting taxes and tariffs, approving changes to the IDP and Budget relates policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year</p>	31 May 2023	Council
Draft Service Delivery and Budget Implementation Plan 2023/2024	The Accounting Officer submits to the Executive Mayor no later than 14 days after the approval of the IDP 2023/2024 and the Budget 2023/2024 a draft Service Delivery and Budget Implementation Plan 2023/2024 and Annual Performance Agreements as required by section 57(1)(b) of the Municipal Systems Act, 32 of 2000, as amended and section 69 of the Municipal Finance Management Act, 56 of 2003	The Accounting Office must develop the draft Service Delivery and Budget Implementation Plan 2023/2024 within 14 days after the approval of the IDP 2023/2024 and Budget 2023/2024 and submit to the Executive Mayor for approval	14 June 2023	Municipal Manager Directors

Binding Document	Print documents	300 copies	17 June 2023	Service Providers
Approval of the draft Service Delivery and Budget Implementation Plan 2023/2024 and the signing of the Annual Performance Agreements 2023/2024	The Executive Mayor must approve the draft Service Delivery and Budget Implementation Plan 2023/2024 within 28 days after the approval of the IDP 2023/2024 and the Budget 2023/2024 and ensure that the Annual Performance Agreements are concluded in accordance with section 57(1)(b) of the Municipal Systems Act, 32 of 2000, as amended and section 69 of the Municipal Finance Management Act, 56 of 2003	The Executive Mayor submits the approved Service Delivery and Budget Implementation Plan 2023/2024 to council, MEC for Local Government and makes public within 14 days after approval in accordance with section 53 of the Municipal Finance Management act, 56 of 2003 and sections 38, 45 and 57(b) of the Municipal Systems Act, 32 of 2000, as amended	28 June 2023	Executive Mayor Municipal Manager

1.7 Strategic Agenda for the Municipality

The strategic agenda of the municipality is based on the pillars of the Back to Basic Principles as adopted by council. These are the following Key Performance Areas and the Predetermined Objectives for each Key Performance Area:

Key Performance Area	Predetermined Objective
1. Basic Services	Supporting the delivery of municipal services to the right quality and standard
2. Financial Management	Ensuring sound financial management and accounting
3. Local Economic Development	Creating a conducive environment for economic development
4. Institutional Capacity	Building institutional resilience and administrative capability
5. Good Governance, Transparency, Accountability and Public Participation	Promoting good governance, transparency, accountability, Putting people and their concerns first

1.8 International Perspective

In September 2015, the United Nations General Assembly formally adopted the 2030 Agenda for Sustainable Development, along with a set of 17 bold new Global Goals, which Mr. Ba hailed as a universal, integrated, transformative vision for a better world. These goals encourage development by improving social and economic conditions framework for the entire international community to work together toward a common vision and making sure that human development reaches everyone everywhere.

Within the 17 Global Goals there are 169 specific targets which explain in more details what the world could look like by 2030 if the Goals are achieved. Below are the Goals and their specific outcomes:

No	Goal	Outcome
1	No Poverty	End poverty in all forms everywhere
2	Zero Hunger	End hunger, achieve food security and improved nutrition and promote agriculture
3	Good health and well-being	Ensure healthy lives and promote well-being for all ages
4	Quality Education	Ensure inclusive and equitable education and promote lifelong learning opportunities for all
5	Gender Equality	Achieve gender equality and empower all women and girls
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all
7	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Good jobs and economic growth	Promote sustained, inclusive economic growth, full and productive employment and decent work for all
9	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
10	Reduced inequalities	Reduce inequality within and among countries
11	Sustainable cities and communities	Make cities and human settlement inclusive, safe, resilient and sustainable
12	Responsible consumption	Ensure sustainable consumption and production pattern
13	Climate action	Take urgent action to combat climate change and its impacts
14	Life below water	Conserve and sustainably use oceans, seas and marine resources for sustainable development
15	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystem, sustainably manage forest, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16	Peace and justice	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	Partnerships for the goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development

1.9 National Perspective

National Development Plan Vision 2030 informs the national priorities, strategies and policies that must be implemented by all spheres of government. The National Development Plan Vision 2030 offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

The National Development Plan Vision 2030 aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on energies of its people, growing an inclusive economy, build capabilities, enhancing the capacity of the state and promoting leadership and partnerships throughout society.

The National Development Plan Vision 2030 highlights the need to strengthen the ability of local government to fulfil its developmental role. This Integrated Development Plan

2022/2023 is being used more strategically to focus attention on critical priorities in the National Development Plan Vision 2030 that relate the mandate of local government such as spatial planning, infrastructure and basic services.

Like provincial planning processes, this Integrated Development Plan 2023/2024 is used to focus on aspects of the National Development Plan Vision 2030 that fit within a municipality's core responsibilities.

This has allowed the Integrated Development Planning process to becoming more manageable and the participation process more meaningful, thus helping to narrow the gap between the aspirations contained in these documents and what can be achieved. To do this effectively, the Integrated Development Planning process was led by municipal staff, not outsourced to consultants. The National Development Plan Vision 2030 addresses the following chapters and objectives:

Chapter	Objective
Economy and Employment	The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million
Economic Infrastructure	The proportion of people with access to the electricity grid should rise to at least 90% by 2030 with non-grid options available to the rest
Environmental Sustainability and resilience	A set of indicators for natural resources, accompanied by publication of annual reports on the health of identified resources to inform policy
Inclusive rural economy	An additional 643 000 direct jobs and 326 000 indirect jobs in agriculture, agro processing and related sectors by 2030
South Africa in the region and the world	Intra-regional trade in Southern Africa should increase from 7% of trade to 25% of trade by 2030
Transforming Human Settlement	Strong and efficient spatial planning system, well integrated across the spheres of government
Improving education, training and innovation	Make early childhood development a top priority among the measures to improve the quality of education and long-term prospects of future generations. Dedicated resources should be channelled towards ensuring that all children are well cared for from early age and receive appropriate emotional, cognitive and physical development and stimulation
Health care for all	Increase average male and female life expectancy at birth to 70 years
Social protection	Ensure progressively and through multiple avenues that no one lives below a defined minimum social floor
Building safer communities	In 2030 people living in South Africa feel safe and have no fear of crime. They feel safe at home, at school and at work, they enjoy an active community life free of fear. Women can walk freely in the street and children can play safely outside. The police service is a well-resourced professional institution staffed by highly skilled officers who value their work, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence and respect the rights of all to equality and justice
Building capable and developmental state	A state that can play a developmental and transformative role
Fighting corruption	A corrupt-free society, a high adherence to ethics throughout society and government that is accountable to its people
Nation building and social cohesion	Our vision is a society where opportunity is not determined by race or birth right, where citizens accept that they have both rights and responsibilities. Most critically, we seek a united, prosperous, non-racial, non-sexist and democratic South Africa

1.10 Provincial Perspective

The overarching goal of the Free State Growth and Development Strategies is to align the provincial and national policies and programmes and to guide development in terms of effective and efficient management and governance to achieve growth and development. The strategy is a living document that uses the latest business planning and evaluation tools in order to maximise the effect of all spending.

A consultative process was embarked on through which social partners provided valuable inputs which culminated in the Free State Growth and Development Strategies that is truly a product of all the people in the province. The Free State Growth and Development Strategies seeks to address the following key priority areas as well as strategies and programmes that are relevant to the municipality:

Key Priority Area	Strategy	Programme
Inclusive Economic growth and sustainable job creation	Support the creation and expansion of SMME	<ul style="list-style-type: none"> • Facilitate and improve access to finding sources and support for SMME development • Support small scale farmers • Support to beneficiaries of land redistribution and restitution programme • Support farmers through Comprehensive Agricultural Support Programme • Implement internship programmes for SMMEs • Train SMMEs in business skills • Enhance SMME support structures • Create local business support infrastructure • Support organised agriculture (NADU) • Maintain central business support infrastructure including business data base • Develop and improve institutional capacity for SMME support • Implement Local Economic Development Programme
	Optimise tourism opportunities	<ul style="list-style-type: none"> • Improve tourism marketing and business support • Develop tourism support structure • Develop and increase tourism products

		<ul style="list-style-type: none"> • Increase events and activity tourism • Promote all forms of tourism
	Optimise agricultural production	<ul style="list-style-type: none"> • Diversify agricultural products • Introduce high value crop
	Facilitate provision of conducive environment to accelerate infrastructure development	<ul style="list-style-type: none"> • Develop enabling policies, strategies and capacity • Transform government property ownership (Broad Based Black Economic Empowerment)
	Avail land for infrastructure development	<ul style="list-style-type: none"> • Support the macro planning and identify urban nodes • Secure land tenure rights in the Free State
	Ensure advanced enabling infrastructure network	<ul style="list-style-type: none"> • Expand on-line learner technology • Expand utilisation of Information Communication Technologies
	Improve the maintenance of government property	<ul style="list-style-type: none"> • Ensure designated funding for maintenance • Upgrading and maintain buildings
Education innovation and skills development	Enhance people's skills and self-reliance	<ul style="list-style-type: none"> • Implement adult literacy and numeracy programmes • Provide Adult Basic Education and Training in accordance with Adult Basic Education and Training Act • Implement skills development programmes • Capacity building of clients incorporated in service delivery • Implement Learnership Programmes
	Address the backlog about social infrastructure	<ul style="list-style-type: none"> • Provide housing • Provide sanitation • Eradicate bucket system where there is access to water and infrastructure • Provide water • Provide electricity • Provide education infrastructure • Provide health infrastructure • Provide library infrastructure • Provide sport facilities

		<ul style="list-style-type: none"> • Provide multi-purpose centres
Key Priority Area	Strategy	Programme
Improved quality of life	Improve safety-net and livelihood	<ul style="list-style-type: none"> • Increase to social grants • Provide emergency food security to needy families and individuals • Implement School Nutrition programme • Provide transport for farm school learners • Provide accommodation for learners from non-viable farm schools
	Accelerate community development support	<ul style="list-style-type: none"> • Increase access to commonage • Implement community development projects • Income Generation projects for Youth, Women and Persons with Disability
	Engage and promote participation in cultural activities	<ul style="list-style-type: none"> • Promote major cultural events • Provide museum and heritage services • Build capacity in visual and performing arts
	Engage and promote participation in recreational sport	<ul style="list-style-type: none"> • Facilitate mass participation and recreational activities/events
	Accelerate performance in sport	<ul style="list-style-type: none"> • Render sport science, exercise rehabilitation and sport development services
	Provide special programmes for the survival development, care and protection of the vulnerable	<ul style="list-style-type: none"> • Implement training programmes to support the care and protection of the vulnerable • Implement service programmes targeting vulnerable children, vulnerable women, vulnerable older and frail persons • Provide Early Childhood Development Services • Implement programmes targeting the unemployed and out-of-school youth • Promote social integration and empowerment of people with disabilities • Implement Special programmes for the

		vulnerable in government
	Restore morals	<ul style="list-style-type: none"> • Implement moral regeneration programmes for the community • Implement moral regeneration programmes within government
	Reduce the burden of disease	<ul style="list-style-type: none"> • Implement and monitor comprehensive plan on care, treatment and management of HIV and AIDS • HIV and AIDS prevention and support programmes • Provide integrated service to people affected and infected by HIV and AIDS • Implement the national TB strategy • Improve the immunisation coverage of children • Implement Provincial Health Promotion Strategy • Implemented Integrated Management of Childhood Illness Strategy
Sustainable Rural Development	Establish an effective disaster prevention and response capacity for disasters throughout the Province	<ul style="list-style-type: none"> • The coordination of integrated disaster management services • Minimise the impact of disasters • Implement integrated disaster management strategy
	Improve traffic and road incident management in the Province	<ul style="list-style-type: none"> • Provide effective emergency communication • Implement road traffic regulations effectively • Implement effective emergency services
	Ensure a safe and secure environment at all institutions	<ul style="list-style-type: none"> • Implement safety programmes at all institutions
Key Priority Area	Strategy	Programme
Efficient Administration	Improve integrated	<ul style="list-style-type: none"> • Align and coordinate

and Good Governance	development planning and implementation	<p>Integrated Development Plan and Free State Growth and Development Strategies</p> <ul style="list-style-type: none"> • Improve Cluster system across the two spheres of government in the province • Ensure effective implementation of intergovernmental relations • Coordinate strategic programmes (EPWP, ISRDP, CWP etc.) • Promote the involvement of traditional Leadership • Maintain and consolidate constructive partnerships with all key provincial role players • Implement National and Provincial Programme of Action • Implement Community Based Ward Planning through Ward Committees • Accelerate Community Development Worker's Programme
	Ensure effective communication with stakeholders and clients	<ul style="list-style-type: none"> • Improve interaction between government and the people • Implement One Stop government services • Implement e-Government
	Promote Black Economic Empowerment	<ul style="list-style-type: none"> • Create opportunities for Broad Based Black Economic Empowerment for Women, Youth and people with disabilities • Review procurement system
Efficient Administration and Good Governance	Ensure effective Human Resource Development and Management	<ul style="list-style-type: none"> • Coordinate integrated human resource development strategy • Coordinate employment equity plan • Coordinate retention strategy • Coordinate employee assistance programme • Coordinate bursaries and Learner Support programme
	Ensure improvement in Financial Management	<ul style="list-style-type: none"> • Improve and coordinate revenue resources and

		mechanisms <ul style="list-style-type: none"> • Strengthen financial management capacity in departments • Strengthen financial management capacity in municipalities
	Promote integrity in government	<ul style="list-style-type: none"> • Implement anti-corruption and fraud strategy • Promote ethical behaviour in government
	Establish proper management information and records management systems	<ul style="list-style-type: none"> • Improve record management services in departments • Secure information within departments
	Improve assets management	<ul style="list-style-type: none"> • Improve control of assets and resources
	Build government's capacity in critical areas	<ul style="list-style-type: none"> • Improve financial management capacity • Improve strategic planning training monitoring and evaluation capacity • Develop information technology skills • Enhance Batho Pele skills • Provide capacity building programmes for all staff
	Ensure a health environment through integrated environmental management	<ul style="list-style-type: none"> • Implement integrated environmental management • Coordinate integrated environmental management
	Monitor, evaluate and review Free State Growth and Development Strategies	<ul style="list-style-type: none"> • Implement Free State Growth and Development Strategies Monitoring and Evaluation System

1.11 District Perspective

The Thabo Mofutsanyana District Municipality is responsible for drafting the District Integrated Development Framework, a mechanism to ensure alignment and integration between the IDPs of the district and the following local municipalities:

- Phumelela;
- Mantsopa;
- Maluti-a-Phofung;
- Nketoana;
- Dihlabeng and Setsoto

The Framework is to guide and inform the process plan of the district and its local municipalities. It provides the linkages for relationships established between the district and

local municipalities. In doing so, proper consultation, co-ordination and alignment of the Integrated Development Planning process of the district and its local municipalities can be maintained

The powers and functions of the district municipality are clearly prescribed in Chapter 5 of the Local Government: Municipal Structures Act, 119 of 1998. Section 83 of the Act states:

“A district municipality must seek to achieve the integrated sustainable and equitable social and economic development of its area as a whole by- “

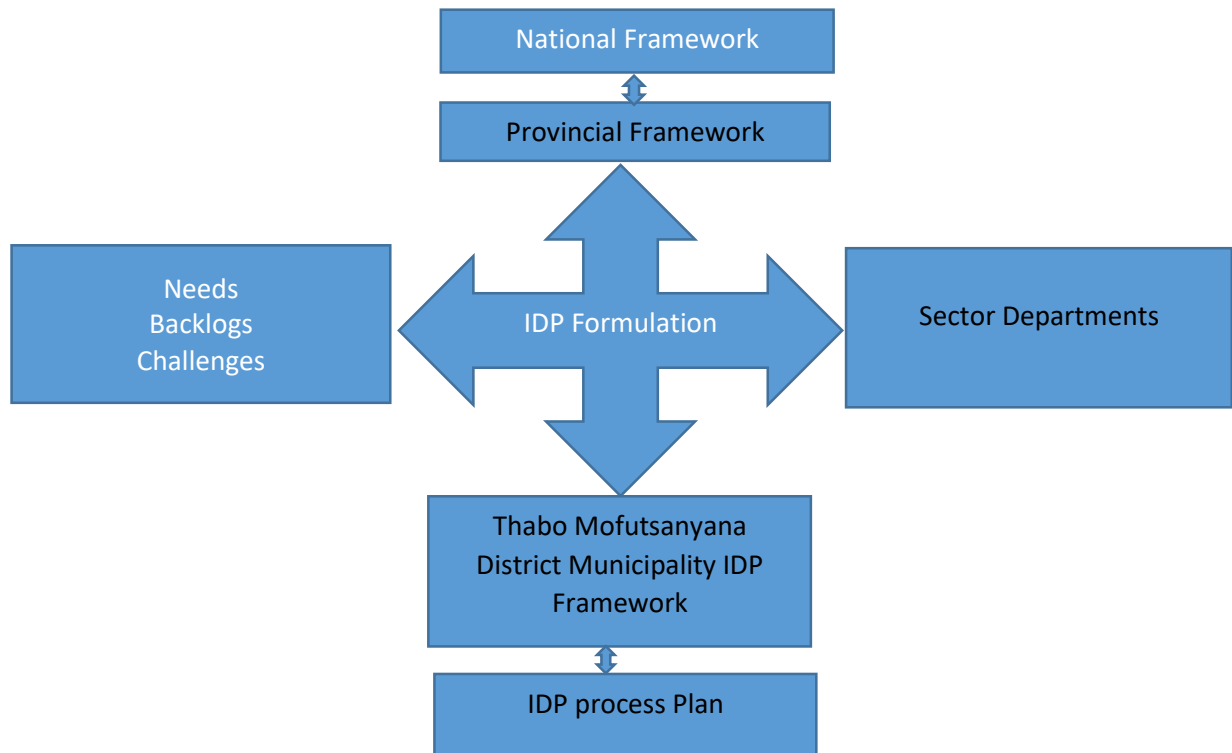
- (a) Ensuring integrated development planning for the district as a whole;
- (b) Promoting bulk infrastructure development and service for the district as a whole;
- (c) Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- (d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

There are various roles that a district should play to drive regional planning and development, and one way is through the development of a framework for integrated development planning in the district. The district has, therefore, developed a framework from which local municipalities IDPs should be aligned. The current Integrated Development Planning Framework for the district for the previous term of council was presented to all local municipalities in Reitz on the 06-07 July 2016.

Based on the Sustainable Development Goals, the National and Provincial priorities, the Thabo Mofutsanyana developed the following priority areas for the district:

Government Priorities	Thabo Mofutsanyana District Municipality's Priorities
Basic Service and Infrastructure	Basic Service and Infrastructure
Local Economic Development	Local Economic Development
Organisational Development and Transformation	Organisational Development and Transformation
Financial Viability and Management	Financial Viability and Management
Good Governance and Public Participation	Good Governance and Public Participation

This is essential to ensure that the district and local municipalities priorities are reflected in the different department's project prioritisation process and in turn that the department's projects are reflected in the Integrated Development Plans. Regular strategic meetings with sector departments would be required during the Integrated Development Planning to ensure horizontal and vertical alignment.



1.12 Local Perspective

The people driven Integrated Development Plan and Budget of the municipality reflect the community priorities. In addition, the Integrated Development Plan is also informed by the Global Perspective, National Perspective, Provincial Perspective and the Thabo Mofutsanyana District Municipality Integrated Development Plan Framework for 2023/2024, therefore the Integrated Development Plan 2023/2024 is a government-wide expression of developmental commitments.

All strategies and agendas, whether global, national, provincial or district, are underpinned and guided by and designed to satisfy the needs of all local communities. Municipal citizenry takes the lead in defining and shaping their priorities through a variety of public participation processes and programmes, such as ward based planning, Community Development Workers and Ward Committees. The following are the Key Performance Areas of the municipality as informed by the global, national, provincial and district key priority areas:

Key Performance Area	Predetermined Objective
Basic Services	Supporting delivery of municipal services to the right quality and standard
Financial Management	Ensuring sound financial management and accounting
Local Economic Development	Creating a conducive environment for economic development
Institutional Capacity and Transformation	Building institutional resilience and administrative capacity
Promoting Good Governance, Transparency, Accountability and Public Participation	Promoting good governance, transparency, accountability Putting people and their concerns first

1.13 Municipality's Integrated Development Plan Role-Players and Stakeholders

Various role-players and stakeholders have guided the Integrated Development Planning and Budgeting processes. These are:

- (a) Community members
- (b) Political Organisations
- (c) Business Organisations
- (d) Non-governmental organisations
- (e) Non-profit Organisations
- (f) Community Based organisations
- (g) Councillors
- (h) Sector Departments of National and Provincial Governments
- (i) Thabo Mofutsanyana District Municipality
- (j) Ward Committees
- (k) Community Development Workers
- (l) Municipal Staff

1.14 Legislative Framework

1.14.1 Constitution of the Republic of South Africa, Act 108 of 1996

It stipulates that a municipality must give priority to the basic needs of its community and promote their social and economic development to achieve a democratic, safe and healthy environment. Section 33 supported by section 195 which outlines basic values and principles governing public administration highlight the following principles:

- A high standard of professional ethics must be promoted and maintained;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented
- Services must be provided impartially, fairly, equitably and without bias;
- People's needs must be responded to, and the public must be encouraged to participate in policy-making;
- Public administration must be accountable;
- Transparency must be fostered by providing the public with timely, accessible and accurate information;
- Good human resource management and career-development practices, to maximise human potential, must be cultivated; and
- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

The Constitution of the Republic of South Africa outlines the kind of local government needed in the country. According to the Constitution, particularly sections 152 and 153, local government oversees the development process in municipalities, and notably in charge of planning for the municipal area. The Constitutional mandate gives a clear indication of the intended purposes of municipal integrated development planning, which is to:

- ✓ Ensure sustainable provision of services;
- ✓ Promote social and economic development;
- ✓ Promote safe and healthy environment;
- ✓ Give priority to basic needs of communities; and
- ✓ Encourage involvement of communities.

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

1.14.2 The White Paper on Local Government, 1999

Within any local area many different agencies contribute to development, including national and provincial departments, parastatals, trade unions, community groups and private sector institutions. Developmental local government must provide a vision and leadership for all those who must play a role in achieving local prosperity. Poor coordination between service providers could severely undermine the development effort. Municipalities should actively develop ways to leverage resources and investment from both public and private sectors to meet development targets.

One of the most important methods of achieving greater coordination and integration is integrated development planning. Integrated development plans provide powerful tools for municipalities to facilitate integrated and coordinated delivery within their locality. The principles set out in the Development Facilitation Act should guide municipalities in their approach to building integrated, liveable settlements. There is a summary of these principles in Annexure D at the back of the White Paper (See also point 3.1 for more detail on integrated development plans.)

While strategies for building human settlements may differ between localities, the establishment of sustainable and liveable settlements depends on the coordination of a range of services and regulations, including land-use planning, household infrastructure, environmental management transport, health and education, safety and security and housing. Municipalities will need to work closely with other sphere of government and service providers to play an active integrating and coordinating role here.

Municipal Councils play central role in promoting local democracy. In addition to representing community interest within the Council municipal councillors should promote the involvement of citizens and community groups in the design and delivery of municipal programmes. In the past, local government has tended to make its presence felt in communities by controlling or regulating citizen's actions.

While regulations remain an important municipal function, it must be supplemented with leadership encouragement, practical support and resources for community action. Municipalities can do a lot to support individual and community initiative, and to direct community energies into projects and programmes which benefit the area. The involvement of youth organisations in this regard is particularly important.

Municipalities need to be aware of the divisions within local communities and seek to promote the participation of marginalised and excluded groups in community processes. For example there are many obstacles to the equal and effective participation of women, such as social values and norms, as well as practical issues such as the lack of transport, household responsibilities, personal safety, and etc. municipalities must adopt inclusive approach to fostering community participation, including strategies aimed at removing obstacles to, and actively encouraging, the participation of marginalised groups in the local community.

A central principle of Reconstruction and Development programme is the empowerment of the poor and marginalised communities. This is repeated in the Growth, Employment and Redistribution strategy which calls for "a redistribution of income and opportunities in favour

of the poor". Developmental local government is uniquely placed to combine empowerment and redistribution in several concrete programmes:

- Service subsidies are a focused mechanism for providing services to the poor at below cost, and thereby provide an opportunity for low-income households to improve their circumstances. The equitable share will provide the basis for a standardised subsidy mechanism for all poor households. Municipalities need to plan the level and number of additional subsidies in a way which is affordable within the overall municipal budget.;
- Support to community organisations in the form of finances, technical skills or training can enhance the ability of the poor to make their needs known and to take control of their own development process;
- Linkage policies aim to directly link profitable growth or investment with redistribution and community development. An example is a development levy imposed in fast-growing areas and used to subsidise housing or other services for the poor. An alternative is a condition which requires developers to make social responsibility investment in return for planning permission. Another example is a condition impose on companies which supply goods and services to municipalities to invest in training, affirmative action or community development; and
- Socio-economic development and community empowerment are mainly directed at poverty eradication. Most of the poor are women, and empowerment strategies which focus on women are likely to prove the most effective and inclusive. Municipalities need to develop their capacity to understand the diverse needs of women in the community and address these needs in planning and delivery processes to enhance their impact on poverty eradication.

Extremely rapid changes at the global, regional, national and local levels are focusing local communities to rethink the way they are organised and governed. All over the world communities must find the new ways to sustain their economies, build their resources, protect their environments, improve personal safety (for women) and eliminate poverty.

There is no single correct way to achieve these goals. National frameworks and support from other levels of government are critical, but cities, towns and rural communities are increasingly having to find within themselves ways to make their settlements more sustainable.

This requires trust between individuals and open and accommodating relationships between stakeholders. Local government has a key role to play in building this kind of social capital- this sense of common purpose-to find local solutions for increased sustainability. In practical terms, municipalities can build social conditions favourable to development through:

- Building the kind of political leadership that can bring together coalitions and networks of local interests that cooperate to realise a shared vision;
- Responsive problem-solving and commitment to working in open partnerships with business, trade unions and community-based organisations;
- Ensuring that knowledge and information are acquired and managed in a way that promotes continuous learning and which everyone can access easily and quickly;
- Enhancing local democracy through raising awareness of human rights issues and promoting constitutional values and principles;
- Building an awareness of environmental issues and how the behaviour of residents impacts on the local environment, and encouraging citizens to utilise scarce natural resources in a prudent, careful manner;
- Investing in youth development as a key resource for the future, and building on their creativity and motivation through involvement in civic and development programmes;

- Actively seeking to empower the most marginalised groups in the community and encouraging participation, and
- Empowering ward councillors as community leaders who should play a pivotal role in building a shared vision and mobilising community resources for development.

Developmental local government requires that municipalities become more strategic, visionary and ultimately influential in the way they operate. Municipalities have a crucial role as policymakers, as thinkers and innovators, and as institutions of local democracy. A developmental municipality should play a strategic policy-making and visionary role and seek to mobilise a range of resources to meet basic needs and achieve developmental goals.

Citizens and communities are concerned about areas where they live: they are concerned about access to services and economic opportunities, mobility, safety, absence of pollution and congestion, proximity of social and recreational facilities and so on. Local government can impact on all these facets of our lives. The outcomes which developmental local government seeks to achieve may differ over time. However, in our current circumstances the key outcomes are as follows:

- Provision of household infrastructure and services;
- Creation of liveable, integrated cities, towns and rural areas;
- Local economic development; and
- Community empowerment and redistribution.

Each of these outcomes needs to be seen within the context of global, regional, national and provincial development and the principles and values of social justice, gender and racial equity, nation-building and the protection and regeneration of the environment.

1.14.3 Municipal Systems Act, Act 32 of 2000

Section 25 (1) of the Municipal Systems Act stipulates that “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality”.

The Act dictates that the plan should:

- Link, integrate and co-ordinate plans and should consider proposals for the development of the municipality.
- In addition, the plan should align the resources and capacity of the municipality with the implementation of the plan.

Moreover, the plan must form the policy framework and general basis on which annual budgets must be based. Furthermore, the plan should be compatible with national and provincial development planning requirements binding on the municipality in terms of legislation.

The IDP has a legislative status. Section 35 (1) of the Municipal Systems Act, 32 of 2000 states that an IDP adopted by the council of a municipality—

- is the principal strategic planning instrument which guides and informs all planning and development, and all decisions regarding planning, management and development, in the municipality;
- binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality’s integrated development plan and national or provincial legislation, in which case such legislation prevails; and

- binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law

1.14.4 Municipal Systems Amendment Act, Act 7 of 2011

The Municipal Systems Amendment Act, No 7 of 2011 heralded a new era in the history of local government in South Africa. In principle, it sought to professionalise local governance by ensuring that incumbents holding senior positions-

- (i) have the appropriate qualifications; and
- (ii) there is no conflict of interest between political office and local government administration by barring political office bearers from holding senior positions in local municipal offices.

Section (1) 56A of the Municipal Systems Amendment Act, 7 of 2011 states that:

“A municipal manager or manager directly accountable to a municipal manager may not hold political office in a political party, whether in a permanent, temporary or acting capacity.”

A political office in relation to a political party or structure thereof, is defined as-

- (a) “the position of chairperson, deputy chairperson, secretary, deputy secretary or treasurer of the party nationally or in any province, region or other area in which the party operates; or
- (b) Any position in the party equivalent to a position referred to in paragraph (a), irrespective of the title designated to the position.

Another key amendment relates to the re-hiring of dismissed staff. Section 57A (l) of the Municipal Systems Act, 7 of 2011, states that:

“Any staff member dismissed for misconduct may only be re-employed in any municipality after the expiry of a prescribed period.”

The Act is much harsher on employees dismissed for financial misconduct. 9The Act stipulates that a staff member dismissed for financial misconduct, corruption or fraud, may not be re-employed in any municipality for a period of ten years (Section 57A (3)). This Amendment Act contains proposals that are guaranteed to have profound impact on the governance of Phumelela municipality. Serious attempts will be made to accommodate these recommendations in the IDP.

As of the 09 March 2019, The Constitutional Court Ruling on the invalidity of the Municipal Systems Amendment Act, 07 of 2011, became effective and DeCOG issued Circular 1 of 2019 that assist the municipalities to put in interim measures while the tagging processes are being finalised. During the budget bilateral held on the 06 May 2018, Provincial Treasury requested the Free State CoGTA to assist the municipality in implementing the interim measures as envisaged in Circular 1 of 2019.

1.14.5 Municipal Finance Management Act, Act 56 of 2003

Section 53 of the Municipal Finance Management Act, 56 of 2003 makes provision for alignment between the IDP and the Municipal Budget. The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and Budget are aligned. Section 53 (1)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the Service Delivery and Budget Implementation Plan as a detailed plan approved by the mayor of the municipality’s delivery of municipal services and its annual budget, and which must indicate the following:

- (a) projection for each month of: -
 - (i) revenue to be collected, by source
 - (ii) operational and capital expenditure, by vote
- (b) service delivery targets, and performance indicators for each quarter; and
- (c) other matters prescribed

Section 52 (d) of the Municipal Finance Management Act, 56 of 2003 compels the Mayor to submit a report to council on the implementation of the budget and the financial state of affairs of the municipality within thirty (30) days of the end of each quarter. The quarterly performance projections captured in the Service Delivery and Budget Implementation Plan form the basis of the Mayor's quarterly report.

The actual organisational performance will be measured within the Service Delivery and Budget Implementation Plan quarterly reporting, where performance is to be examined against defined key performance areas. Appropriate remedial action will be taken to address poor or non-performance with service delivery.

1.14.6 Municipal Planning and Performance Management Regulation of 2001

Makes provision for inclusion in the Integrated Development Plan of the following:

- (i) institutional framework for implementation of the Integrated Development Plan;
- (ii) investment and development initiatives;
- (iii) Key Performance Indicators and other important statistical information;
- (iv) A financial plan; and
- (v) A Spatial Development Framework.

1.14.7 Spatial Planning and Land Use Management Act, Act 16 of 2013

It provides that each municipality be responsible for municipal spatial planning and land use management within its jurisdiction. This requires that the municipality to make administrative decisions which are lawful, reasonable and procedurally fair. The spatial planning and land use management legislative change and reform (as encapsulated by the SPLUMA) has brought significant changes. The most notable is the way spatial planning and land use management decisions are to be made in the municipal sphere of government.

The Spatial Planning and Land Use Management Act, 16 of 2013, further permits the political leadership at municipal sphere of government to decide on the future of development vision for an area through the development and approval of the spatial development frameworks and thereafter to have land use management decisions to be consistent with the spatial development frameworks. It also involves the consideration and determination of all land use and land development applications to be categorised with certain categories of applications being decided upon by Municipal Planning Tribunal and other categories of applications being decided upon by an Authorising Official.

In addition, the Spatial Planning and Land Use Management Act, 16 of 2013, requires that all appeals of the first instant decisions should be determined internally by the executive authority of the municipality as the Appeal Authority. The Spatial Planning and Land Use Management Act, 16 of 2013, therefore, introduces a Spatial Planning System which consist of four levels of planning which are individually interrelated, which include:

- Spatial Development Frameworks and specific Municipal Spatial Development Frameworks;
- Development principles guiding spatial planning, land use management and land development;
- Management of land use through Land Use Schemes; and procedures and processes for preparations, submissions and consideration of Land Development Applications (together with provincial planning legislation and municipal planning bylaws).

1.15 How was our Integrated Development Plan developed?

The procedure for drafting the Integrated Development Plan as an event-centred approach, comprises a systematic sequence of planning activities as outlined in the Integrated Development Plan Guide Packs, the Revised Integrated Development Plan Guide for the municipalities outside Metros and Secondary Cities and the Integrated Planning and Accountability Model 2016 and detailed in the Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023. These activities are carefully organised in certain planning events or steps to be carried out in different phases.

This section provides an overview of the planning process and methodology followed for the formulation of the Integrated Development Plan 2023/2024 for the local municipality. It specifically deals with the way in which the local municipality completed activities within the different phases of the Integrated Development Plan 2023/2024 formulation. Finally, this section also makes provision for self-assessment of the way in which the methodology complied with the process and procedures described in the IDP Process Plan and Budget Process Timetable 2022/2023

1.16 The Integrated Development Plan Review Process Plan and Budget Process Timetable 2022/2023

In order to ensure the effective and productive formulation and implementation of the integrated development plan review process, the Integrated Development Plan Steering Committee compiled Integrated Development Plan Review Process Plan and Budget Process Timetable 2022/2023 which functions as a business plan and management tool to assist with the day-to-day management of the review process. The Integrated Development Plan Review Process Plan and Budget Process Timetable 2022/2023 deals with several aspects aimed at streamlining the integrated development plan review process, as detailed below.

Firstly, the institutional arrangements are outlined which provides a clear understanding of the organisational structure, the different role-players (internal and external), as well as the distribution of their roles and responsibilities. Since the active involvement of the community and stakeholder organisations is a key feature in the Integrated Development Plan formulation, the Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 also makes provision for mechanisms and procedures for public participation.

A Public Participation Strategy has been adopted which contains several tools and principles for participation, roles and responsibilities, means of encouraging participation and logistical arrangements. To ensure parallel processes and effective co-ordination between the local municipality and other spheres of government, the Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 also includes different procedures for alignment.

It makes provision for alignment with the Integrated Development Plan Review Framework of the Thabo Mofutsanyana District Municipality which is a mutually aligned review process highlighting agreement principles, communication mechanisms, joint events and timeframes as well as organisational structures and mechanisms for solving disputes.

Finally, the Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 provides a detailed Action Plan with Budgeted Cost with Timeframes for implementation of all planning activities as well as a summary of all external planning requirements to ensure a truly integrated review process.

The Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 was adopted by Council on the 31 August 2022. Although the intention of the Integrated Development Plan Process Plan and Budget Process Timetable 2022/2023 is to effectively guide the formulation of the Integrated Development Plan 2023/2024, several changes were made during the formulation process. Deviations where the procedures did not conform to the originally intended formulation process are discussed at the self-assessment of the planning process below.

1.17 Formulation Procedure and Planning Activities

The procedure for formulating the Integrated Development Plan 2023/2024 included several planning activities combined into different steps and phases detailed in the following paragraphs.

1.17.1 Section B: Situational Analysis

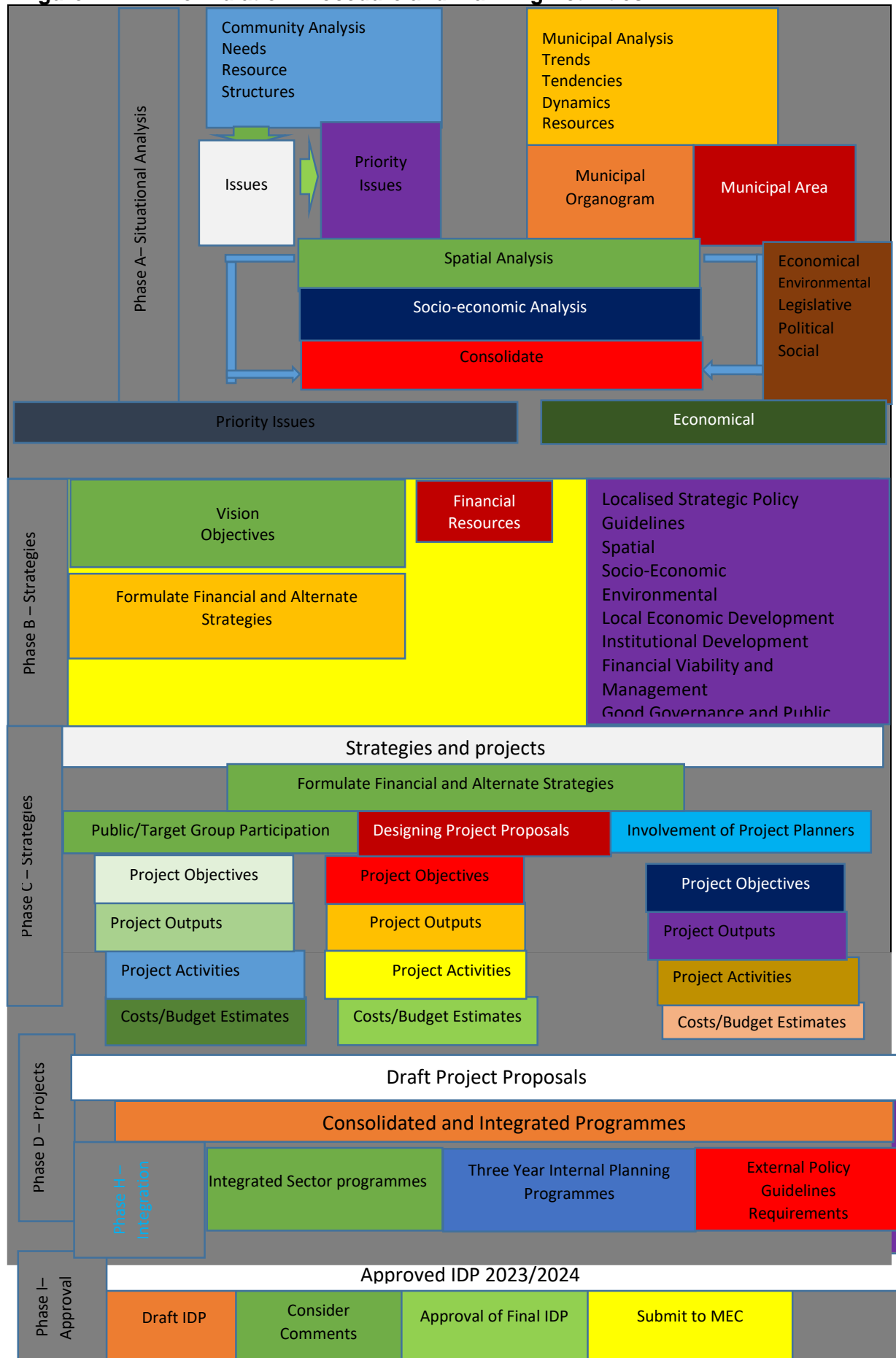
The Situational Analysis phase of the Integrated Development Plan 2023/2024 is regarded as the platform of existing trends and current realities within the municipal area where communities and stakeholders were given the opportunity to analyse their problems and determine their priorities. The main purpose of this phase was to form an understanding of the dynamics influencing development within the framework of people's priority needs and knowledge in respect of available resources.

During this phase, several planning steps were followed to analyse developmental problems, major trends and causing factors as well as the availability of capacity of resources. In order to achieve the desired outputs, this phase comprised both community analysis as well as a municipal analysis. Prior to any community involvement, a current reality scan was done which included the compilation and documentation of all available quantitative (socio-economic indicators) and qualitative (previous visions, goals and strategies) information.

This information assisted the community analysis process regarding the identification of community needs and issues, existing infrastructure and structures, resources and capacities that would guide the identification of community priorities. The municipal level analysis focussed on the identification of prevailing trends, tendencies and dynamics which affect the core operational and management requirements of the institution and its area, as well as the available resources to address these problems.

In order to ensure that the development strategies and projects consider all economic, environmental, legislative, technological, political and institutional potential and limitations, an investigation in respect of strengths, weaknesses, opportunities and threads was conducted throughout the process.

Figure 1.1 IDP Formulation Procedure and Planning Activities



Furthermore, in support of the municipal and community analysis, both a spatial and socio-economic analysis were conducted in order to highlight spatial constraints, opportunities and trends as well as to sufficiently consider the needs of disadvantaged population groups and under developed areas.

Based on the inputs from different analysis as described above, several priority issues were identified aimed at giving direction to the remaining phases of the Integrated Development Plan 2023/2024. An in-depth analysis of the underlying causes for each priority was conducted in order to ensure that the priorities were addressed effectively in the strategies and projects phases.

The priorities were used to give developmental direction during the formulation process. It was therefore necessary to evaluate the priority issues in terms of broader development direction that the Sustainable Development Goals, National Development Plan Vision 2030, Medium Term Strategic Framework 2014-2019, The Free State Growth and Development Strategies and the Thabo Mofutsanyana District Municipality Integrated Development, the province and the district respectively.

1.17.2 Section C: Strategies

Given the development priorities identified in the previous phase, the strategies phase ensured ample opportunity for public debate on the appropriate ways and means of solving problems. The aim of this phase was to define what benefit the municipality need to deliver, as well as what choices and solutions need to be made in order to achieve the benefits. In attempting to address the priority areas identified in the analysis phase in an integrated manner, a need was identified to formulate a common vision in order to build a base for agreement and consensus, concentrating on common aspirations of all concerned parties.

In line with the development vision as well as the priority issues identified in Phase B, a set of interrelated midterm objectives were identified for each priority issue reflecting the desired future and providing direction to the planning and implementation process. Following the above, a set of localised strategy guidelines were formulated in conjunction with the Thabo Mofutsanyana District Municipality and other sister municipalities in order to guide strategy formulation.

The purpose of this exercise was to consider all national and provincial policy guidelines as well as to address issues of common interests throughout the district. With the localised strategy guidelines and clear objectives in mind, it was possible to take the process one step further by formulating alternative strategies aimed at achieving the relevant development objectives. The strategies were formulated against the background of a resource framework that considered internal and external financial resources as well as available natural and human resources.

The alternative strategies were then debated during the Integrated Development Plan Community Representative held to gain insight into the functionality of each alternative and to determine acceptability regarding the implementation thereof. Taking cognisance of the community input, the alternatives were then transformed into final strategies after which specific projects were identified for implementation together with a preliminary budget that is municipal Standard Chart of Accounts compliant.

1.17.3 Section D: Project

Derived from strategies and identified projects it was necessary to take the process yet another step forward by ensuring the detailed design of concrete and sufficiently specified project proposals. The purpose of this phase was to create a smooth and effective planning and implementation link by identifying structures and appropriate roles for implementation as well as designing mechanisms for financing, implementing and monitoring of projects within available resources. More specifically, the following aspects were considered during the detailed project design:

- Project objectives and performance indicators (quantitative and qualitative);
- Project output, targets and location;
- Major activities, responsibilities and timing;
- Internal and external budget estimates and sources of finance; and
- A set or prioritisation criteria to distinguish between the levels of importance.

The detailed design of projects was done by Municipal Manager's Integrated Development Plan Task Team. It is intended that Municipal Manager's Integrated Development Plan Task Team continue to exist in order to oversee the implementation and monitoring of projects as well as to adjust project designs if necessary.

1.17.4 Section E: Spatial Development Framework

To be included in Section E.

1.17.5 Section F: Financial Strategy

The fundamental success of a strategy depends on three critical factors:

- A firm's alignment with external environment;
- A realistic internal view of core competencies and sustainable competitive advantages; and
- Careful implementation and monitoring

Any person, corporation, or nation should know who or where they are, where they want to be, and how to get there. The strategic planning process utilises analytical models that provide a realistic picture of the individual, corporation, or nation at its "consciously competent" level, creating the necessary motivation for the development of a strategic plan.

The process requires five distinct steps outlined below and the selected strategy must be sufficiently robust to enable the firm to perform activities differently from its rivals or to perform similar activities in a more efficient manner.

A good strategic plan includes metrics that translate the vision and mission into specific end points. This is critical because strategic planning is ultimately about resource allocation and would not be relevant if resources were unlimited. This chapter aims to explain how finance, financial goals, and financial performance can play a more integral role in the strategic planning and decision-making process, particularly in the implementation and monitoring stage.

1.17.5.1 The Strategic Planning and Decision-Making Process

1.17.5.1.1 Vision Statement

The creation of a broad statement about the municipality's values, purpose, and future direction is the first step in the strategic-planning process. The vision statement must express the municipality's core ideologies-what it stands for and why it exists-and its vision for the future, that is, what it aspires to be, achieve or create.

1.17.5.1.2 Mission Statement

An effective mission statement conveys nine key components about the organisations:

- Target different consumer categories;
- Basic services;
- Geographic domain;
- Core technologies;
- Commitment to sustainability;
- Growth and viability;
- Philosophy;
- Self-concept; and
- Desired public image

The municipality Medium term Revenue and Expenditure Framework goals represent its commitment to a strategy that is innovative, updated, unique, value-driven, and superior to those of competitor.

1.17.5.1.3 Analysis

This is the analysis of the municipality's business trends, external opportunities, internal resources and core competencies. For external analysis, most company's utilise the Porter's Five Forces Model of industry competition, which identifies company's level of rivalry with existing competitors, the threat of substitute products, the potential for new entrants, the bargaining power of suppliers and the bargaining power of customers.

For internal analysis, companies can apply Industry Evolution Model, which identifies take-off (technology, product quality and product performance features), rapid growth (driving cost down and pursuing product innovation), early maturity and slowing growth (cost reduction, value services and aggressive tactics to maintain or gain market share), market saturation (elimination of marginal products and continuous improvement of value-chain activities, and stagnation or decline (redirection of fastest-growing market segments and efforts to be a low-cost industry leader.

Another method, Value Chain Analysis, clarifies a company's value-creation process based on its primary and secondary activities. This becomes a more insightful analytical tool when used in conjunction with activity-based costing and benchmarking tools that help the company determine its major costs, resource strengths, competencies, as well as identify areas where productivity can be improved and where re-engineering may produce a greater economic impact.

SWOT (strength, weaknesses, opportunities and threats) is a classic model of internal and external analysis providing management information to set priorities and fully utilise the company's competencies and capabilities to exploit external opportunities, determine the critical weaknesses that need to be corrected and counter existing and future threats.

1.17.5.1.4 Strategy Formulation

To formulate a long-term strategy, Porter's generic strategy model is useful as it helps the company aim for one of the following competitive advantages:

- (a) Low-cost leadership (product is a commodity, buyers 'needs price sensitive, and there are few opportunities for differentiation);
- (b) Differentiation (buyers' needs and preferences are diverse and there are opportunities for product differentiation);
- (c) Best-cost provider (buyers expect superior value at a lower price);
- (d) Focused-low cost (market niches with specific taste and needs), or
- (e) Focused differentiation (market niches with unique preference and needs)

1.17.5.1.5 Strategy Implementation and Management

In the last ten years, the balanced scorecard has become one of the most effective management instruments for implementing and monitoring strategy execution as it helps to align strategy with expected performance and it stresses the importance of establishing financial goals for employees, functional areas and business units. The balanced scorecard ensures that strategy is translated into objectives, operational actions, financial goals and focuses on four key dimensions:

- Financial factors;
- Employee learning and growth;
- Customer satisfaction; and
- Internal business processes

1.17.5.1.6 The Role of Finance

Financial metrics have long been the standard for assessing the company's performance. The balanced scorecard supports the role of finance in establishing and monitoring specific and measurable financial strategic goals on a coordinated, integrated basis, thus enabling the company to operate efficiently and effectively. Financial goals and metrics are established based on benchmarking the best-in-industry "and include:

1.17.5.1.6.1 Free Cash Flow

This is a measure of the company's financial soundness and shows how efficiently its financial resources are being utilised to generate additional cash for future investments. It represents the net cash available after deducting the investments and working capital increases from the company's operating cash flow. Companies should utilise this metric when they anticipate substantial capital expenditure soon or follow-through for implemented projects.

1.17.5.1.6.2 Economic Value-Add

This is the bottom-line contribution on a risk-adjusted basis and helps management to make effective, timely decisions to expand businesses that increase the company's economic value and implement corrective actions in those that are destroying its value. It is determined by deducting the operating capital cost from the net income. Companies set economic value-added goals to effectively assess their business 'value contributions and improve the resource allocation process.

businesses' value contributions and improve the resource allocation process.

1.17.5.1.6.3 Asset Management

This calls for the efficient management of current assets (cash, receivables and inventory) and current liabilities (payables and accruals) turnovers and enhanced management of its working capital and cash conversion cycle. Companies must utilise this practice when their operating performance falls behind industry benchmarked companies.

1.17.5.1.6.4 Financing Decisions and Capital Structure

Financing is limited to optimal capital structure (debt ratio of leverage) which is the level that minimises the company's cost of capital. This optimal capital structure determines the company's reserve borrowing capacity (short-and long-term) and risk of potential financial distress. Companies establish this structure when their cost of capital rises above that of direct competitors and there's lack of new investments.

1.17.5.1.6.5 Profitability Ratios

This is a measure of the operational efficiency of the company. Profitability ratios indicate inefficient areas that require corrective actions by management; they measure profit relationships with sales, total assets and new net worth. Companies must set profitability ratio goals when the need to operate more effectively and pursue improvements in their value-chain activities.

1.17.5.1.6.6 Growth Indices

Growth indices evaluate sales and market share growth and determine the acceptable trade-offs of growth with respect to reductions in cash flows, profit margins and returns on investment. Growth usually drains cash and reserve borrowing funds, and sometimes, aggressive asset management is required to ensure enough cash and limited borrowing. Companies must set growth index goals when growth rates have lagged behind the industry norms or when they have high operating leverage.

1.17.5.1.6.7 Risk assessment and Management

Organisation must address its key uncertainties by identifying, measuring and controlling its existing risks in corporate governance and regulatory compliance, the likelihood of their occurrence, and their economic impact. A process must be implemented to mitigate the causes and effects of those risks. Companies must make these assessments when they anticipate greater uncertainty in their business or when there is a need to enhance their risk culture.

1.17.5.1.6.8 Tax Optimisation

Many functional areas and business units to manage the level of tax liability undertaken in conducting business and to understand that mitigating risk also reduces expected taxes. Moreover, new initiatives, acquisitions and products development projects must be weighed against their tax implication and net after-tax contribution to the company's value. In general, performance must, whenever possible, be measured on an after-tax basis. The municipality must adopt this measure when operating in different tax environments, where it is able to take advantage of inconsistencies in tax regulations, if any.

The introduction of the balanced scorecard emphasised financial performance as one of the key indicators of the municipality's success and helped to link the strategic goals to performance and provide timely, useful information to facilitate strategic and operational

control decision. This has led to the role of finance in the strategic planning process becoming more relevant than ever.

Empirical studies have shown that a vast majority of corporate strategies fail during execution. The above financial metrics helps companies implement and monitor their strategies with specific, industry-related and measurable financial goals, strengthening the organisation's capabilities with hard-to-imitate and non-substitutable competencies. They create sustainable competitive advantages that maximise the organisations value, the main objective of all stakeholders.

1.17.6 Section G: Institutional Development and Performance Management System

An institutional plan (sometimes called a strategic plan or a long-range plan) is a document that guides the municipality's acquisition, growth and allocation of resources. It is generally multi-year and has measurable goals and methods by which the municipality evaluates success. It includes prioritisation action steps, establishes timelines and assigns responsibilities for implementing the plan.

It also assesses and addresses resources needed to see the plan to fruition. It's often supplemented by an implementation or operating plan (Service Delivery and Budget Implementation Plan) that puts the decisions made in the institutional plan into practice. Implementation plans addresses the day-to day operations or specific operational area, such as collection, financial management, service provision and governance. Institutional Plan should be current and be aligned with the mission.

Finding the time to plan is a difficult but fundamental task. Since resources are finite and communities evolve, municipality engage in planning to be sustainable and relevant. An institutional plan integrates and focuses operations in order to meet mission and the needs of the community. The following factors should be considered when developing and institutional plan:

- The process of creating and implementing the plan is far more important and beneficial to the municipality than the actual plan itself. The plan may seem like the end result, but in actuality, the end result is what is achieved through using and updating the plan;
- There are many ways to plan. Each municipality has its own set of challenges, which requires thoughtfulness in planning. Municipalities are encouraged to take time to explore their circumstances and articulate them accurately in their plans; and
- Planning should be integrated in order to be effective. Each of the municipality's departmental plans should speak to one another consistently and comprehensively to support the municipality's mission.

The institutional plan should provide an overview of the planning process, this should be done by providing some background on how the plan was developed, who was involved and what challenges and opportunities came to light, which will give context for the decisions and action steps that would follow. It is important that the municipality create transparency in the process and document the planning process. When the municipality conduct the subsequent planning, it can extend this to process rather than creating it.

The plan should also give an overview of the operations and programs, which is an assessment of all the municipality's projects and programs. To help make strategic choices about the municipality's focus, prioritise goals, allocate resources as necessary and create a baseline for measuring progress and the identification of strength and

weaknesses. The summary of human resources can help the municipality align the strategic goals with the staffing. For instance, if the goal is to revamp revenue collection programs, an organisational chart might reveal lack of staff capacity.

The plan should also outline what the municipality is going to do, who is going to do what, when is it going to happen, how much it will cost and how it will be funded. The municipality should be specific about the measurable end goals and the means and methods for achieving them. It is important to assess, identify and plan to secure resources, both human and financial needed to implement the plan. A timeline will delineate when things will rollout so that these goals are coordinated and integrated.

Evaluation helps the municipality decide when the plan needs to be updated, when strategies need to change or when priorities shifts. It is important to discuss this during the planning process so that those using the institutional plan know how to define and measure success. A plan has specific, time-bound goals, but the need for a plan does not disappear after the past plan is completed. Using action items as part of staff yearly work plans and regular review and assessment of the plan and the municipality's progress can help encourage a culture of planning.

1.17.7 Section H: Integration

During Section H of the IDP 2023/2024, the municipality had to ensure that the project proposals from the previous phase were in line with the agreed vision, objectives, strategies and activities, the resource frameworks as well as with the legal requirements and government strategies. In order to arrive at a truly integrated and credible Integrated Development Plan 2023/2024 for development, the purpose of this phase was to harmonise the contents of the former phases into a consolidated and integrated programme for different departments of the municipality as well as the different sector departments and/or service providers.

The integration phase is a comprehensive operational strategy for the municipality and consequently includes several consolidated and integrated programmes. The relevant programmes and plans are discussed in detailed in Phase F and attached to the IDP 2023/2024 as Service Delivery and Budget Implementation Plan 2023/2024. This phase also includes the internal and external policy frameworks as well as all the approved sector plans for the 2023/2024 financial year which are attached to this document as annexures.

1.17.8 Section I: Approval

During this section of the integrated development plan process, community and stakeholders were given the opportunity to comment on the draft IDP 2023/2024 with the view of ensuring:

- Vertical coordination and sector alignment;
- A smooth planning implementation link;
- Legal and policy compliance;
- Feasibility and viability of projects; and
- A high quality and credible planning document.

Secondly, the Thabo Mofutsanyana District Municipality and neighbouring municipalities were consulted during the Thabo Mofutsanyana District Municipality Integrated Development Plan Engagement Sessions to ensure that the Integrated Development Plan 2023/2024 of the local municipalities are aligned and do not propose contradicting types of development in adjacent areas.

Thirdly, all residents, interested and affected parties were given the opportunity to comment on the Integrated Development Plan IDP 2023/2024 during the advertisement period, as required by legislation. The said parties were informed through the local, district, provincial and national press that the draft Integrated Development Plan 2023/2024 is available for inspection at pre-identified public places for a period of twenty-one days.

Comments were received from various national, provincial, district and local stakeholders. There were no major changes required from the office of the MEC for Department of Corporative Governance and Traditional Affairs in the Free State Province. After all comments were considered, the amended draft Integrated Development Plan 2023/2024 was submitted to the Council of the municipality to decide on the relevant amendments and approved the Integrated Development Plan IDP 2023/2024 on the 30 March 2023.

1.18 Self-Assessment and Planning Process

The formulation of the Integrated Development Plan 2023/2024 was formulated over a period of nine (9) months and included several planning meetings and workshops as indicated on the actual implementation programme. As indicated already, the actual formulation and implementation procedure followed in completing the Integrated Development Plan 2023/2024 did not conform to the originally intended formulation process. The deviations are discussed briefly below:

1.18.1 Time Deviations

Throughout the formulation process, time constraints were perhaps one of the most hampering factors causing the process to fall behind schedule. Some contributing factors causing time constraints are listed below:

1.18.2 Participatory Structures

The involvement of national and provincial departments did not realise as originally anticipated, although we are improving in this regard. Although several meetings and workshops were attended by departments and the Provincial Planning Fora and the District Integrated Development Plan Managers Fora on a quarterly basis, the involvement and input are not regarded as satisfactorily. This was brought by time constraints and the availability of relevant people from sector departments due to their busy schedules.

1.18.3 Other Deviations

Apart from the above main deviations, there were several small deviations which mostly relate to formulation procedure and tools which were used to obtain the desired end results. These deviations are, however, not regarded as serious problems as the Integrated Development Plan formulation allows plenty of opportunities to align the deliverables with the Integrated Development Plan Process Plan 2021/2022 as well as the required processes.

Notwithstanding the above deviations, the Council is confident that the procedure followed complies with the relevant legal requirements and more importantly adequately considered and addressed the needs of the community.

1.19 Alignment

The Thabo Mofutsanyana District Municipality Integrated Development Plan Framework that was formulated by the local municipalities together with the district during the preparation phase was used as the basis for alignment during the formulation process. Although the process was stipulated, the outputs of the alignment were not always achieved due to several reasons. Limited participation by government departments was one of the main problems.

The fact that the national and provincial budget cycle differs from the municipal budget cycle also cause difficulties in aligning projects and programmes. Alignment with the Thabo Mofutsanyana District Municipality, Dihlabeng Local Municipality, Nketoana Local Municipality, Maluti-a-Phofung Local Municipality, Mantsopa Local Municipality was less difficult as regular contact and information sharing occurred.

Importantly, the alignment that needed to take place throughout the formulation process was the alignment of the Sustainable Development Goals, National Development Plan, 12 Outcomes, Medium Term Strategic Framework, Back to Basic Principles, Free State Growth and Development Strategies and the Thabo Mofutsanyana Integrated Development Plan 2023/2024.

The National Development Plan, Vision 2030, was always viewed as the broader framework for development within which the Integrated Development Plan 2023/2024 should operate. During each phase of the Integrated Development Plan IDP 2023/2024, common ground was found with the National Development Plan in order to reach the objectives of the National Development Plan, Vision 2030.

1.20 Acknowledgements

- All Sector Departments
- National Treasury
- Provincial Treasury
- Department of Corporative Governance
- Department of Corporative Governance and Traditional Affairs in the Free State
- National and Provincial Sector Departments
- Office of the Premier
- Thabo Mofutsanyana District Municipality
- All local municipalities within the Thabo Mofutsanyana District Municipality
- Office of the Speaker
- Office of the Executive Mayor
- Mayoral Committee Members
- All Councillors
- Municipal Manager
- Directors
- Managers
- Supervisors
- Audit and Performance Audit Committee Members
- Municipal Public Accounts Committee Members
- Risk Management Committee Members
- Ward Committee Members
- Integrated Development Plan Steering Committee Members
- Integrated Development Plan Community Representative Forum Members
- Vision Active
- Sector Specialists and technical Experts
- Facilitators

- Community Development Workers
- Stakeholder Structures
- Residents

SECTION B: SITUATIONAL ANALYSIS

2. Introduction

To the purpose of this section is to ensure that all actors involved in the planning process are aware of and have access to basic facts and figures related to the present situation, trends and dynamics. This will contribute to the identification of realistic solutions, with proper consideration of real needs and of available resources.

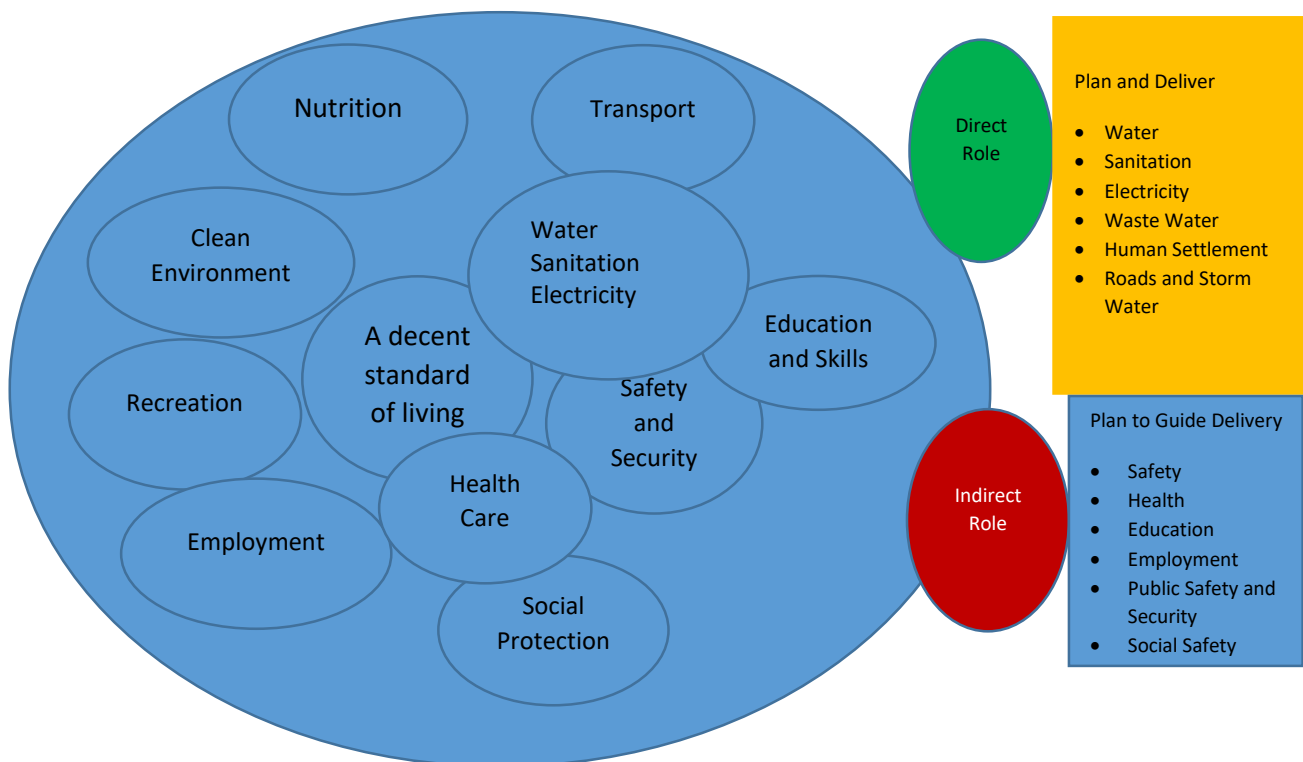
Detailed status quo of the analysis of the municipal area, spatial analysis and Strengths, Weaknesses, Opportunities and Threats analysis with inputs from community, organisations, business, non-governmental organisations and state-owned government institutions.

The first step of the Integrated Development Planning process is to look at the existing situation of the municipality. During the situational analysis phase the process focused on relevant issues and aspect influencing the development of the municipality. The purpose of this phase was to ensure that decisions on strategies and projects are based on:

- The qualitative priority needs and challenges on local citizenry;
- Proper quantitative information on all those priority issues;
- Clear knowledge of the availability of local resources; and
- A holistic understanding of dynamics of key issues determining the various priorities within the municipality, be it political, technological, legislative, environmental, economical or scientific.
- Basic demographic figures;
- Service levels and service gaps for all basic public services (localised, target-group specific and basic-needs related);
- Financial resources differentiated by source of income and type of expenditure;
- Available institutional capacities; and
- Compilation of crucial policy requirements

Relevant statistical information gathered during the formulation of the Integrated Development Plan process was presented to community members during community meetings. This served as the basis for discussing the needs and priorities of the residents within various functional areas of the municipality. The priority issues were then analysed and discussed further at the Integrated Development Plan Community Representative Forum meetings to identify the causes determining each priority issue and to formulate certain development principles against the knowledge of such causes.

The findings were then presented under several integrated sectors, which coincide with the various analysis proposed within the Integrated Development Plan guide-pack and include institutional, social, infrastructure, economic, environmental and spatial analysis. Deriving from the current realities and cross-cutting analysis, a list of priority development issues was identified which served as a basis for a more detailed, in-depth analysis. The following methodology was followed:



2.1. LOCATION, COMPOSITION AND SIZE

Phumelela Local Municipality is an administrative area in the Thabo Mofutsanyane District of the Free State in South Africa. The name "Phumelela" means "to succeed" in isiZulu. The Phumelela Local Municipality forms part of the Thabo Mofutsanyane District Municipality in the Free State province. It is one of the six (06) local municipalities within the district, other five local municipalities are Setsoto, Mantsopa, Dihlabeng, Nketoane and Maluti-a-phofung. The preferred languages for the people of the Phumelela area is isiZulu 52.2%, Sesotho 32% and Afrikaans 7.4% whilst other national languages all register below 1.5%. According to the 2011 Statistics SA census survey Phumelela demographics can be summarized as follows: The total population size increased to 47 772 persons, to; reflecting 7% of the total population of the Thabo Mofutsanyane District municipal area.

Population Growth

The population growth based on the 2016 Community survey indicates a positive growth in relation to the negative growth of

-0.8%% recorded in 2011 census. Our current population was officially recorded at 50054 in October of 2016

2.2 Level of Government

Establishment in 2000:

Phumelela Local Municipality was established as category B municipality with a collective system combined with ward participatory system as contemplated in section 2(f) of the Determination of the Types of Municipalities Act, 1 of 2000 in terms of Provincial Notice 184

of 28 September 2000. This Notice is also known as Section 12 Notice for purposes of Local Government Municipal Structures

Re-establishment in 2016:

Act, 117 of 1998. The Provincial Notice 184 of 28 September 2000 as amended, is hereby repealed and replaced by the provisions contained below:

The type of Phumelela Local Municipality (FS 195) in terms of Provincial Gazette of 28 October 2016 is hereby changed from the type of municipality with a collective system combined with ward participatory system to a municipality with a mayoral executive system combined with a ward participatory system. Phumelela Local Municipality (FS 195) is a category B municipality as determined by the Municipal Demarcation Board in terms of section 4 of the Municipal Structures Act, 117 of 1998.

The boundaries of the municipality as indicated by the DEM in the Municipal Demarcation Notice remain unchanged. The council of Phumelela Local Municipality (FS 195) consists of 16 Councillors with effect from the local government elections in 2021. The following councillors have been designated full time councillors by the municipality:

- Mayor
- Speaker

2.2.1 Speaker and Council

Phumelela Local Municipality consists of 16 councillors of which 8 are ward councillors and 8 are proportional representative councillors. The Speaker, Councillor Topsy Roseline Zwane, presides at Council meetings. The list below indicates all councillors with their names and capacity.

NAME AND SURNAME	CONTACTS	Email address	PR / WARD
CLLR TOPSY ROSELINE ZWANE (SPEAKER)	073 262 4055	Presh.mkhize@gmail.com	PR
CLLR MBUYISELWA DUME KOBENI (MAYOR)	082 403 9016	kobeni190@gmail.com	WARD 3
CLLR SIZWE ONEBOY MAGUBANE	072 599 0090 / 083 926 2769	sizweone13@gmail.com	WARD 1
CLLR LEBOHANG LEMENTINA MOLEFE	061 831 6741	molefetshiamo77@gmail.com	WARD5
CLLR THABO PETER TSOTETSI	072 267 9744	thabotsotetsi125@gmail.com	WARD 6
CLLR VYTAH PHINDILE MAHLABA	072 247 1510	mahlabavp@gmail.com	WARD 2
CLLR BUTI APRIL MOTSOENENG	079 061 7702	butiaprill@gmail.com	WARD 7
CLLR KHEHLA ANTONY SIBEKO	082 363 9242	khehlaantony@gmail.com	WARD 4
CLLR VUSIMUZI THELA		vusithela@gmail.com	WARD 8
CLLR THANDI NELISIWE MASITENG	074 284 3625	lungilelua@gmail.com	DISTRICT REP.
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CLLR NTOMBIFUTHI JEMINAH MOKOENA	079 973 2163	ntombikwena@gmail.com	PR
CLLR DOREEN ALIDA WESSELS	082 770 8335	doreenwessels@gmail.com	PR
CLLR INNOCENTIA THULISILE RADEBE	082 329 2331	lthulisile5@gmail.com	PR
CLLR JEANDRE NORMAN KLEMP	064 726 5466	Jeandre.klemp@acsendhealt.co.za	PR

2.2.2 Section 79 Committees

Committee	Functions	Composition
Shared Audit and Performance Audit Committee	<ul style="list-style-type: none"> To report to council on issues of Financial and Non-Financial Performance Information 	Mr. GA Ntsala-Chairperson Mr TS Morare Ms MR Reid Ms. M Ntipe
Municipal Public Accounts Committee	<ul style="list-style-type: none"> To consider the Annual Report and engage communities on the Annual Report and submit recommendations to council To develop an Oversight Report for Council adoption Investigate and recommend to council on the unauthorised, irregular, fruitless and wasteful expenditure 	Members Cllr KA Sibeko- Chairperson Cllr. J.N Klemp Cllr. N.J Mokoena Cllr L. Molefe Cllr O. Magubane Cllr V.P Mahlaba Cllr T. Radebe

In terms of Chapter 13 of the Public Sector Risk Management Framework, the Risk Management Committee is appointed by the Accounting Officer/Authority to assist them to discharge their responsibilities for risk management. The responsibilities of the Risk Management Committee are details in its Terms of Reference (Charter) and the Risk Management Plan.

Names	Position	Organisation	Role
Mr. M Mokhantso	Chairperson	EThekweni Metro	Chairperson
Mr. F Ralebenya	Director Financial Services	PLM	Member
Mr. L Mokoena	Technical Director	PLM	Member
Mr. N.L Maimela	Director Corporate Services	PLM	Member
Mr. M Mphuthi	Risk officer	PLM	Secretariat
Mr. D Ntombela	IDP, PMS and LED Manager	PLM	Standing Invitee
Mr. U Gatweni	Provincial Treasury	FS P. Treasury	Extended Invitee

Information Communication Technology has become a focus point for government and Auditor General of South Africa due to its role in municipalities.

Auditor General of South Africa, it is also a requirement of the Auditor General of South Africa that an Information Communication Technologies Steering Committee exists within the

organisation and should therefore be acknowledged by Management and Council as the governing body of Information Communication Technology within the organisation. The committee consist of the following individuals:

Name	Position	Gender
Nsizwa Maimela	Chairperson	Male
Francis Ralebenya	Deputy Chairperson	Male
Leslie Mokoena	Member	Male
Mojalefa Mahlangu	Member	Male
Mzoli Ramba	Member	Male
December Ntombela	Member	Male
Mpho Mphuti	Member	Male

Information Communication Technology has become a focus point for government and Auditor General of South Africa due to its role in municipalities. Various factors have also contributed towards the focus of Information Communication Technology, some of them being value of information and various international and national laws guiding Information Communication Technologies.

In September 2009, the revised King Code and Report on Governance (King III), was released. King III sets out several key governance principles under which Information Communication Technologies should conform and the principles must be seen against the legislative requirements contained in the 2008 Act and Public Finance Management Act of 1999. This is reflected in the terminology used in King III with “must “indicating a legal requirement and “should “indicating where application of King III will result in good governance.

Apart from King III and

The municipality has a dependency on Information Communication Technologies to enable its business processes. Due to the critical nature of Information Communication Technologies and the intellectual and other information resources that are exposed through technology channels, Information Communication Technologies governance now represent an essential component in ensuring the efficient and secure operation of the business.

Chapter 5 of King III provides that directors, in exercising their duties of care, should ensure that prudent and reasonable steps have been taken with respect to Information Communication Technology Governance. Chapter 5 sets out the following seven principles:

- (a) Council should be responsible for Information Communication Technology;
- (b) Information Communication Technology should be aligned with performance and sustainability objectives of the municipality;
- (c) Council should delegate management the responsibility for the implementation of Information Communication Technology Governance Framework;
- (d) Council should monitor and evaluate significant Information Communication Technology investments and expenditure;
- (e) Information Communication Technology should form an integral part of the municipality's risk management;
- (f) Council should ensure that information assets are managed effectively; and
- (g) Audit and Performance Audit Committee should assist in carrying out Information Communication Technology responsibilities.

The following documents has been approved by the council.

1. Information Communication Charter; and
2. Information Technology Policy
3. IT User account management policy
4. IT Cellular and 3G policy
5. IT Security policy
6. IT Internet and email policy
7. IT password policy

2.2.3 Section 80 Committees

NAME OF COMMITTEE	CHAIRPERSON	MEMBERS
Executive Committee	Cllr M.D Kobeni	Cllr V Thela Cllr D.A Wessels
Finance, IDP and Economic Development	Cllr M.D Kobeni	Cllr. A. Motshoeneng Cllr. D.A Wessels
Infrastructure and Human Settlement	Cllr P. Mahlaba	Cllr T. Radebe Cllr. O. Magubane
Community Services <ul style="list-style-type: none"> • Parks and Cemeteries • Traffic Management • Fleet Management • Disaster Management • Fire Fighting Services 	Cllr P. Masiteng	Cllr T. Tsotetsi Cllr J.N Klemp
Corporate and Human Resource Committee <ul style="list-style-type: none"> • Labour Relation Matters 	Cllr V. Thela	Cllr K.A Sibeko Cllr V.P Mahlaba
Special Programme <ul style="list-style-type: none"> • Women, Youth, Children, People with Disability and HIV/AIDS. • Health, Arts and Culture 	Cllr A. Mazibuko	Cllr L. Molefe Cllr N.J Mokoena

2.3 Stakeholder Participation

The notion of integrated development plan seeks to promote collaboration and coordination between other spheres, also providing the basis and harmonisation of all government programmes and projects within the municipal area. The municipality also joined hands with the Thabo Mofutsanyana District Municipality and the Department of Corporative Governance and Traditional Affairs in the Free State in enhancing stakeholder participation. The Mayor embarked on community engagement throughout the municipal area as per the schedule below in order to gather community needs:

First Round

Town	Venue	Stakeholder	Time	Date	Participants
Vrede	Vrede Council Chamber	IDP Steering Committee	10h00	21 February 2023	+/- 15
Vrede	Vrede Council Chamber	Farmers Association	09h00	23 February 2023	+/- 25
Vrede	Vrede Council Chamber	IDP Representative Forum	14h00	23 February 2023	+/- 38
Memel	Memel Council Chamber	Ward Committee members	08h00	1 March 2023	+/- 20
Memel	Memel Council Chamber	Business People & Rates payers	10h00	1 March 2023	+/-23
Memel	Zamani Community Hall	Community	14h00	1 March 2023	+/- 44
Warden	Warden Town Hall	Ward Committee	08h00	2 March 2023	+/-19
Warden	Warden Town Hall	Business People & Rates payers	10h00	2 March 2023	+/-28
Warden	Ezenzeleni Community Hall	Community	14h00	2 March 2023	+/-71
Vrede	Vrede Council Chamber	Ward Committee	08h00	3 March 2023	+/-18
Vrede	Mhlabunzima Memorial Hall	Community	14h00	3 March 2023	+/- 58

These needs are then taken to the IDP Community Representative Forum, which is a structured link between the municipality and the community. The forum provides an organisational mechanism for discussions, negotiations and decision-making between stakeholders and the municipality. The IDP Community Representative Forum is constituted four times a year to ensure effective communication between stakeholders that are involved in the integrated development process.

The municipality also collaborated with the sector departments and the Thabo Mofutsanyana District Municipality to streamline intergovernmental and joint planning through different engagements that have been introduced in the province, i.e. Provincial Planning Forum, Thabo Mofutsanyana District Municipality Integrated Development Plan Community Representative Forum and the Thabo Mofutsanyana Integrated Development Plan Manager's Forum. All key related issues raised during the public participation processes have been considered by the municipality for implementation, thus the development of the Key Performance Areas that align to the National Priority Areas

Phumelela Community Wish list

COMMUNITY WISH LIST	VREDE/ THEMBALIH LE	MEMEL/ ZAMANI	WARDEN / EZENZELE NI	TOTAL
Conduct education on Indigent				1
Dirty water				3
Refuse collection schedule to be distributed to the communities				3
Renovations of municipal buildings and community halls				2
RDP Houses				3
Duplication of site				3
Road maintenance and paving request				3
Commonages				1
LED – Programs and assistance (SMME's, SEDA)				3
Job Creation/ Youth employment				3
R10 000 sites small				1
Fluctuation of Rent				3
High mast light not working				3
Electrify RDP House				1
Sites- business and residential				3
Title deeds				3
Unfinished projects				3
Unfinished RDP House				1
Commonage land				2
Pricing training for tenderpreneurs				2
Illegal dumping sites				2
Youth sports programs				3
Clinic				1
Underground infrastructure				3
Communication and information sharing				3
Roads and patching of potholes				3
Re-graveling of streets				3
Generator for water plants				3
Total	20	22	24	66

Top 10 Priorities and Needs in no particular order

- Roads and patching of potholes
- Job creation (permanent, Youth employment)
- Sites (residential and business, etc)
- Re-graveling of streets
- LED (SMME's, SEDA support, etc)
- Electricity(highmast light, street lights, electrification of RDP, ect)
- Fluctuation of rent

- Electricity
- Generator for water plant during loadshedding
- Youth development programs(Sports Programs, etc

First Round

Town	Venue	Stakeholder	Time	Date	Participants
Warden	Council Chamber	Budget Steering committee	12:00	08/05/2023	21
Memel	Council Chamber	Rates payers and business forum	09:00	10/05/2023	23
Memel	Council Chamber	Ward committee	12:00	10/05/2023	16
Memel	Zamani Community Hall	Community	14:00	10/05/2023	+/-63
Warden	Council Chamber	Business People	09:00	11/05/2023	16
Warden	Town hall	Rates payers and Ward committee and Community	12:00	11/05/2023	37
Warden	Ezenzeleni Community Hall	Community	14:00	11/05/2023	+/-103
Vrede	Council Chamber	Business Forum	09:00	12/05/2023	20
Vrede	Council Chamber	Ward Committee	10:00	17/05/2023	10
Vrede	Thembalihle Community Hall	Community	14:00	17/05/2023	+/-106

2.3.1 Ward Committees

All Ward Committees were established in all 8 wards as per Council Resolution, subsequently to that the Ward Committees will be trained by FS COGTA.

2.4 Powers and Functions

The objects of local government as per section 152(1) of the Constitution are to:

- Provide democratic and accountable government for local communities;

- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

The powers and functions assigned to the municipality are stipulated in sections 156 and 229 of the Constitution and sections 83 and 84 of Local Government Municipal Structures Act, 117 of 1998, as amended. More specifically, the powers and functions of the municipality relating to section 84 of the said Act were promulgated in Provincial Notice Number 25 dated 11 April 2008 and are as follows

Section 84(1) (e) Solid Waste disposal sites, in so far as it relates to-

- (i) The determination of a waste disposal strategy;
- (ii) The regulation of waste disposal; and
- (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.

Section 84(1) (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality.

Section 84(1) (j) Fire fighting services serving the area of the district municipality, which includes-

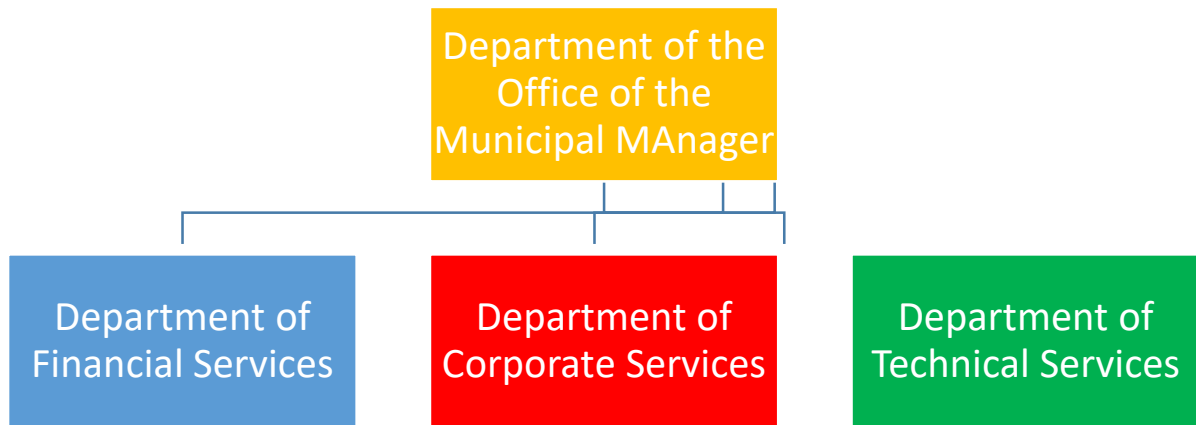
- (i) Planning, co-ordination and regulation of fire services;
- (ii) Specialised fire fighting services such as mountain, veld and chemical fire services;
- (iii) Co-ordination of the standardisation of infrastructure, vehicle, equipment and procedures; and
- (iv) Training of fire officers.

Section 84(1) (l) The establishment, conduct and control of cemeteries and crematoria serving the area of major proportion of municipalities in the district.

Section 84(1) (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality

2.5 The Level of Administration and the Existing Human Resources

The administrative structure comprises of four administrative units with the Municipal Manager as head of administration situated in the head centre in Vrede. The macro-structure of the organisation is made up of the following departments:



The above consists of the following divisions:

2.5.1 Office of the Municipal Manager

- Office of the Speaker
- Office of the Executive Mayor
- Internal Audit Unit
- Risk Management
- Local Economic Development, Integrated Development Plan and Performance Management Systems
- Communication Officer

2.5.2 Department of Financial Services

- Supply Chain Management Division
- Budget and Treasury
- Revenue
- Expenditure
- Assets Management

The Supply Chain Management Division is mainly responsible for procurement of goods and services that are necessary for the smooth operation of the municipality in order to fulfil its mandate as prescribed by legislation.

The processes will emanate from the Integrated Development Plan strategies being captured on a procurement plan which is subsequently being submitted to Department of Treasury Services where it is being implemented and monitored. The following are issues that are facing the municipality, and which makes it difficult to perform all the activities required to provide sustainable services to our communities:

- Late submissions from user departments;
 - Rushed processes that results in unnecessary errors;
 - Dependence on struggling and unwilling suppliers;
 - Supplier management; and
 - Propensity to engage in procurement of goods and services outside supply chain management processes is still very high
- **Budget and Financial Reporting Division**

The Budget and Financial Reporting is responsible for the budget preparation and financial reporting in terms of legislation. The following challenges are facing the municipality in terms of this requirements:

- The introduction of MSCOA posed challenges in the financial management system with the changing of votes description in the general ledger;
- The conversion from one version to another also created challenges with the some of the opening balances

Assets Management Division is responsible for:

- Maintaining, managing, accounting and information system that accounts for the assets of the municipality;
- Valuation of municipal assets in accordance with GRAP Standards; and
- Maintenance of internal control and assets register.

The following challenges are facing the municipality regarding assets management:

- Lack of staff which result in high rate of unverified assets;
- Unreliable financial management system; and
- Lack of cooperation between assets management and other custodians regarding acquisitions, maintenance and repairs, which results in misstatement of assets values.

2.5.3 Department of Corporate Services

- Human Resources Management
- Human Resources Development
- Public Safety
- Human Settlement
- Community Services
- Corporate Support

The municipality conducted skills audit of employees during March 2021 and the departments and divisions submitted their skills needs. Where skills shortfalls are identified the municipality should implement skills programmes and interventions that will address the gaps highlighted by the departments and divisions.

The municipality Workplace Skills Plan reflects critical and scarce skills of the workforce and the interventions required to address the gap. The Workplace skills Plan is being implemented by allocating one percent of the operational budget to skills development as well as through the application of mandatory and discretionary grants from LGSETA

The service is mainly responsible for the proper management of office cleaning, telephone management systems and council support systems.

The service is located within the Department of Corporate Services. The current status regarding the services is:

Services	Current Status and Backlog	Measures to address current challenges and backlogs	Funding Source
Standing Rules and Orders reviewed after five (5) years	None as Standard Rules and Orders were adopted in November 2021.	N/A	N/A
Does the IDP reflect on Delegation of Powers by Council	Delegated Powers were adopted by Council during November 2021 however they need to be reviewed to align to the change to the type of municipality as well as organisational structure	Review has been done and was submitted to CoGTA for inputs Inputs were received and processed in the document. The next phase of the process is to conduct a working session with Council for final inputs before submission to Council for adoption.	Own Income / Council

2.5.4 Department of Technical Services

- Water and Sewer
- Roads and Storm Water
- Solid Waste Management
- Project Management Unit (PMU)
- Town Planning
- Electricity

2.6 How will our progress be measured?

The implementation of the Integrated Development Plan 2023/2024 will be measured by applying the Performance Management System Framework of the municipality and the implementation of the approved Service Delivery and Budget Plan for 2023/2024. Sections 54A, 56 and PMS will be cascaded to middle managers.

The Appraisal Panel will sit on the third week of each month to evaluate the quarterly performance and make recommendations to the accounting officer.

The portfolio of evidence will also be collected by each employee assisted by the departmental pathfinders to ensure that targets and actuals can be verified against the evidence. After the IDP/PMS Division has reviewed the performance progress reports they submit it to the Internal Audit Unit to provide audit assurance and the consolidated the report to be submitted to the Audit and Performance Audit Committee to provide further external audit assurance before the report is submitted to council as section 52(d) report of the Executive Mayor.

Progress reports on the implementation of the Integrated Development Plan and the Budget through the implementation of the Service Delivery and Budget Implementation Plan will be evaluated four time a year during these periods:

- October 2023 for the period July 2023 to September 2023;
- January 2024 for the period October 2023 to December 2023 as well as Mid-year Budget and Performance Assessment for the period July 2023 to December 2023;
- April 2024 for the period January 2024 to March 2024; and
- July 2024 for the period April 2024 to June 2024 and for the entire year from July 2023 to June 2024.

The first and third quarter evaluation could be informal if the progress is satisfactorily, but the second and the fourth quarterly evaluation should always be formal. The results of the annual progress evaluation will decide if performance rewards where performance was more than expected is to be given or if consequent management is to be implemented where performance was not satisfactorily

2.7 Population Profile

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

	Total Population	Area Size	Population density
CS 2016	50054	75 504 910	0.000662924

Demographic profile

Demographics or population characteristics includes analysis of the population of a region. Distributions of values within a demographic variable and across households as well as trends over time are of interest.

The aim of this IDP is to provide an overview of the demography of the Phumelela Local Municipality.

2.7.1 Population and population intercensal growth of Phumelela Local Municipality

	Total population	Population intercensal growth (2011 -2016)
Census 2011	47772	2282
CS 2016	50054	

Data source: Statistics South Africa, Census 2011 and Community Survey 2016

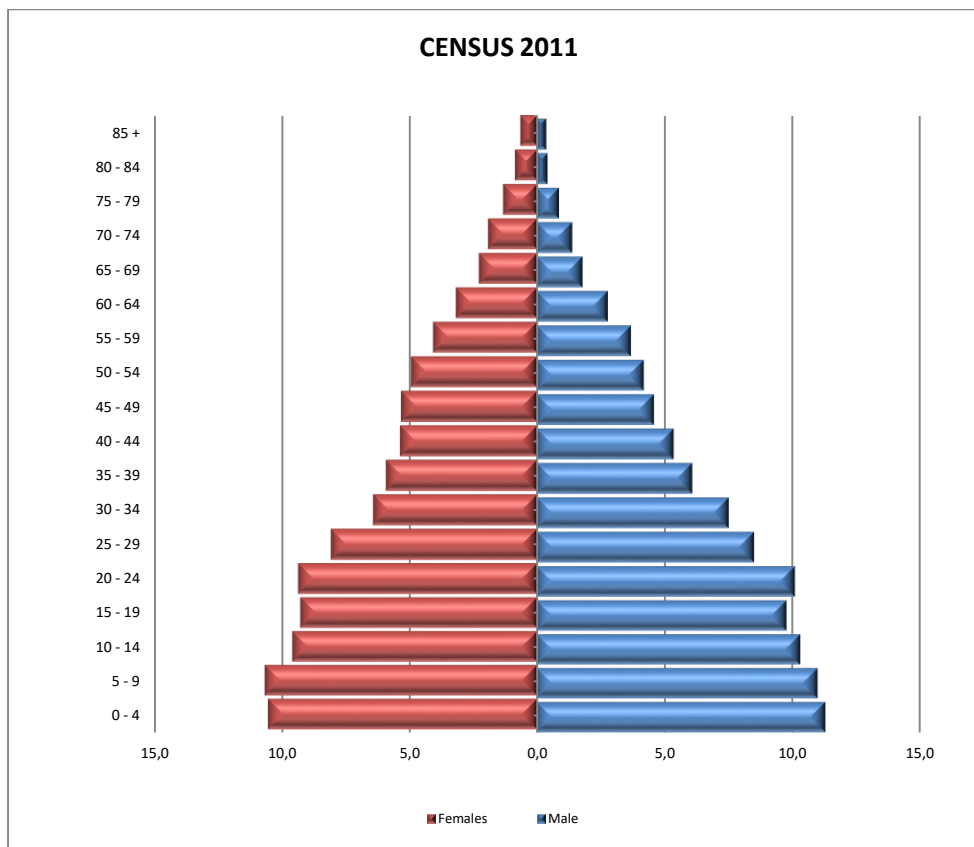
Table 1 above shows population of Phumelela local municipality and population intercensal growth. Population for the municipality has increased between 2011 and 2016 with intercensal growth of 2 282 thousand.

Population pyramids

A population pyramids is a graphic representation of the population categorised by gender and age for a specific year and region. The horizontal axis depicts the share of people where

males population are charted on the right-hand side and female population on the left hand-side of the vertical axis. The vertical axis is divided in 5- year age categories. The figures below show Phumelela's population pyramid/structure of Census 2011 and CS 2016.

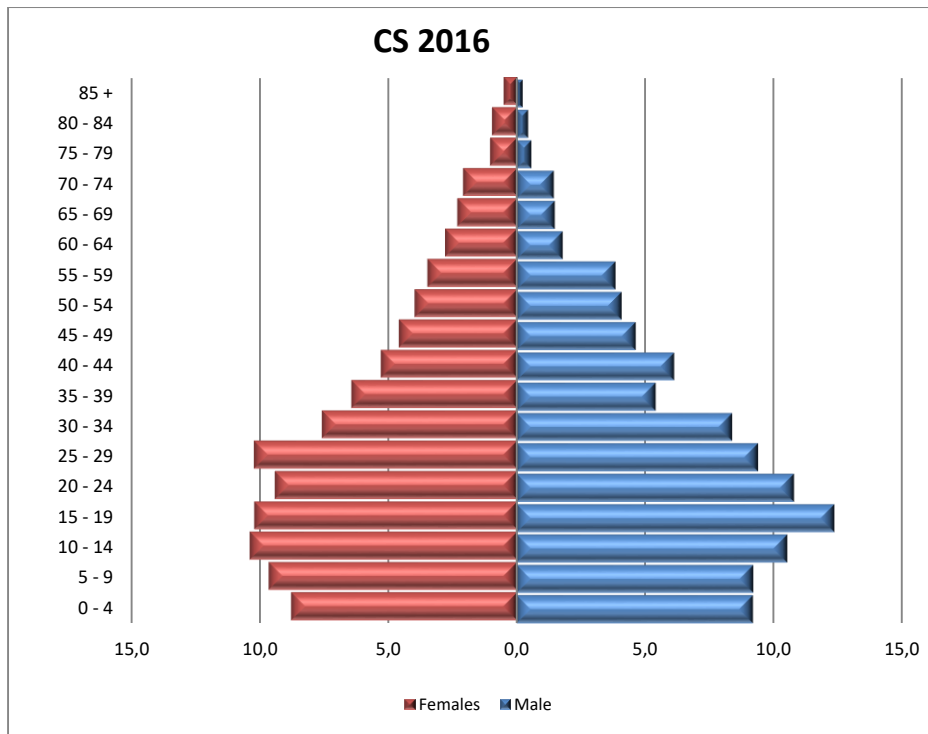
2.7.2 Population pyramid by age group and gender: Phumelela Local Municipality 2011 and 2016



Data source: Statistics South Africa, Census 2011

For 2011, Phumelela local municipality population pyramid shows that males were more than females in age groups (0-4, 5-9, 10-14, 15-19, 20-24, 25-29 and 35-39). For age group 0-4 years, males had highest proportion than females whereas females had highest proportion in age group 5-9 years. Census 2011 indicates that 20-24 age group for males and 5-9 age group for females had highest proportion of population. For both males and females population declined from age group 25-29 years

Females outlive the males in the older age groups starting from age 45 years.



Data source: Statistics South Africa, Community Survey 2016

Figure above displays that, in 2016 Phumelela local municipality males had highest proportions for age group 15-19 than females. As age increases the population decreases. Female numbers started to decrease from youth age 30-34 whereas male decreased from age 20-24. In 2016 municipality had lowest population in age group (0-4) for both males and females as compared to Census 2011 had the highest population proportion on age group 0-4 years. In 2016 pyramid shows that fertility rates decreased as 0-4 years age group decreased and those more male children were born than female children.

2.7.3 Population categorised by Sex, Population Group and Functional Age Group

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The subcategories of age groups are (0-4 children, 15-34 youth, 35-64 adult and 65+ elderly) and sex is male or female.

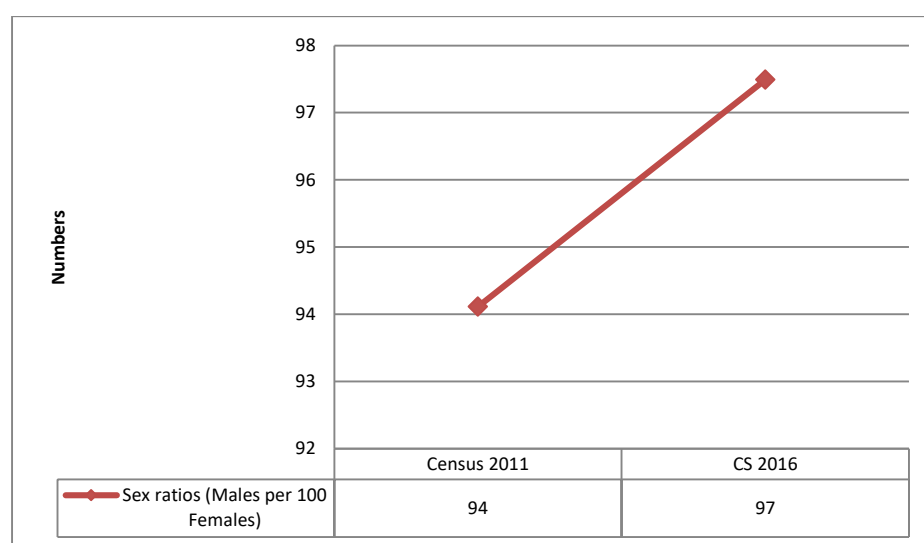
2.7.4 Population distribution of Phumelela Local Municipality by gender and sex ratios

	Gender		Total	Sex ratios (Males per 100 Females)
	Male	Female		
Census 2011	23162	24611	47772	94
CS 2016	24709	25345	50054	97

Data source: Statistics South Africa, Census 2011 and Community Survey 2016

Table 2 above shows the distribution of total population in Phumelela local municipality by gender as well sex ratio for Census 2011 and CS 2016. The males population has increased from 23 162 in 2011 to 24 709 in 2016 and as for females, it has increased from 24 611 in 2011 to 25 345 in 2016. In both 2011 and 2016, the number of males was found to be less than those of females as the sex ratios were 94 and 97 in both 2011 and 2016 respectively. Overall; the results indicate that the population is predominantly female. See figure 2 below on sex ratio.

2.7.5 : Sex ratios



Data source: Statistics South Africa, Census 2011 and Community Survey 2016

Figure 2 above indicates that, sex ratio in Phumelela local municipality which has increased from 94 to 97 from 2011 to 2016 respectively. This indicates that for every 100 females there were 94 and 97 males for 2011 and 2016 respectively.

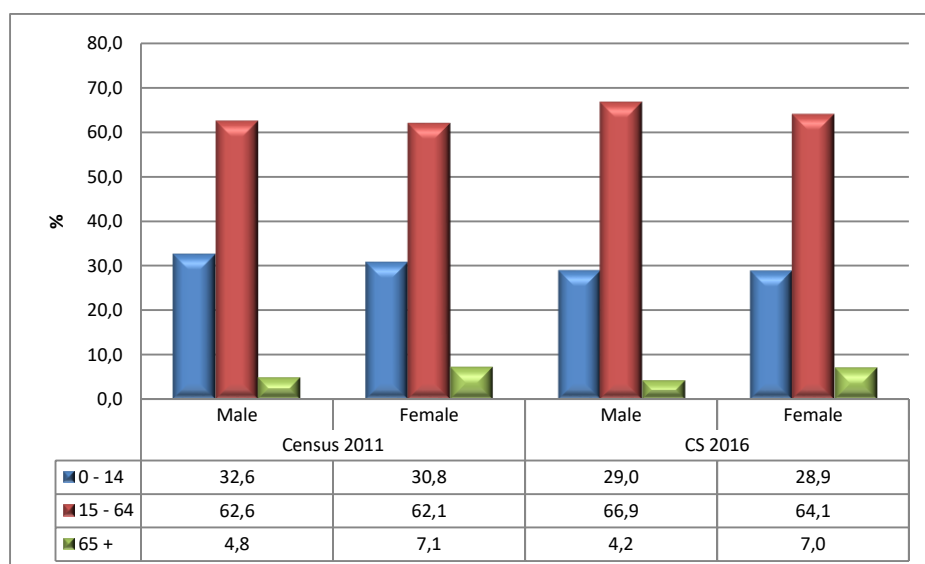
2.7.6: Population distribution of Phumelela Local Municipality by functional age group and gender

Functional age group	Census 2011			CS 2016		
	Male	Female	Total	Male	Female	Total
0 - 14 (Children)	7549	7587	15136	7156	7314	14470
15 - 34 (Youth)	8314	8165	16479	10118	9500	19619
35 - 64 (Adult)	6178	7108	13286	5958	6039	11998
65 + (Elderly)	1120	1751	2871	1477	2491	3968
Total	23162	24611	47772	24709	25345	50054

Data source: Statistics South Africa, Census 2011 and Community Survey 2016

Table 3 above indicates that in all age groups, the population has increased between the years except for children (0 – 14 years) which declined with 666 populations in 2016 and adult (35-64) years with 1288 population.

2.7.7: Percentage distribution of Phumelela Local Municipality by functional age groups and gender

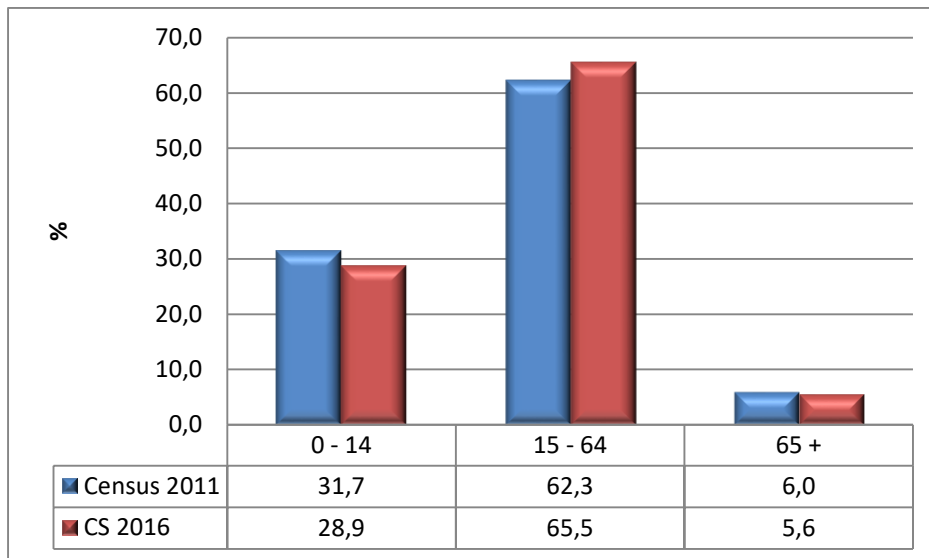


Data source: Statistics South Africa, Census 2011 and Community Survey 2016

2.7.7 above shows percentage distribution of Phumelela municipality by functional age group and gender. It indicates that from 2011 to 2016 the proportion of the population aged 0-14 for both males and females decreased. The male population in this age group decreased

from 32, 6 % in 2011 to 29,0 % in 2016 whilst that of female population decreased from 30,8 % to 28,9 %. The proportion of economically active population aged (15-64) for males increased from 62, 6% in 2011 to 66, 9% in 2016 and whilst that of females increased from 62,1 % in 2011 to 64,1 % in 2016.

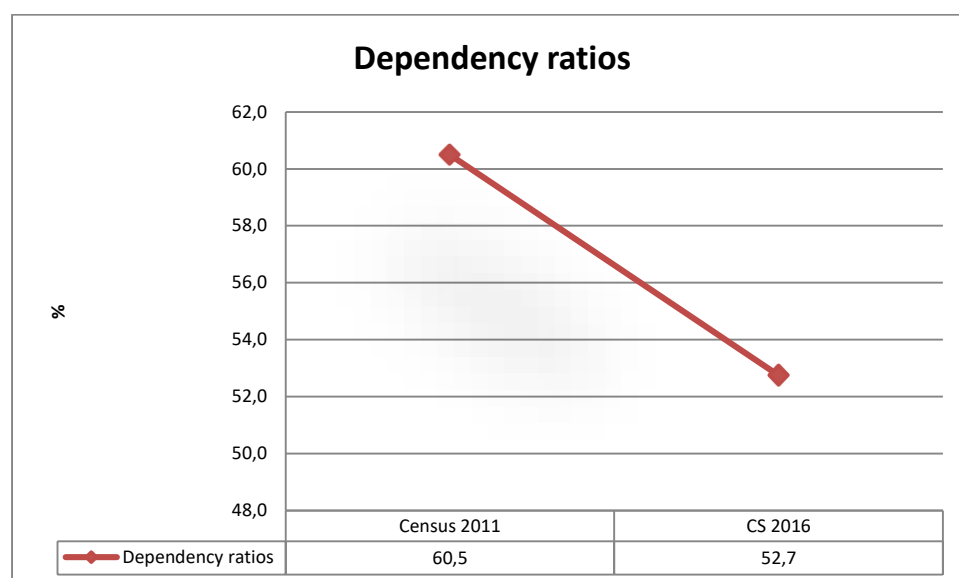
2.7.8: Percentage distribution of Phumelela Local Municipality by functional age groups



Data source: Statistics South Africa, Census 2011 and Community Survey 2016

Figure 3 above shows percentage distribution of Phumelela municipality by functional age group and gender. The working age group (15-64) years has increased from 62.3% in 2011 to 65.5 in 2016 whereas children population aged (0-4) years decreased from 31,7% in 2011 to 28.9% in 2016 and elderly population aged (65 years and older) slightly decreased from 6.0 in 2011 to 5.6 in 2011.

2.7.9: Dependency ratios



Data source: Statistics South Africa, Census 2011 and Community Survey 2016

Figure 5 above shows that, the dependency ratio of Phumelela local municipality has slightly decreased from 60.5% in Census 2011 to 52.7% in 2016.

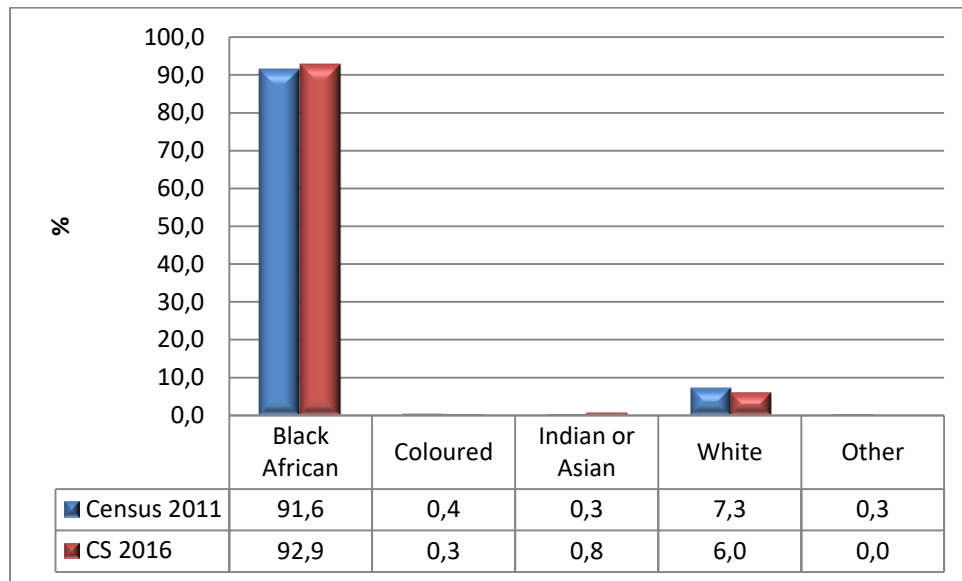
2.7.10: Population distribution of Phumelela Local Municipality by functional age group and gender

Population group	Census 2011			CS 2016		
	Male	Female	Total	Male	Female	Total
Black African	21110	22663	43773	22971	23518	46489
Coloured	118	75	193	67	86	152
Indian or Asian	135	32	167	156	230	386
White	1688	1811	3499	1516	1511	3027
Other	111	30	141	-	-	-
Total	23162	24611	47772	24709	25345	50054

Data source: Statistics South Africa, Census 2011 and Community Survey 2016

2.7.10 above shows that the municipality consists of the large number of Black African population (43 773) followed by whites then coloureds. Though the Indian or Asian population is the smallest, population has been growing from 167 in 2011 to 386 in 2016.

2.7.11: Percentage distribution of Phumelela Local Municipality by population group



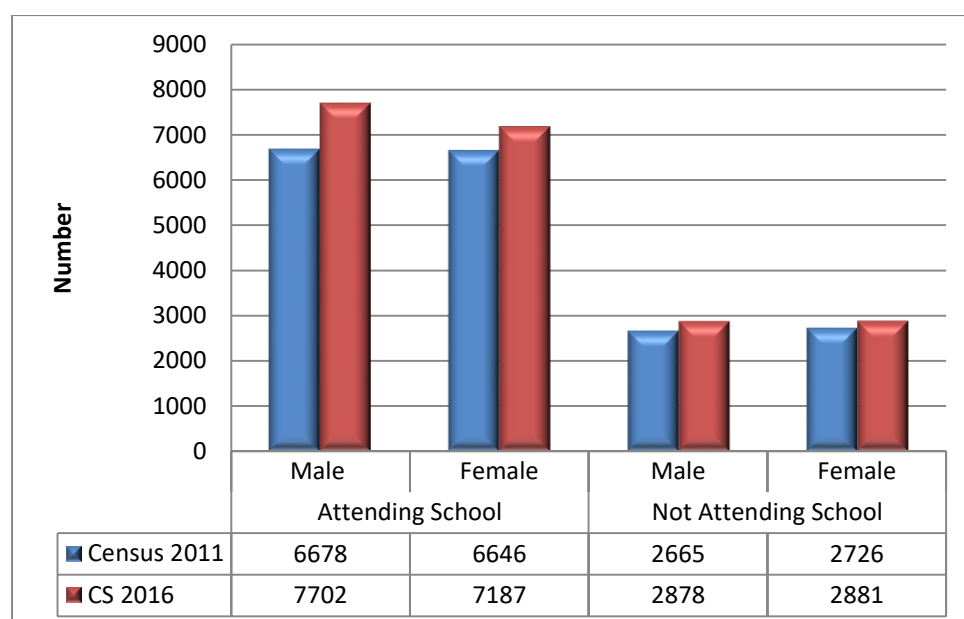
Data source: Statistics South Africa, Census 2011 and Community Survey 2016

2.7.11 above indicates that black African population group is dominant in the municipality and it has slightly increased from 91.6% to 92.9% in 2016 as well as Indian or Asian population from 0.3% in 2011 to 0.8% in 2016. While Coloured population has slightly decreased from 0.4 in 2011 to 0.3 in 2016 and White population from 7.3% to 6.0 respectively.

Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the aged 5 years and older.

2.7.12: Distribution of Phumelela Local Municipality population aged 5-24 by school attendance and gender



Data source: Statistics South Africa, Census 2011 and Community Survey 2016

2.7.12 above displays school attendance patterns among individuals between aged 5-24 years in Phumelela LM. In both 2011 and 2016 more males were found to be attending school than females whereas females were more likely not to attend school than males.

2.7.13: Distribution of population aged 5 years and older by highest level of education attained and gender in Phumelela Local Municipality

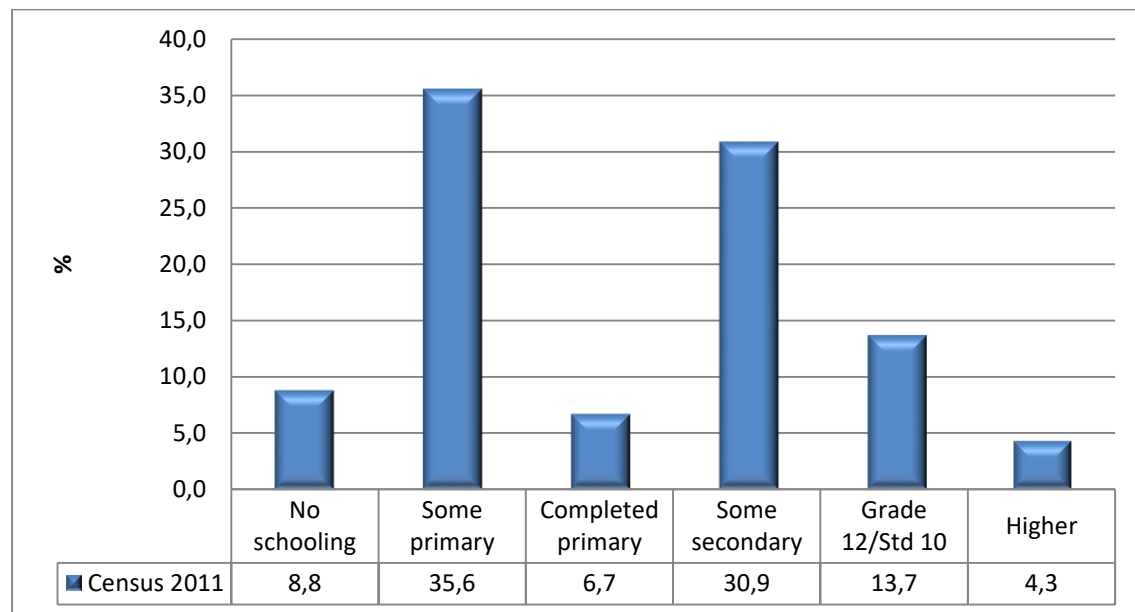
Highest level of education	Gender		Total
	Male	Female	
No schooling	1675	2010	3685
Some primary	7322	7553	14875
Completed primary	1363	1423	2786
Some secondary	6174	6772	12946
Grade 12/Std 10	2745	2994	5739
Higher	821	983	1805

Data source: Statistics South Africa, Census 2011

2.7.13 above indicates that more females attained highest level of education than males in 2011. For 2011, Phumelela local municipality had highest number of people who obtained some primary education (14 875) followed by some secondary education (12 946) whereas

2786 completed primary education and 1805 people obtained higher education within in the municipality whereas 3 685 people had no schooling.

2.7.14: Percentage distribution of Phumelela Local Municipality population aged 5 years and older by highest level of education attained



Data source: Statistics South Africa, Census 2011

2.7.14 above shows percentage of Phumelela LM population aged 5 years and older by highest level of education obtained. In census 2011 35.6% people obtained some primary education followed by 30.9% who obtained some secondary education and only 4.3% obtained higher education.

2.7.15: Distribution of Phumelela Local Municipality population aged 5 years and older by highest level of education attained and gender

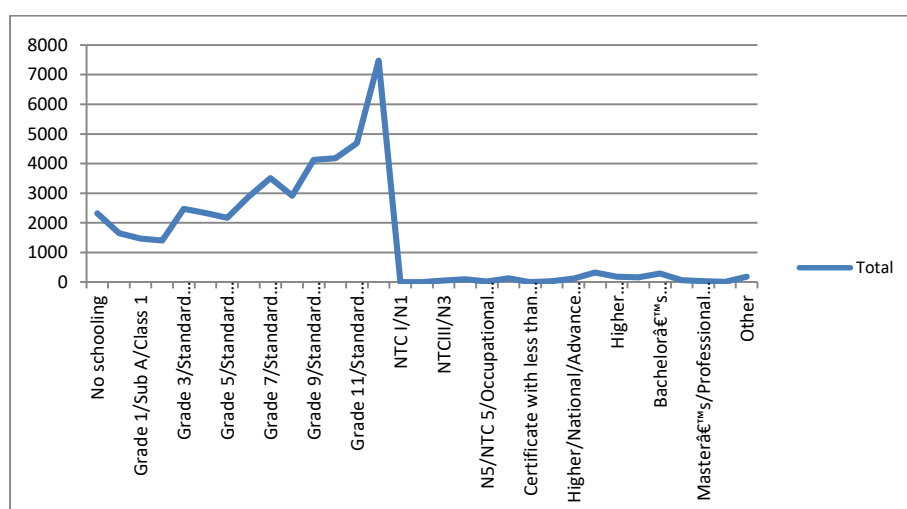
Highest level of education	Gender		Total
	Male	Female	
No schooling	1135	1185	2320
Grade 0	891	759	1650
Grade 1/Sub A/Class 1	697	768	1465
Grade 2/Sub B/Class 2	583	816	1399
Grade 3/Standard 1/ABET 1	1271	1197	2468
Grade 4/Standard 2	1134	1199	2332
Grade 5/Standard 3/ABET 2	1260	906	2166
Grade 6/Standard 4	1542	1339	2881
Grade 7/Standard 5/ABET 3	1669	1839	3508
Grade 8/Standard 6/Form 1	1305	1606	2911
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	2182	1944	4126
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	2044	2140	4183
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	2249	2442	4691
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	3486	3988	7474
NTC I/N1	-	-	-
NTCII/N2	-	-	-
NTCIII/N3	53	-	53
N4/NTC 4/Occupational certificate NQF Level 5	28	67	95
N5/NTC 5/Occupational certificate NQF Level 5	1	17	19
N6/NTC 6/Occupational certificate NQF Level 5	52	75	127
Certificate with less than Grade 12/Std 10	-	-	-
Diploma with less than Grade 12/Std 10	21	14	35
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	56	64	120

Highest level of education	Gender		Total
	Male	Female	
Diploma with Grade 12/Std 10/Occupational certificate NQF Level	161	159	320
Higher Diploma/Occupational certificate NQF Level 7	102	83	185
Post-Higher Diploma (Masters	66	93	159
Bachelorâ€™s degree/Occupational certificate NQF Level 7	123	162	285
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	36	23	59
Masterâ€™s/Professional Masters at NQF Level 9 degree	15	12	27
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	10	-	10
Other	92	88	180

Data source: Statistics South Africa, Community Survey 2016

2.7.15 above indicates that, In Community Survey 2016, more females had no schooling than males. Highest proportion of population attained grade 12. Table shows that there was an increase on people who obtained matric as compared to Census 2011. See figure 7 below.

2.7.16: Distribution of Phumelela Local Municipality population aged 5 years and older by highest level of education attained and gender



Data source: Statistics South Africa, Community Survey 2016

Employment

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

The economically active population (EAP) is defined as people (aged between 15 and 64 years) who are able willing and willing to work, and who are actively looking for work. (It includes both employed and unemployed people as well as people, who recently have not taken any active steps to find employment is, not included I the measure. These people may or (may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non- economically active population.

2.7.17: Distribution of Phumelela Local Municipality population aged between 15 and 64 years by employment status, gender and unemployment rate.

Employment Status	Gender		Total	Unemployment rate
	Male	Female		
Employed	7067	3613	10681	25.3
Unemployed	1437	2186	3624	
Not economically active	5988	9473	15461	

Data source: Statistics South Africa, Census 2011

2.7.17 above indicates the distribution of unemployment status, gender as well as unemployment rate of population aged between 15 and 64 years in Phumelela local municipality for Census 2011. 10 681 thousand people were employed in 2011, 3 624 thousand were unemployed whereas 15 461 thousand were not economically active. The overall municipal unemployment rate it was found to be 25.3%. (Based on the official definition of unemployment).

2.7.18: Distribution of employed population aged between 15 and 64 years by employment status, gender and type of sector in Phumelela Local Municipality

Type of sector	Gender		Total
	Male	Female	
In the formal sector	5294	2451	7745
In the informal sector	979	389	1368
Private household	592	701	1293

Data source: Statistics South Africa, Census 2011

2.7.18 above indicates the distribution of employed population aged between 15 and 64 years in Phumelela local municipality by type of sector and gender. The overall municipal employed people were found to be in formal sector with 7 745 employed people. The informal sector was found to be more than that of private households with 1 368 employed people.

2.8 PRIORITY ISSUES FROM THE COMMUNITY AND STAKEHOLDERS

Following a process of intensive community process and stakeholder workshops through community engagement meetings held in the previous financial year with representatives from each of the eight wards within the local municipality, a whole range of needs, issues and aspirations were identified. These needs were then reprioritised in accordance with the available resource allocation for the 2023/2024 financial year and their relevance to such.

2.9 PRIORITY ISSUES FROM THE MUNICIPALITY

Following a similar process as with the community and stakeholders, councillors, officials and sector departments were requested to identify the priority needs in relation to the operational systems together with the relevance of the needs to their respective functional areas.

2.10 COMBINED PRIORITY ISSUES AND SCORING

Subsequent to analysing the different prioritised needs and issues discussed and agreed upon, all the different issues were combined under key performance areas after which the community representative forum had an opportunity to add to the list. Using the Venn diagram, representatives were then asked to score the different issues according to the level of importance, and the results from the reprioritisation process were used to determine specific focus areas for in-depth analysis.

The Strengths, Weaknesses, Opportunities and Threats analysis flow was informed using the following diagram:

Key Performance Areas	Opportunities
Financial viability and management	<ul style="list-style-type: none"> • Provisions of both electricity and water free basic services to indigents only in order to maximise collection and reduce Eskom account. • Minimise water and electricity losses. • Structure the indigent subsidisation scheme on a sliding scale to ensure everyone contributes to the wellbeing of the municipality. • Leverage of municipal land and property portfolio
Infrastructure development and basic service delivery	<ul style="list-style-type: none"> • Curbing of water losses by installing bulk and water metres. • Establish a water demand and conservation unit in order to enhance cost recovery and to reduce water losses and related risks. • Improve stakeholder interaction and public participation on all water related business. • Determination of realistic cost reflective tariffs. • Fixing of potholes, sidewalks, storm water drainages, pavements. • Fixing of road signs and marking of roads. • improvement of waste collection and transfer resources in waste to roads and storm water by training the staff on all roads and storm water functions. • Curbing of electricity losses, rectifying pirate connections and controlling of unauthorized and illegal connections. • Updating of the spatial development framework. • Improving of metering of all consumer supplied by the municipality • Compaction of waste at waste disposal site. • Establishment, operation and maintenance of waste disposal sites. • Facilitate resources to develop two licensed waste disposal Sites and relocating of Vrede Landfill. • Facilitation of the construction of the low cost housing. • Approval and monitoring of building plans. • Upgrading the existing Electricity infrastructure in Warden.
Local Economic Development	<ul style="list-style-type: none"> ➤ Review of LED strategy. ➤ Establishment of LED Forum Establishment of Chambers of Business.New investment opportunities: <ul style="list-style-type: none"> • Shopping complex and other projects. • Skills development to support economic opportunities. • Establishment of SMME's and cooperatives

Key Performance Areas	Opportunities
Good governance and public participation	<ul style="list-style-type: none"> • IDP and budget processes. • Quarterly, mid-year and annual reports. • Development of ward operational plans to support ward Committees. • Optimal use of municipal website. • Functionality of all council committee structures Communication strategy. • Establishment of Fleet Management System
Institutional development and transformation	<ul style="list-style-type: none"> • The review of organization structure • Compilation and completion of a workplace skills plan (WSP) on time Training in line with the WSP Identify and filling of critical positions. • Creating better awareness amongst staff on municipal affairs. Review of policies, formulation of new policies, promulgation of by-laws

2.11 SOCIAL ANALYSIS

The outputs of the Integrated Development Plan formulation process are aimed at improving the lives of local communities and it is important to ensure that the municipality's strategies and projects sufficiently consider the social realities and needs of all residents. Consideration should specially be given to the disadvantaged and/ or marginalised population groups, as this will guide poverty reduction efforts effectively. During the above-mentioned processes, an overview of social strengths and weaknesses within the municipality was done, as well as the opportunities and threats outside the municipality. This enables the identification of;

- Social
- Environmental
- Legislative
- Political
- Technological
- Economical

needs and constraints that need to be considered and addressed during the process. Based on the analysis done, the following were identified:

2.11.1 HEALTH

The municipality has one hospitals in Vrede, there are four clinics spread all over the four towns of the municipality. The challenges are with the rural/farming areas that need mobile facilities, as most of these people travel more than five kilometres to reach a clinic.

Poor conditions of roads also contribute to these situations as some of the areas are inaccessible. The shortage of staff at the clinics also plays a role in our incapacity to provide sustainable health services to our communities. Doctors are also not available full time at the

clinics as they only visit on certain days. Most of the people infected with HIV/AIDS put a strain on the health system within our municipal area.

In addition to the quantitative standards, other demand drivers, which have impact on the provision of clinics, include the Department of Health's regulations, the medical expenditure of households and existing clinics in the area. The facility at the rural service centre should be a Primary Health Care Centre; a mobile clinic could be operated from here to the outlying areas. Emergency Medical Services is under the control of the Free State Provincial Government Department of Health, this service is under capacitated in terms of human resources and equipment. Below tables gives an overview of the current situation with regard the service facilities.

Health facilities

Area	Hospital	Clinic	Mobile Clinic	Community Care Centre
Vrede	1	1	0	0
Thembalihle	0	1	1	1 (Disability Centre)
Warden	0	1	1	1 (Soup Kitchen)
Ezenzeleni	0	0	0	0
Memel	0	1	1	0
Zamani	0	0	0	0

2.11.2 Distribution of population aged 5 years and older by highest level of education attained and gender in Phumelela Local Municipality

Highest level of education	Gender		Total
	Male	Female	
No schooling	1675	2010	3685
Some primary	7322	7553	14875
Completed primary	1363	1423	2786
Some secondary	6174	6772	12946
Grade 12/Std 10	2745	2994	5739
Higher	821	983	1805

Data source: Statistics South Africa, Census 2011

2.11.3 PUBLIC SAFETY AND SECURITY

There are 5 police stations around Phumelela area.

Given the vast nature of the vast and extensive nature of the rural/farming area, satellite offices need to be established to enhance;

- Police visibility within the areas
- Turnaround time to reach crime scenes
- Availability of police to attend minor cases

Below is the spread of police stations in the area:

Area	Police Station
Vrede	1
Roadside	1
Memel	1
Warden	1
Vreskykerskop	1
Total	5

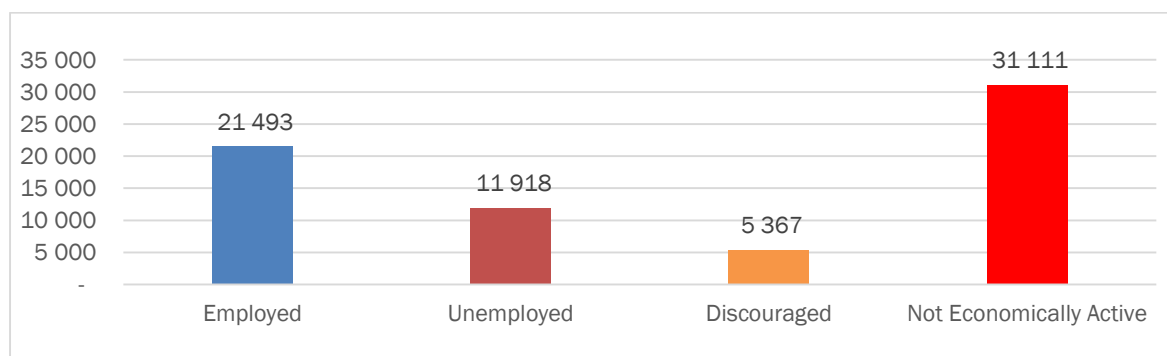
2.11.4 PUBLIC OPEN SPACE SYSTEM

All formalised recreational facilities are owned by private companies within the municipality. Those belonging to the municipality are not formalised and are in a very bad situation. Existing recreational facilities are in a dilapidated state and are not being maintained by the municipality.

2.12 ECONOMIC PROFILE

South Africa's unemployment rate in Q3:2021 increased by 0,5 of a percentage point to 34,9%. This is the highest official unemployment rate recorded since the start of the QLFS in 2008. There was an increase in the number of discouraged work-seekers (up by 545 000) and an increase in the number of those that are not economically active (NEA) for reasons other than discouragement (up by 443 000), resulting in a net increase of 988 000 in the NEA population over this period. These results are reflective of a struggling economy suffering high job losses and high levels of economic inactivity, exacerbated by the COVID-19 pandemic lockdown restrictions and, more recently, the July 2021 social unrest that some parts of the country which experienced, which led to some businesses being permanently closed.

2.12.1 EMPLOYMENT OF THOSE AGED 15-64



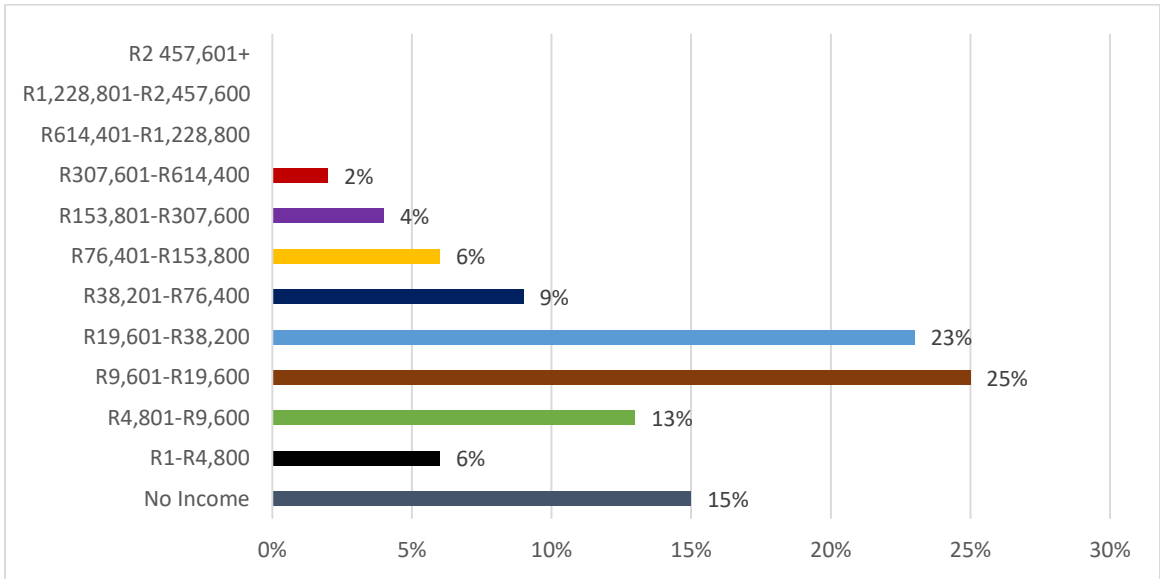
Source: Statistics South Africa-Census 2011

2.12.1.1 DISTRIBUTION OF THE POPULATION AGED 15-64 YEARS BY EMPLOYMENT STATUS- 1996, 2001 AND 2011

Employed			Unemployed			Unemployment Rate		
1996	2001	2011	1996	2001	2011	1996	2001	2011
30 412	25 658	21 315	8 914	18 856	11 886	22.7	41.2	36.0

Source: Statistics South Africa-Census 2011

2.12.1.2 AVERAGE HOUSEHOLD INCOME



Source: Statistics South Africa-Census 2011

2.12.1.3 GROSS GEOGRAPHIC PRODUCT

Town Name	PRIMARY PRODUCTION (CROPS) FS Agricultural Master Plan Alignment												PRIMARY PRODUCTION (LIVESTOCK) ION (LIVESTOCK)												OTHER PRIMARY SUPPORT						PRIORITISATION SCORE	
	Sorghum	Soya Beans	Maize	Wheat	Sun Flower	Vegetables (Potatoes etc)	Lucerne	Pecan/Walnuts	Fruits (apples etc)	Mixed Grass	Cactus Pear	Spices (Paprika)	Hatchery	Broiler	Battery	Feedlot	Cattle	Livestock handling facility	Dairy	Goats	Sheep	Boma facility	Game Farming	Fishery	Piggery	Fencing	Tool Hire	Laboratory	Mobile Laboratory	Logistics (handling facility)		Basic Collection facility
Memel	5	5	0	5	2	5	0	5	5	0	5	5	0	0	0	0	2	2	0	5	0	2	2	0	2	0	0	0	0	0	5	62
Vrede	5	0	0	5	2	2	5	0	0	5	2	2	5	5	5	5	5	5	5	2	5	0	0	2	2	0	0	0	0	0	2	76
Warden	5	0	0	2	2	5	5	0	0	5	5	5	0	0	0	0	2	2	2	5	0	2	2	0	2	0	0	0	0	0	5	56

Table 1: Primary Matrix

Town Name	PRIMARY PRODUCTION (CROPS) FS Agricultural Master Plan Alignment												PRIMARY PRODUCTION (LIVESTOCK)												OTHER PRIMARY SUPPORT						PRIORITY SCORE	
	Sorghum	Soya Beans	Maize	Wheat	Sun Flower	vegetables (Potatoes etc)	Lucerne	Pecan/Walnuts	Fruits (apples etc)	Mixed Grass	Cactus Pear	Spices (Paprika)	Hatchery	Broiler	Battery	Feedlot	Cattle	Livestock handling facility	Dairy	Goats	Sheep	Boma facility	Game Farming	Fishery	Piggery	Fencing	Tool Hire	Laboratory	Mobile Laboratory	Logistics (handling facility)		Basic Collection facility
Memel	5	5	0	5	2	5	0	5	5	0	5	5	0	0	0	0	2	2	0	5	0	2	2	0	2	0	0	0	0	0	5	62
Vrede	5	0	0	5	2	2	5	0	0	5	2	2	5	5	5	5	5	5	5	2	5	0	0	2	2	0	0	0	0	0	2	76
Warden	5	0	0	2	2	5	5	0	0	5	5	5	0	0	0	0	2	2	2	5	0	2	2	0	2	0	0	0	0	0	5	56

Table 2: Processing Matrix

Town Name	PROCESSING FACILITIES / PROJECTS (CROPS)																PROCESSING FACILITIES (LIVESTOCK)							OTHER FACILITIES				PR IO			
	Wet Milling	Dry Milling	Pressing Plant	Cold Storage	Storage	Greenhouse	Hydroponics	Aquaponics	Local Bakery	Mobile Bakery	Juice Extraction	De-Hydration plant	Washing/sorting facility	Canning facility	Packaging facility	Incubator	Sorghum Beer Facility	Abattoir (Chicken)	Abattoir (Beef)	Mobile Abattoir	Slaughtering facility	Cold Storage facility	Tannery	Packaging	Wine product processing facilities	Fresh produce vanet - 1 100m ²	Fresh produce vanet - 2 200m ²		Residues / Agri chemicals	Bio-Fuel	ICT Infrastructure
Memel	0	0	0	2	4	4	4	0	0	3	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	2	0	0	0	3	23
Vrede	0	0	0	2	3	2	2	3	1	4	0	0	2	0	0	1	0	2	0	0	0	2	0	0	0	1	1	0	0	1	27
Warden	0	0	0	2	3	3	3	2	4	3	0	0	0	0	0	2	0	2	0	3	0	2	0	1	2	3	3	0	0	3	41

Source: Statistics South Africa-Census 2011

2.12.1.4 NUMBER OF PERSONS AND SECTORS EMPLOYED

Type of sector	Gender		Total
	Male	Female	
In the formal sector	5294	2451	7745
In the informal sector	979	389	1368
Private household	592	701	1293

Source: Statistics South Africa-Census 2011

2.12.1.5 LOCAL ECONOMIC DEVELOPMENT AND TOURISM DEVELOPMENT

The main primary goal of Local Economic Development and Tourism Development is to provide a service to the local community such that will expand the local economy in order to enhance the community's quality of life and to improve the living condition of its communities in general. The division is inspired by an outcome-driven approach which focuses on the following interventions:

- Investment promotion and business support
- Property and infrastructure development
- Municipal procurement and public-works support
- Small and micro enterprise support including support for the informal sector and
- Support for tourism development initiatives and sports activities

The municipality is currently busy with the review of the Local Economic Development Strategy which was last approved by Council in 2011.

2.13 SPORT AND RECREATION

The following sporting codes are active within the municipal area and they need to be encouraged to have a health citizenry.

2.13.1 BOXING

This sport is very popular in Warden although the town is having only one professional boxer as well as numerous amateur boxers. However, lack of sponsorship and development is diminishing interest in this code. This boxer attended a Boxing Tournament held at Bethlem.

2.13.2 TENNIS

This sport used to be practiced by young and old within the entire municipal area and has died due to lack of facilities and development.

2.13.3 SOCCER

Undisputedly the most loved game in the municipal area, the District, the Province and the whole of South Africa. There must be a vision to have a least one or two teams from this area representing the municipality in the Mvela and ABC Motsepe League in the next three years. This will have to be done by introducing the Phumelela Soccer League within the next twelve months. Relevant stakeholders shall have to be involved in the meantime to look at the realisation of this programme.

2.13.4 OTHER SPORTING CODES

All other sporting codes also need to be accommodated in the planning cycle of the municipality so that we have an Integrated Sporting Support Programme for the municipality that encompasses everyone and every corner of the municipal boundary.

2.14 ARTS AND CULTURE

There is no doubt that talent is in abundance within our municipality, but we have been unable to unearth and take it to greater heights, this in turn has affected our municipality negatively within the tourism industry. The following is with mentioning regarding the above: The entire area around Memel is a birder's paradise, with varied landscapes from pockets of cloud forest to gently undulating hills with willow fringed dams and wetland vleis. The area south and east of Memel is more mountainous and dramatic, being on the edge of the Drakensberg Mountain range, and north of Memel you will find the RAMSAR Seekoewvie Wetland Nature Reserve and more wetlands along the Klip River as it winds through open alpine farmlands.

Take a slow drive west along the R556 from Memel with your binoculars and look out for Grey and Red Wing Francolins, Southern Bald Ibis, Blue Crane, Grey Crowned Crane (also called Mahem), Wattled Crane and Blue Korhaan among other bird species that thrive in the combination of wetland, alpine grasslands and grazing, including may high altitude grassland endemic bird species.

The species checklist for birding in and around Memel is 250, and 100 – 120 species can easily be seen over a weekend in the area. The best time for birding is in the rainy summer months, but this can also make some of the roads difficult to negotiate, so head there in a 4X4 if you can.

The Memel area is particularly well known of its many species of Lark, including Rudd's Lark, Eastern Long-Billed Lark, Pink-billed Lark and Botha's Lark.

2.15 SPATIAL ANALYSIS

Deriving from the inputs as presented in the situational analysis, the development opportunities and constraints which have an impact on the spatial structuring of Phumelela LM is as follows.

2.15.1. DEVELOPMENT OPPORTUNITIES

- The Vrede Marina Dam in Vrede must be protected as public entity and must not form part of the private township establishment around that area.
- The urban area of Warden/Ezenzeleni is strategically located along the N3 Freeway between Gauteng and Kwa-Zulu Natal and provide some tourism activities (hospitality and other services) to through traffic;
- The Vaal River along the western boundary provides a number of tourism, ecotourism related opportunities; development along the Vaal River should be controlled so to not degrade the river banks in the long run. The urban areas are well linked by way of the R34, R103 and N3 routes which run through the area;
- The large agricultural component within the Municipal area presents a number of agricultural opportunities;
- There are a number of tourism and eco-tourism activities and attributes which can be explored and developed to the benefit of the community. One of these attributes is the Seekoeivlei area;
- There are a number of development attributes within the existing towns which presents development opportunities (large stands, vacant land, river systems). Phumelela Local Municipality Spatial Development Framework.

2.15.2 Development Constraints

The following are some development challenges facing Phumelela Local Municipality according to Thabo Mofutsanyane Rural Development Plan:

- Lack of linkages between small and commercial farmers;
- Pressures on service delivery;
- Availability of water for irrigation purposes.
- Limited access and linkages between towns and settlements;
- Lack of sustainable water source;
- Limited economic opportunities; and
- Poor environmental management.

Other Development constraints are as follows:

- **Urban concentrations**
 - The segregation of townships based on previous planning policies;
 - The lack of higher order social, economic and recreation facilities. Persons travel to urban areas such as Harrismith, Bethlehem and other towns to obtain specialized goods and services;
 - The lack of economic catalyst projects which will attract investment and job creation;

- **Housing**
 - The housing backlog relative to the total number of erven in Phumelela is still a problem
 - Future residential expansion is restricted by Open Space Systems.
- **Cemeteries**
 - New cemetery has been developed in Thembalihle Extension 4 near piggery project and it is functioning.
 - The new cemetery has been provided in Zamani Extension 4 near oxidation plant after the environmental authorization has been granted.
- **Social**
 - Lack of capacity within Clinics to address the ever-rising demand.
 - High crime rate.
 - Recreational facilities are not properly managed and maintained, especially the open spaces and the parks in the townships. This is a great source for concern as the future generation will be deprived the opportunity to live in an environment that is well endowed with urban open spaces and parks

Migration

The Municipality is in close proximity with Newcastle (KZN) and Standerton (MP) borders. Internal or Local Migration is a norm when a municipality is in such proximity with provincial borders. The R34 route which passes through the municipality also plays a role in local migrants influenced by new development. Migration has a big impact on municipalities as it plays a big part in planning as well as allocation of resources. There are 3 different types of migration that must be taken into consideration when planning namely:

- Non-migrants - those born in Phumelela and have never moved from their location
- In-migrants - those who moved from elsewhere within Free State or from other provinces within South Africa
- Immigrants - those who moved from other countries into Phumelela

- **Rural**
 - Poor provision of water and sanitation to farm workers.
 - Poor health services to these areas.
 - Lack of facilities for tertiary education.
 - The rapid rate of job losses in agriculture.
 - Accelerating rural-urban migration and the subsequent pressure on the services infrastructure.
 - The slow pace of land redistribution.
 - The high pressure on communal agricultural land, particularly municipal commonage.
 - The lack of capacity of the municipality to deliver any services to farms.

2.15.3 Roads and Storm Water maintenance

The Municipality uses the following methods for maintenance of roads and storm water:

2.15.3.1 Pavement

There are many different pavement maintenance techniques. Before deciding which technique to use, I make sure of knowing all the possible choices. Some problems can only be solved with certain techniques. The list below describes the basic repairs that need to be in your pavement repair toolbox.

2.15.3.2 Drainage Maintenance

This is critical to allow roads to last as long as possible. Drainage is the single most common problem that leads to premature failures. For more details on drainage, all storm-water channels should be cleaned daily. This will contain the cleaning of manholes in this regard. Daily logs should be kept and inspections on the structure of the manholes should be conducted. This should be reported on to the Manager Roads and Storm-water Division.

2.15.3.3 Asphalt Surfaced Pavement

2.15.3.3.1 Crack repairs

When cracks are narrow (0.64cm - 2.54cm) and not deteriorated on the edge, crack repairs are a good alternative. Crack repairs generally fall into two categories of work: sealing and filling. Sealing prevents the intrusion of water and debris into a working crack. A working crack is one that moves noticeably (more than an eighth of an inch) due to weather or traffic loads. Filling reduces the infiltration of water into a non-working crack.

2.15.3.3.2 Patching

Patching is a year-round activity that is done to keep road surfaces drivable. Most patching is done to fill potholes (All potholes must be repair daily. Road inspection regarding this must be conducted daily). Ruts, slippage and other pavement defects may also be fixed best by patching. Patching does not fix base problems.

Types of patches include cold asphalt "Chip and spray," hot asphalt "semi-permanent," and spray patching. Patching is very economical if done properly. Where patches occur, it should be erected whether it is monthly and/or quarterly. This all depends on whether there is a development of such a nature. Daily/weekly inspection should be done in this regard.

2.15.3.3.3 Area repairs

Unlike patching, area repairs involve a more extensive repair. An area repair involves a cut out and replacement of a bad section of a road or street. It is relatively expensive for the area repaired, but since it fixes any base problems and is not wasteful, it can be the best alternative for roads with small areas of distress.

2.15.3.3.4 Thin wearing courses

Sometimes called surface treatments or seals, there is a large family of alternatives that fall into the field of a thin wearing course. They are generally less than one inch thick. This large variety of repairs is used to waterproof the pavement, restore skid resistance, and restore oxidized surfaces. Some surface treatments can fill minor ruts. Cracks and other defects will reflect through. Thin wearing courses do not add any structural strength.

2.15.3.3.5 Reclamation

Reclamation or stabilization improves the base, as opposed to recycling, which does not. This is done via the addition of aggregates or chemicals to improve the quality of the base. When completed properly, it provides an almost new road. Reclamation can be very cost-effective, but the choice of stabilizing agent is very critical.

2.15.3.3.6 Construction

This is a very expensive technique, but it may be the only option for a badly deteriorated road. Total reconstruction can be cost-effective if done in conjunction with utility replacement. This choice is usually a last resort.

2.15.3.3.7 Road signs

New roads road signs where necessary must be erected daily. Removal and installation of damaged road signs daily. Cleaning and washing of road signs annually.

2.15.3.3.8 Speed Humps

Where necessary new Speed Humps should be constructed. Daily maintenance on the already constructed Speed Humps should be done. An inspection report shall be maintained monthly.

2.15.3.4 Gravel Roads

2.15.3.4.1 Dust control

Dust palliatives (emulsions, wood lignin, and salts) are used to keep the dust on the surface of the pavement and to improve safety for the traveling public. As opposed to stabilization, dust control is the primary reason for application and generally no working of the surface is needed. In many cases, dust control operations are scheduled to coincide with Skimming or gravelling.

2.15.3.4.2 Blading or dragging

A grader Machine routinely needs to be used to re-gravel a gravel surface. This is done with the blade of the grader set to vertical with a slight down pressure. Going slow is the key to success.

2.15.3.4.3 Reshaping

Re-shaping and gravelling are done when blading is not enough. This generally requires pulling the gravel material into a windrow and re-spreading with the grader. Rolling the surface will improve the durability of this repair.

2.15.3.4.4 Patching and area repairs

For gravel roads, most patching is done in conjunction with other work. Scarify the material in the area needing patch to a depth of an inch more than the deepest pothole. Filling in potholes on gravel roads is usually not successful.

2.15.3.4.5 Stabilization

Usually one of the highest levels of repair on a gravel road, stabilization involves using chemicals or aggregate to help improve the quality of the material in the pavement. Asphalt emulsion, Portland cement, calcium chloride, and salt have all been used as chemical additives. The choice of additive is critical to the success of the repair.

2.16 RAIL

There are two railway lines in the Phumelela area. The railway line from Gauteng, through Standerton to Vrede and a railway line that connects Warden with Harrismith. No railway line operates near Memel.

There are no passenger transport services. The rail transport is mostly utilized for transporting agricultural produce.

2.17 AIR

There is an airstrip located at Vrede, which serves the community and is utilized by crop sprayers. This airstrip was apparently never approved and it is situated dangerously near the residential area. As such it is here recommended that it be removed and relocated elsewhere away from residential area.

It is recommended that it be located to the Municipal Estina Farm Portion 27275 to the north of Vrede or alternatively be relocated to the Municipal Farm Madeira 408 to the south of Vrede.

2.18 SPATIAL PLANNING AND LAND USE MANAGEMENT

Spatial and land use planning is dealing with land use management which is the system of legal requirements and regulations that apply to land in order to achieve desirable and harmonious development of the built environment. The Spatial Planning and Land Use Management Act, (Act 16 of 2013) is a framework for all spatial planning and land use management legislation in South Africa. It seeks to promote consistency and uniformity in procedures and decision-making. Other objectives include addressing historical special imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments.

2.18.1 POWERS AND FUNCTION

- The determination of all land development applications is solely the responsibility of the municipality through Land Development Officer and Municipal Planning Tribunal.

2.18.1.1 SPATIAL AND LAND USE PLANNING CORE FUNCTIONS

- Facilitate the implementation SPLUMA
- Ensure proper development of land
- Regulating the use and development of land
- Coordinating development of Land Use Schemes
- Coordinate and facilitate the implementation of Land Use Scheme
- Development of spatial plans of the municipality
- Enforcement, compliance to building standards and regulations

2.18.1.1.2 CHALLENGES TO ENSURE PROPER LAND USE MANAGEMENT AND SPATIAL PLANNING

- Personnel to fully implement SPLUMA
- Land Invasion
- Informal Settlements

More focus will be given to additional land uses and patterns in the Spatial Development Framework, contained in this document as Annexure

2.18.2 NUMBER OF ERVEN PER TOWN

AREA	NO OF Households
VREDE	1014
THEMBALIHLE	6219
NEW DEV	1400
INFORMAL	350
WARDEN	655
EZENZELENI	2596
NEW DEV	1009
INFORMAL	250
MEMEL	473
ZAMANI	1574
NEW DEV	1453
INFORMAL	150

The Urban Planning and Housing is responsible for sustainable human settlements. The process starts by identifying the need for developments. The need is basically to accommodate the low, middle- and high-income group. Phumelela is having a high number of low-income groups. The municipality need to fast track the investigation studies to identify suitable land for township establishments.

The municipality need to immediately allocate sites to the needy communities as soon as the township has been proclaimed in order to ensure access to security of tenure. The provision of housing is the competence of the Department of Human Settlements in the Free State Province. Communities who afford to buy sites and build houses within the municipality are expected to comply with the National Building Regulations and Building Standards Act (Act 103 of 1977).

The municipality uses the Spatial Planning and Land Use Management Act, 16 of 2013 to address all land development matters. Every land development made by private, government and government parastatals are all approved in terms of the Municipal Land Use Planning By-Laws.

The municipality promotes integration in a way that high density and low density are connected. The municipality also support medium density developments by allowing developers to do FLISP projects which is the Human Settlements program. Municipality's biggest challenges is to formalise informal settlements. There are 3 informal settlements in Warden and Ezenzeleni, 1 informal settlement in Vrede/Thembalihle and 2 in

Memel/Zamani. The growth in informal settlements shows the need for establishments of residential sites for the community

2.18.3 POWERS AND FUNCTION

- The provision of houses remains the function of the Provincial Department of Governance, Human Settlement.
- The role of the municipality is mainly to coordinate the identification of sites, beneficiaries and monitoring the construction process.

The municipality has a backlog of 12 400. Informal Settlements therefore remains a problem if the housing backlog is not addressed. There is also a backlog of 2 237 sites that are without services which needs to be addressed by the Engineering Department. These are indicated in the table below:

2.18.3.1 MUNICIPAL ERVEN BACKLOG

Area	Erven Shortage
Vrede/Thembalihle	2000
Memel/Zamani	2000
Warden/Ezenzeleni	2000
Total	6000

2.18.4 CHALLENGES IN THE PROVISION OF SUSTAINABLE HUMAN SETTLEMENTS

- Allocation of houses by the Department of Human Settlements does not meet the demand of the municipality.
- Monitoring and evaluating the work of housing contractors in order to ensure provision of quality houses.
- Land invasion
- Funding constrains for township establishment on land owned by the municipality
- Funding constrains to service the new townships

2.18.5 TYPES OF DWELLINGS

Percentage distribution of households by type of main dwelling	Census 2007	Community Survey 2007
Indicator		
House or brick structure on separate stand or yard	63.0	9461
Traditional dwelling Structure made of traditional materials	15.9	642
Flat in block of flats	0.3	46
Town/cluster/semi-detached house (simplex, duplex, triplex)	0.9	21
House/flat/room in backyard	2.8	625
Informal dwelling / shack in backyard	4.8	921

Percentage distribution of households by type of main dwelling	Census 2007	Community Survey 2007
Indicator		
Informal dwelling / shack not in backyard-e.g. Informal/squatter settlement	9.6	1786
Room/flatlet not in backyard but on a shared property	0.8	4
Caravan or tent	0.2	0
Other	2.0	1081

2.18.6 HOUSEHOLD HEAD BY GENDER

Source	Gender		Total	Sex ratios (Males per 100 Females)
	Male	Female		
Census 2011	23162	24611	47772	94
CS 2016	24709	25345	50054	97

Data source: Statistics South Africa, Census 2011 and Community Survey 2016

2.18.7 HOUSEHOLD BY TENURE

Type	Number
Rented	6 210
Owned but not yet paid off	2 917
Occupied rent free	6 035
Owned and fully paid off	17 959
Other	566
Total	33 687

Source: Statistics South Africa-Census 2011

2.18.8 DISTRIBUTION OF HOUSEHOLDS BY TENURE STATUS-2001 AND 2011

Owned and fully paid off		Owned but not paid off		Rented		Occupied rent-free	
2001	2011	2001	2011	2001	2011	2001	2011
12 915	17 959	4 228	2 917	7 700	6 210	7 902	6 035

Source: Statistics South Africa-Community Survey 2011

2.18.9 DISTRIBUTION OF HOUSEHOLDS WITH RADIO, TELEVISION, REFRIGERATOR, COMPUTER, CELL PHONE, LANDLINE/TELEPHONE AND ACCESS TO INTERNET-2001 AND 2011

Radio		Television		Refrigerator		Computer		Cell phone		Telephone		Internet
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2011
23 990	25 040	14 813	24 577	13 152	22 422	935	3 729	5 380	28 100	5 112	2 837	7 973

Source: Statistics South Africa-Community Survey 2016

2.18.10 HOUSING BACKLOG

- The housing backlog relative to the total number of erven in Phumelela is still a problem
- Future residential expansion is restricted by Open Space Systems.

2.19 ANALYSIS OF LEVEL OF SERVICES AND CHALLENGES

The water distribution system has been refurbishment and the efficiency of the service delivery system needs to be addressed by means of a comprehensive water demand management programme.

Water is one of the major obstacles Memel faces in terms of future development. Currently the water supply can only accommodate existing developments. It is therefore proposed that the Catchment Dam located south east of Memel be expanded to accommodate future developments within the area.

All households in formal townships have access to water according to national standards. Ageing infrastructure is putting huge pressure on the capacity of municipality to maintain access standards. The Warden/ Ezenzeleni area is generally well serviced with water and only about 336 and 94 households make use of communal standpipes for their daily water supply, Within Memel/ Zamani 86% of even are serviced with water and approximately 350 households depend on communal standpipes or have gather water delivered by municipal truck. The rural areas mostly make use of fountains and boreholes as their water source, due to difficulties experienced with water supply from farm owners. In some cases, surrounding farm workers even collect water from communal stands in nearby urban areas. Municipality also supplies water using water tanks.

PHUMELELA WATER					
Water demand P/town/Area	Water Supply p/town	Capacity storage - WTW	Reservoir storage capacity (ML)	Water Supply Deficit	Dam level
3 X EBICO Tanks	Memel	2.5 ML	0.76		
Pressure Tower	Memel		0.06	0.02	80% Full
Reservoir 1.7MI	Memel		1.70		
3 X Pressure Towers	Vrede		0.87		12% Full

3 EBICO Tanks	Vrede	7.5 ML	0.50	4.37	88% Empty
Reservoir	Vrede		7.00		
Reservoir	Vrede		3.5 (New)		
Reservoir	Warden	4.5	3.5	1.50	95% Full
Reservoir	Warden		2.0		
3 x EBICO Tanks	Warden		0.5		
	Warden	8.5 ML new plant	Not yet commissioned		

AREA	NO HH	HOUSE/YARD CONNECTIONS	COMM TAP	Tankering	BACKLOG
VREDE	1014	950			
THEMBALIHLE	6219	5750		570	570
NEW DEV	1400	400			1000
INFORMAL	350	0	9	350	350
WARDEN	655	625			
EZENZELENI	2596	2200	12	366	396
NEW DEV	1009	510			499
INFORMAL	250	0	6	250	250
MEMEL	473	350			
ZAMANI	1574	1505			
NEW DEV	1453	300	3	200	1250
INFORMAL	150	0	0	150	150

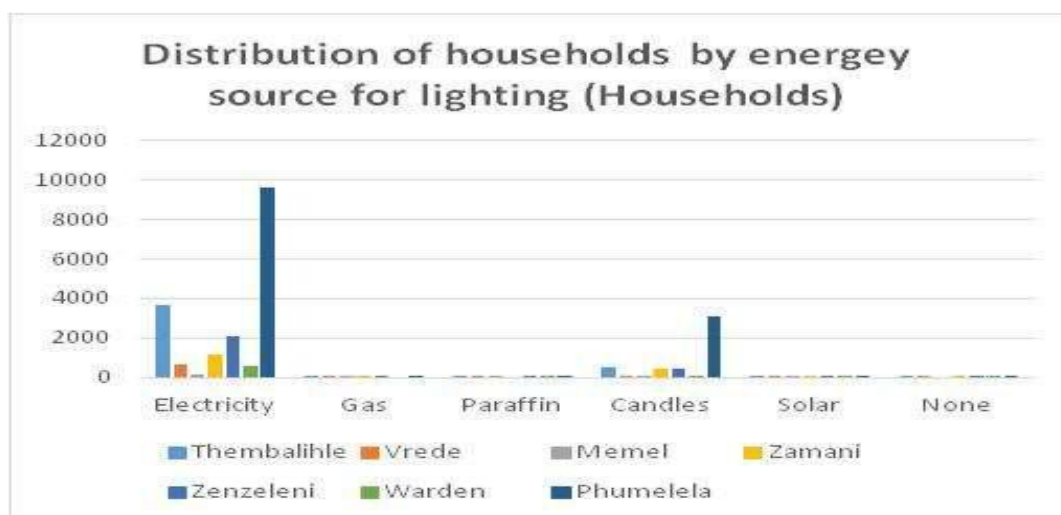
Access to piped water

Province, District and Local Municipality	Main source of water for drinking													
	Piped (tap) water inside the dwelling/ house	Piped (tap) water inside yard	Piped water on community stand	Borehole in the yard	Rain-water tank in yard	Neighbour tap	Public/ communal tap	Water-carrier /tanker	Borehole outside the yard	Flowing water/ stream/ river	Well	Spring	Other	Total
Thabo Mofutsanyane	62937	150376	5287	1959	419	4543	4511	9488	3106	888	411	986	1260	246171
Setsoo	5693	27557	263	823	23	379	804	26	1443	35	49	13	279	37388
Ditlabeng	19757	22094	2075	301	39	130	1304	456	383	43	140	79	55	46857
Nketoana	3930	14183	867	122	-	213	271	31	66	-	-	-	-	19064
Maluti a Phofung	24704	66894	1606	370	333	3462	1806	8569	415	657	222	835	752	110725
Phumelela	4092	8535	465	76	23	331	327	313	124	107	-	47	148	14586
Mantsope	4761	11034	11	267	-	28	-	92	674	48	-	11	26	16951

2.20 ELECTRICITY

Access to Electricity

The municipality is a License Authority and supplier electricity for Warden area. The municipality entered into an agreement with Eskom to provide the hosting, vending, data management and supplementary support services to the municipality. Eskom distributes the prepaid electricity (by the way of vendors) to third parties and pays a portion of the revenue received over to the municipality. Eskom distributes the conventional electricity to third parties and pays a portion of the revenue received over to the municipality.



The municipality consider the free basic level of services as 50kWh per household.

AREA	NO OF HH	ACCESS	BACKLOG
VREDE	1014	950	64
THEMBALIHLE	6219	5644	575
NEW DEV	1400	0	1400
INFORMAL	350	0	350
WARDEN	655	600	55
EZENZELENI	2596	2540	56
NEW DEV	1009	0	1359
INFORMAL	250	0	250
MEMEL	473	450	23
ZAMANI	1574	1505	69
NEW DEV	1453	300	1153
INFORMAL	150	0	150

CHALLENGES ON ELECTRICITY BACKLOG

- Operation and Maintenance challenges
- Theft and vandalism
- Overloaded systems
- Penalties on NMD exceedance
- 22kv & 11kv arrangement in Warden

2.21 SANITATION

The establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of service.

The pit-latrines system is still the main prevalent method of sanitation in the district only second to waterborne systems. The eradication of the pit-latrines system is a high government priority. All other forms of sanitation need to adhere to standards set by the Departments of Water Affairs and Forestry and Health standards.

In general, the bulks sanitation infrastructure in all the urban areas are either insufficient for any future expansion or is close to reaching its full potential in the near future. Before any major internal sanitation upgrading can be considered, the bulk infrastructure will need to be upgraded to accommodate such expansions. The bulk sanitation infrastructure in all the urban areas are either insufficient for any future expansion or is close to reaching its full potential in the near future the municipal resource constraints limits its capacity to deal effectively with waste water treatment requirements.

AREA	NO. OF HH	FLUSH SYSTEM	SEPTIC TANKS	VIP TOILETS	BACKLOG		
					PIT LATRINES	BUCKETS	NONE
VREDE	1014	950					
THEMBALIHLE	6219	5759					
NEW DEV	1400	0					1400
INFORMAL	350	0			350		
WARDEN	655	0	600				
EZENZELENI	2596	2540					
NEW DEV	1009	0					1009
INFORMAL	250	0			250		
MEMEL	473	350					
ZAMANI	1574	1505			250		
NEW DEV	1453	0			1453		1453
INFORMAL	150	0			150		

CHALLENGES ON SANITATION BACKLOG

- Operation and Maintenance challenges
- Spillages as a result of old infra and strained outfall lines
- New Townships establishment

2.21.1 DISTRIBUTION OF HOUSEHOLDS BY TYPE OF TOILET FACILITY

District and Local Municipality	Main type of toilet facility used										
	Flush toilet connect to public sewerage system	Flush toilet connect to septic tank or conservancy tank	Chemical toilet	Pit latrine/ toilet - ventilation pipe	Pit latrine/ toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; eco-toilet; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	Total
Thabo Mofutsanyane	133785	7120	7092	26429	52141	885	8493	3352	3302	3572	246171
Setsoto	23884	1881	51	562	1448	504	7097	718	684	560	37388
Dihlabeng	37778	1454	783	1190	3804	159	526	714	199	249	46857
Nketoana	15348	507	707	232	1920	30	180	264	121	354	19664
Maluti a Phofung	32893	2104	5473	23497	41646	192	26	1428	1600	1865	110725
Phumelela	9412	813	39	520	3025	-	13	198	167	400	14586
Mantsopa	14470	361	38	428	298	-	651	30	531	144	16951

Source: Statistics SA Community Survey 2016

2.22 REFUSE REMOVAL

AREA	NO OF HH	ACCESS	FREQUENCY	NO ACCESS
VREDE	1014	950	Weekly	64
THEMBALIHLE	6219	5644	Weekly	575
NEW DEV	1400	0	Weekly	0
INFORMAL	350	0	Weekly	350
WARDEN	655	600	Weekly	55
EZENZELENI	2596	2540	Weekly	56
NEW DEV	1009	0	Weekly	0
INFORMAL	250	0	Weekly	250
MEMEL	473	450	Weekly	23
ZAMANI	1574	1505	Weekly	69
NEW DEVELOPMENT	1453	0	Weekly	1153
INFORMAL	150	0	Weekly	150

Community Services Division is rendering the following services to the communities in all the towns of the municipality:

- the collection of household waste once a week as per the National Standard
- the collection of business waste once a week
- collection of perishable waste at least three times a week but with arrangement waste collected and disposed daily
- the collection of waste from schools, clinics and hospitals once a week or as per arrangement
- no hazardous waste is collected because the landfill sites are only permitted for general waste
- cleaning of litter at central business areas in all four towns within the municipality
- managing licensed landfill sites in all the towns of which two are fenced but the sites are not compliant to license conditions
- continuous cleaning of areas in the townships and the removal of corner dumping from public open areas encouraging recycling by entrepreneurs

CHALLENGES ON REFUSE REMOVAL

- Maintenance challenges
- Illegal dumping
- Maintenance of Landfill Sites
- Old fleet

2.22.1 SITUATION ANALYSIS ON SOLID WASTE MANAGEMENT

Waste disposal sites in Vrede, Memel and Warden are not operated effectively and new sites have already been identified and they need licensing. The waste disposal site in Memel is located close to Pampoenstpruit and holds a danger of polluting the Seekoeivlei. Wetland, the new waste disposal site has therefore been identified.

Access to Refuse Removal

Province, District and Municipality	Refuse removal							Total
	Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/ central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	
Free State	659477	36019	33928	7242	165624	37494	6854	946638
Thabo Mofutsanyane	120155	4208	12325	1507	86991	17327	3657	246171
Setsotho	21705	995	2037	154	10159	1792	545	37388
Dihlabeng	38611	545	1708	952	4254	656	131	46857
Nketoana	16068	359	545	44	2039	355	254	19664
Maluti a Phofung	23361	1159	5682	278	65648	12181	2415	110725
Phumelela	8891	1016	123	12	2594	1734	216	14586
Mantsopa	11520	133	2231	67	2297	609	96	16951

The total number of registered indigent households in the municipality increased from 1051 in 2021 to 1251 in 2022. The low number of indigent registration has a major effect on the revenue available to render sustainable refuse collection service.

2.22.1.1 Waste Service Equipment

The municipality provides refuse removal services Vrede and its townships, Warden and its townships, Memel. This service is currently not being provided to the farming areas. Waste disposal facilities are available in all the towns mentioned above. The municipality has 3 licensed landfill sites which need to be either relocated and others upgraded in accordance with the compiled ISWMP. The Integrated Waste Management Plan is attached to this document as Annexure

2.22.2 DISTRIBUTION OF HOUSEHOLDS BY TYPE OF REFUSE REMOVAL

AREA	NO OF HH	ACCESS	FREQUENCY	NO ACCESS
VREDE	1014	950	Weekly	64
THEMBALIHLE	6219	5644	Weekly	575
NEW DEV	1400	0	Weekly	0
INFORMAL	350	0	Weekly	350
WARDEN	655	600	Weekly	55
EZENZELENI	2596	2540	Weekly	56
NEW DEV	1009	0	Weekly	0
INFORMAL	250	0	Weekly	250
MEMEL	473	450	Weekly	23
ZAMANI	1574	1505	Weekly	69
NEW DEVELOPMENT	1453	0	Weekly	1153
INFORMAL	150	0	Weekly	150

2.23 WATER

Water is one of the major obstacles Memel faces in terms of future development. Currently the water supply can only accommodate existing developments. It is therefore proposed that the Catchment Dam located south east of Memel be expanded to accommodate future developments within the area.

The municipality has the total number of 33 687 housed as per the stats 2011, and the current backlogs in terms of access to piped water inside the yard (but not in the dwelling) is 4 120. This need to be included in the SDBIP of the Engineering Department for the 2023/2024 and beyond. There is still a need for the municipality to ensure that all informal settlements are formalised (as indicated in the urban planning backlogs) and basic access to water and sanitation provided to those areas.

Source of Water	Thabo Mofutsanyane	Setsoto	Dihlabeng	Nketoana	Maluti a Phofung	Phumela	Mantsopa
Piped (tap) water inside the dwelling	6 2937	5693	19757	3930	24704	4092	4761
Piped (tap) water inside yard	150376	27557	22094	14163	66994	8535	11034
Piped water on community stand	5287	263	2075	867	1606	465	11
Borehole in the yard	1959	823	302	122	370	76	267
Rain-water tank in yard	419	23	39	-	333	23	-
Neighbor's tap	4543	379	130	233	3462	331	28
Public/ Communal tap	4511	804	1304	271	1806	327	-
Water-Carrier / Tanker	9488	26	456	31	8569	313	92
Borehole outside the yard	3106	1443	383	66	415	124	674
Flowing water / stream/ river	888	35	43	-	657	107	46
Well	411	49	140	-	222	-	-
Spring	986	12	79	-	835	47	11
Other	1260	279	55	-	752	148	26
Total	246171	37388	46857	19664	110725	14586	16951

Data source: Statistics South Africa, Community Survey 2016

2.24 BUSINESS

2.24.1 VREDE/WARDEN/MEMEL

Vrede has been identified as a main town that borders KZN, MP and GP. Main business facilities are located in the centre of all towns in Phumelela local municipality (Vrede , Warden and Memel). The Central Business District (CBD) of all towns are relatively large in relation to the size of the towns.

This is due to its multi-dimensional function.

- It focuses on local, commercial and office land uses.
- It functions as a main business and shopping area for surrounding farms.
- It is a main business and shopping area for surrounding towns.

2.25 INDUSTRIES

2. 25.1 VREDE / THEMBALIHLE

There are existing industries in Vrede, and area earmarked for future industrial development (1 -5 years). There is also lack of light industrial sites. New industrial sites have been identified in Vrede

2.25.2 MEMEL/ ZAMANI

One of Memel's largest industrial assets is the knitting factory situated to the north of Memel. A future Industrial area is identified directly to the north of the existing industrial area in Memel.

2.25.3 WARDEN/ EZENZELENI

There are currently few existing industrial sites in warden; Future industrial development for 1-5 years as well as long term 6 -10 years have also been identified. A Future industrial site is identified east of the existing industrial area in Warden.

2.26 CEMETERIES

VREDE CEMETERIES

Town: There is one graveyard in Town which is full.

Township: Extension 4 Graveyard has been established and is the only graveyard that accommodates the people of Vrede and Township and its fenced and has two toilets one for males and other for females.

WARDEN CEMETERIES

Town: The Warden graveyard is fenced and full and cannot accommodate any burials.

Township: Graveyard in Township still has space and is still used with two toilets one for males other for females.

MEMEL CEMETERIES

Town: Memel Town Graveyard is still in use and has space.

Township: Township Graveyard has space for burials and is fenced.

New cemetery has been developed in Thembalihle Extension 4 near piggery project and it is functioning. The new cemetery must be provided in Zamani Extension 4 near oxidation plant after the environmental authorization has been granted.

2.27 NATURAL RESOURCES

Natural resources in the area are limited. One of the development potentials of greater Memel is based on the tourism development of the International Ramsar accredited Seekoeivlei wetlands area. This natural resource should be developed, but also protected from practices and development threatening the long term sustainability of the wetlands.

2.28 ENVIRONMENTALLY SENSITIVE AREAS

VREDE/ THEMBALIHLE

Along R546 there are some streams and dongas that are environmentally sensitive. Small streams transverse the area along R546 and consist of dongas. These areas are also subject to flood potential and unstable soil conditions that are prone to corrosion. A large population in the community relies on boreholes to supply water for consumption to residents. Development in these areas could cause the pollution of this water source and affect the availability of water for the community at large.

MEMEL / ZAMANI

Memel and Zamani are associated with streams, dongas, wetlands. There is also an Environmentally sensitive area for indigenous birds at Memel which is used as a tourism spot for bird watching.

The above are environmentally sensitive areas. Development in these areas may hold the following challenges:

- It can be potentially expensive.
- It may hold potential health risks with regard to water quality.
- It may be subject to flood lines and unstable or wet soil conditions

2.28.1 SITUATIONAL ANALYSIS ON ENVIRONMENTAL MANAGEMENT

At the beginning of the 21st century, environmental management has emerged as a major concern for the welfare of people and the whole ecosystem. The past few years have witnessed an extensive change in the attitudes, approaches and policies of most people being involved in development planning. This major change in attitudes of people is aiming at strengthening the concept of sustainability principles in all development planning activities. Municipalities have a significant role to play in environmental conservation as part of their mandate to provide a safe and healthy environment for residents.

Environmental Management in Phumelela Local Municipality is dealt with through the Waste Management division. Environmental management section strives to reduce and avoid environmental issues and improves the quality of life for the community. This is done by identifying and monitoring environmental aspects and providing remedial and mitigation measures. It also strives to ensure compliance with environmental legislation within the municipality.

The municipality has developed the Integrated Environmental Management Plan (IEMP) and reviewed the Integrated Waste Management Plan. Both sector plans are part of the IDP. The state of the environment for Phumelela Local Municipality as described by the IEMP is explained below. The focus must be on sensitive, vulnerable, endangered, highly endangered or stressed ecosystems especially where they are subject to significant human activities and development pressure.

Area	Size/ Hectare	Size/Percentage
Overall Municipal area	596635,94	100
Area remaining natural	365003,4	61,18
Areas where no natural habitat remains	231352,5	38,78

2.29 CLIMATE

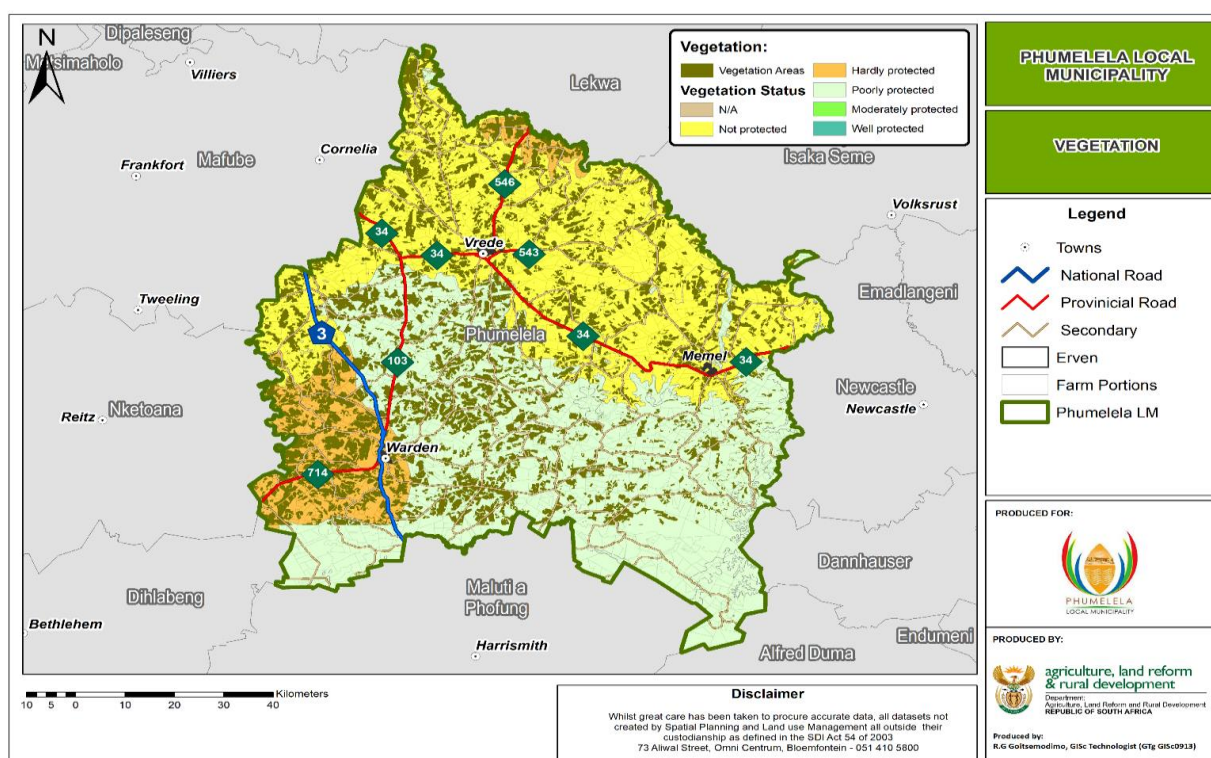
The mean average rainfall ranges between 600 mm and 750 mm in the whole district (Thabo Mofutsanyane District Municipality). Frost occurs usually from May up to early October in the eastern Free State. Phumelela Municipality like the other eastern parts of the Free State Province has a climate characterised by warm to hot summers and cold winters. It experiences snowfalls some years.

2.29.1 AIR QUALITY

Poor air quality occurs when pollutants reach high enough concentrations to endanger human health or the environment. Most of the emissions that are contributing to poor air quality in Phumelela municipality are emanating from vehicles; agricultural activities; domestic fuel and waste burning; landfill sites; small industries and wastewater treatment works (WWTW). These emissions are, however, have little contributions to the air quality. There is no air quality monitoring in Phumelela Local Municipality.

2.29.2 VEGETATION COVER

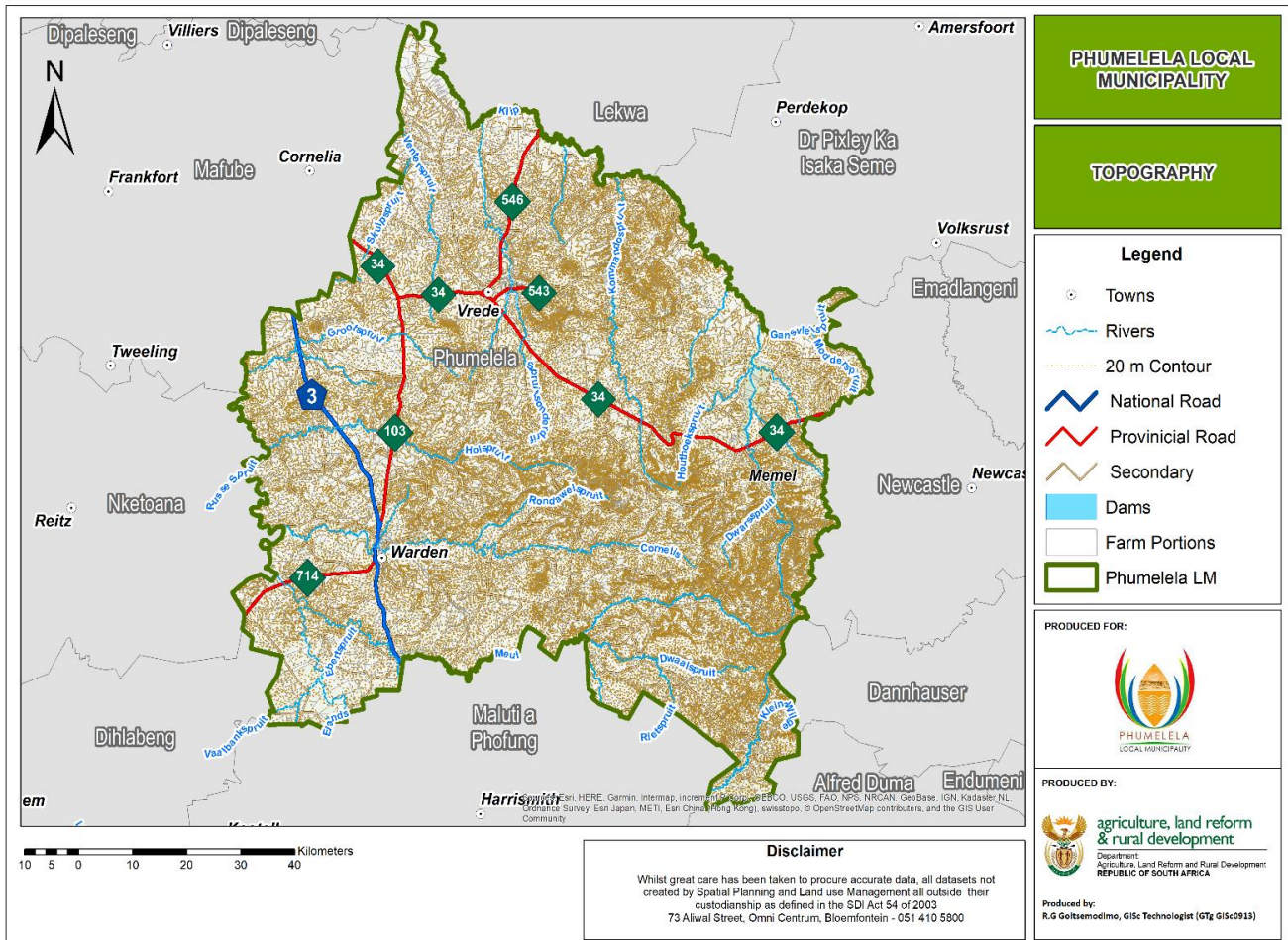
The spatial output must account for all biodiversity pattern, including species and their habitats. While the vegetation types serve as surrogate for all species, species that are threatened by extinction, as well as species which according to experts are of conservation concern, were mapped individually. The vegetation types also account for the range of habitats that occur in the Free State.



2.29.3 TOPOGRAPHY

The topography of the area is diverse and features strong elements, namely mountainous areas, river valleys and floodplains, sloping hills and grasslands. The provision of services to the north and west will be problematic and expensive due to the topography and slope

The topography along the Cornelis River is too steep for residential development and it can only be used as an open area and dam. The other open spaces in town and the dam are worth to be developed and can be an attribute to the town. The major ecological sensitive areas will be conserved in this area.



2.29.4 GEOLOGY

Information was obtained from the Council of Geoscience as to geological surveys which have been conducted in the respective urban areas.

Warden/ Ezenzeleni

A structure plan level engineering geological investigation of the Warden urban area was conducted during 1993. The purpose of the investigation was to determine the Engineering geological conditions so that the existing structure plan could be upgraded.

The site is underlain by intercalated sandstone and shale of the Escourt Formation, Beaufort Group, Karoo Sequence. During the course of the investigation eight trial pits and five small diameter auger holes were excavated and drilled to assess the sub surface conditions.

Drainage, steep slopes and arability were found to be the main engineering geological problems, particularly with regard to low-cost development. A development suitability map has been compiled denoting preferential areas for development based on engineering geological parameters.

The site has been subdivided on the basis of its suitability for low cost development.

MEMEL / ZAMANI

An engineering geological township investigation for updating the structure plan of Memel, situated in the northeastern Free State, was conducted during 1997. The aim of the investigation was to assess aspects such as geology, relief, soil conditions, to identify and quantify constraints and determine their influence on the proposed urban development in the area. The area is underlain by mudstone and sandstone of the Adelaide Formation which is part of the Beaufort Group within the Karoo Supergroup. Post Karoo dolerite intrusions prevail over a large area. The presence of expansive colluvial soils may require specialized founding methods such as modified normal rafts, reinforced split construction or founding on unweathered bedrock. Complete soil removal and replacement or removal and recompaction of potentially collapsible soil may also be required. A zoning map has been compiled to indicate the suitability of areas for development. The need for more detailed phase 2 and 3 engineering geological investigations of specific sites prior to development is stressed. Refer to the extracted map.

VREDE / THEMBALIHLE

A phase 1 engineering geological investigation of the Vrede area, has been conducted. The aim of the investigation was to assess aspects such as geology and relief, which may influence the suggested urban development in the area, and for implementing a municipal structure plan. The area is underlain by shale and sandstones of the Normandien Formation, and sandstone, shale and mudstone of the Frankfort member, Beaufort Group, Karoo Supergroup, with post Karoo dolerite intrusions. Excavation problems can be expected to occur during the installation of services in some areas, due to the presence of sandstone, shale and dolerite outcrop. The presence of expansive soil in colluvium may require specialized founding methods such as rafts, split construction or founding on weathered bedrock. Complete soil removal or removal and re-compaction of potentially collapsible soil may also be required. The installation of an effective storm water drainage system and erosion protection is strongly recommended to minimize problems associated with dispersive soil. A provisional development zoning map has been compiled to indicate suitable areas for development and also those where un-favourable conditions might exist. The need for a more detailed phase 2 engineering geological investigation is stressed.

2.30 AGRICULTURE

The municipality forms part of the most fertile agricultural areas in the Free State due to the soil quality and wonderful climate. Although all types of different farming activities occur throughout the area, it appears as if livestock farming is more evident in the central and western parts of the municipal area, whilst crop farming is more evident in the northern and eastern parts.

Agricultural Development

Within the Phumelela Local Municipality, the majority of land is classified as agriculture. This sector is unique insofar as it has sufficient adaptability to compliment other sectors.

In view of the challenges and the diverse nature of agricultural activities, not only in terms of extent but also the use, agricultural opportunities are categorized into 3 (three) zones:

Intensive Farming

Although the majority of the area is being extensively farmed, there are areas where intensive farming is taking place and areas where opportunities do exist (along dams and river systems). This form of agriculture presents a number of opportunities insofar as it creates additional work opportunities and the establishment of agricultural businesses where processing can take place.

It is also recommended that the two farms that belong to the Department of Public Works, viz. Zirgvliet and Sorgvliet can be attained following all the legal due processes and settle the upcoming farmers there in the foreseeable future.

With the locality of Warden, Vrede and Memel fragmented throughout the area; these centres should be utilized for storage, processing and distribution.

Extensive Farming

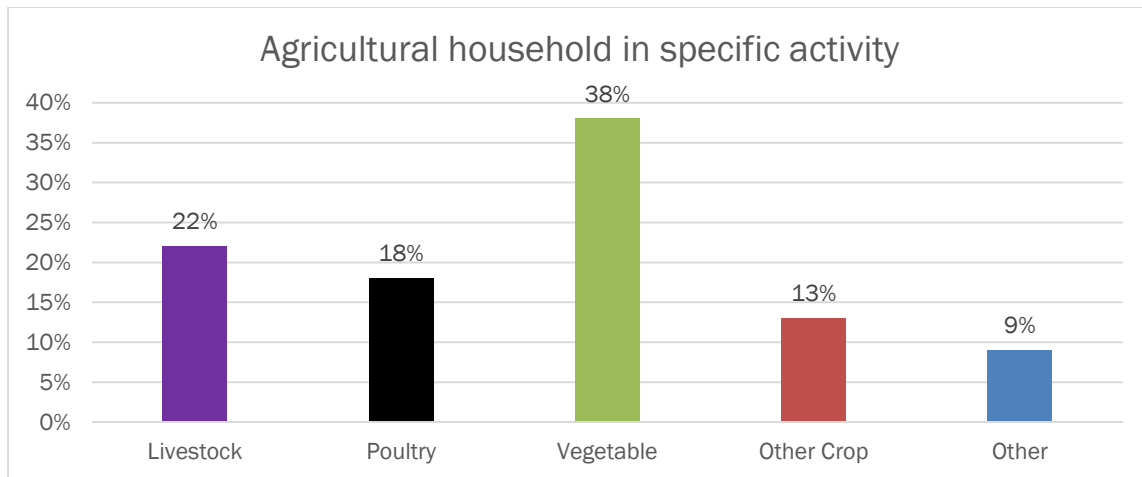
The majority of the Municipal area is being utilized for extensive farming (small- and large stock, game and maize). This agricultural sector presents a number of opportunities insofar as limited value adding activities is taking place.

Urban Agriculture

There are a number of communal land portions which is being utilized by the community, primarily for grazing purposes. Unfortunately, at Thembalihle, such land parcels are very scarce hence it is recommended that the farm Kalkoenkrans No. 272 with an extent of 463 ha. be used for the purposes of commonages and future agricultural training facilities. The municipality can also look at the possibility of using the Remainder of Roadside for the agricultural activities in future.

In addition to the above, food lot schemes should be implemented which will give the community the opportunity to farm, in close proximity to the area of residence. This could only be implemented with the support from all stakeholders (funding, training and effective monitoring).

The piggery project to the west of the town must be utilized for the benefits of all the residents in Vrede who wish to keep pigs.



Source: Statistics South Africa Census 2011

2.31 TOURISM DEVELOPMENT

Tourism is considered a powerful tool for developing economies, with the ability to integrate diverse strengths and improve socio-economic conditions.

Tourism activities (existing and potential) should not be viewed in isolation and need to be linked within the sub-region to create tourism “value-chains” which will provide the tourist the opportunity to visit activities, which could extend for longer than 1 (one) day.

Within Phumelela Local Municipality a number of existing and proposed activities exist which must form part of Local Economic Development plan (LED) need to be developed and promoted in conjunction with the DESTEA which is responsible for the maintenance of the wetlands. The activities are as follows:

-
- Seekoeivlei Wetlands;
- Cultural Activities;
- Vrede Dam;
- Bird Watching;
- Eco-Tourism;
- Farm Holidays;
- Verkykerskop area;
- Caravan Park in Warden;
- Recreation area and wildlife camp at Twin dams (Vrede);
- Game farming; and
- Promotion of the Hospitality industry.

Attraction/Facilities	Vrede	Memel	Warden
Canoeing, boat racing and fishing	Vrede Marina Dam	None	None
Memorials/ Historical/ Cultural Sites	Batlokwa tribe Dutch Reform Sandstone church	Sadiba Hiking Trail	Dutch Reform Sandstone church
Game farms	Dipka Moreson	Vere en snawels (Farm ewewyd)	None
Attractions	Twin Dams Rose Farm Hiking Trials Semi-gem stones (Middlepoort farm)	Seekoeivlei Wetlands Indigenous Bird Watching	"Murasie"
No. of Guesthouses and Hotels	9	7	2
Tourism Forum	Yes	Yes	Yes

2.32 FARMING

Commonage development needs to be encouraged in all the towns within the municipality and the following areas have identified:

- Kalkoens Farm to the north of Thembalihle residential area be allocated for the future farming activities and commonages to alleviate the shortage of stock grazing space in Thembalihle and to curb the roaming animals
- Currently there is enough space for commonages at Memel as certain farms have been allocated for this specific purpose.
- There is not enough space for the commonages at Vrede/Thembalihle
- Commonage areas have been identified and are being utilized for grazing purposes at the following localities:
West of Ezenzeleni; and
East of Warden.

However, no formal small-scale farming development has taken place although some planning has been done for intensive horticulture and dairy. A need for small scale farming opportunities exists within the municipality and opportunities need to be created to assist the community with skills, training and funding. The farm lands within the municipal area are mainly used for commercial farming practices. Different farming types are found in throughout the area, namely;

- Crop farming; and
- Stock farming

2.33 DISASTER MANAGEMENT

The Council is responsible for the implementation of the Disaster Management Act 2002, in Phumelela Local Municipality as a whole and makes policy decisions in relation to disaster risk management. The Council of Phumelela Local Municipality is primarily responsible for the coordination and management of local disasters that occur in its area. In collaboration with the District Disaster Management Centre and the Provincial Disaster Management

Centre the Council may by notice in the Provincial Gazette declare the local state of disaster (Sections 55(1) (b) and 55(2) of the Disaster Management Act, 2002).

The Municipality has developed, reviewed and adopted Disaster Management plan in the last and current financial year, the review for the Disaster Management Plan for 2021/2022 financial year is underway.

There is a contingency budget for any identified disaster management institutional arrangement related matter which is little on the bases of the financial constraints of the municipality.

A Scientific disaster risk assessment is also still outstanding thus putting the municipality's disaster management plan at Level 1 as per Disaster Management Framework.

The municipality does not have a disaster management centre or a centralised system of reporting disasters within its jurisdiction.

Disaster management public awareness is done in schools, informal settlements and hospitals in collaboration with Working on Fire and Thabo Mofutsanyane District Municipality.

The President has declared a national State of Disaster. With COVID-19 being declared a national pandemic in terms of the Disaster Management Act this will undoubtedly impact on the public service in various ways. Phumelela Local Municipality prides itself and has undertaken to mitigate the impact on the health of the community we serve, or employees and service delivery. It is important to have common approach in the manner departments may deal with cases linked to the virus. **See Disaster Management Plan Annexure C**

Disaster Management Budget

2022/23	2023/24
R500 000	R52 650

The Municipality is exposed to a diversity of hazards of natural origin including veld-fires, windstorms, drought, transportation of hazardous material through our roads and structural fires. Phumelela LM is also exposed to a variety of technological hazards such as the interruption of essential services (electricity, communications, and water supply) and various forms of pollution (water pollution, air and land pollution). The vulnerability in Phumelela LM that could be exploited by potential hazards is still rooted in profound poverty, and the lack of education and resources.

Despite the number of developmental projects underway in the Municipality, there are still numerous urban as well as rural communities, which are constantly exposed to conditions of vulnerability. Lack of capacity to withstand, cope with and/or recover from the impact of such natural and anthropogenic risks is severely compromised.

- Potential risks within Phumelela Local Municipality
- Structural/Veld Fires
- Wind and Hail Storms
- Storm and Severe Rainfall
- Drought
- Major transportation Event
- Covid-19

2.34 FIRE SERVICES

The municipality does not have a Fire Contingency Plan. Due to financial constraints the municipality does not have a fully functional fire centre. It depends on the assistance of Chief

Protection Officer to attend on incidents related to fire with limited resources. The municipality as a member of Fire Protection Association is always assisted by Working on Fire Group during veld fire incidents.

2.35 ASSESSMENT OF THE FINANCIAL STATUS OF THE MUNICIPALITY

The financial position of the municipality is worrisome and the going concern of the institution is under threat due to lack of payment of services by residents, the only thing that is keeping the municipality as a going concern is the continued support by the government. Capital projects are only committed to, when assurance is obtained from National Treasury that such funds are guaranteed. Operational expenditure is similarly funded.

The Municipality is managing revenues earned and expenses incurred in line with requirements of Provincial and National Treasury. The Municipality account for its resource as prescribed and regulated and in line with the Generally Recognized Accounting Practice (GRAP). The greater purpose behind the financial reporting of the municipality is to keep the municipality accountable to the public and assist it to make a fully informed disclosure of its viability and the management of resources under its control as prescribed.

No unregulated risks and rewards are executable that will pose a threat that cannot be detected by the regulatory authorities that controls its activity. The municipality's financial performance and position gives a very bleak future and the municipality should derive mechanisms to ensure that revenue collection is enhanced, and all outstanding revenue is collected through the municipality's Revenue Enhancement Strategy, Credit Control and Debt Collection Policy and Indigent Subsidy Policy.

2.35.1 BUDGET AND TREASURY MANAGEMENT

In terms of chapter 9 section 80(1) of MFMA, Every Municipality must establish Budget and Treasury Office. Budget and Treasury office is established, and it is led by the Chief Financial Officer. Under Budget and Treasury office we have four divisions namely, Budget and Reporting, Expenditure Management, Revenue Management, Asset Management and Supply Chain Management.

2.35.2 BUDGET AND FINANCIAL REPORTING

Budget and Reporting Section is mainly responsible for managing the budget of the Municipality and report to various stakeholders on financial matters of the Municipality. The municipality changed its financial systems. The financial management system currently in use is VESTA.

2.35.2.1 MUNICIPAL STANDARD CHART OF ACCOUNTS

Municipal Standard Chart of Accounts provides a uniform and standardised financial transaction classification framework which is multidimensional in nature.

The success Phumelela Local Municipality experienced under stressful quick reactive changes to legacy business processes could be applauded. The theme that underpinned this change in business procedures revolved around proper staff training, morale boosting and effective oversight to ensure a smooth transition.

The activities as outlined above were successfully undertaken though with some constraints around the following risk areas:

- Integration of mSCOA ledger on the financial system with the payroll system (VIP) was lagged as a challenge.

In order to mitigate the likely occurrence of late payroll integration, employees related items even those without a budget were created with the view that once VIP has programmed the validation check at point of capture on VIP master such unused segments would be disabled.

Fixed asset register was held on Excel format and was based on Institute of Municipal Engineering of Southern Africa (IMESA) standards which is driven more to disclose the current replacement cost. The MFIP II Technical Advisor and staff in Asset Management Unit put together and provide information from fixed asset register as at 30 June 2017 as required to set up parameters within VESTA Financial System Asset Module and creating control accounts in the general ledger so that assets data could compatible for full computerization.

Costing – traditionally Phumelela Municipality had not run costing module incorporating departmental charges, internal charges and activity-based costing. To mitigate this constraint, it was decided that full costing to include departmental and internal charges as well as labour and vehicle charges will be introduced as soon as the economic growth is achieved. As a small size municipality, due to the complexity of costing it may still be not so feasible to implement this segment.

Phumelela Local Municipality could confidently indicate the benefits experienced from the implementation mSCOA as follows:

- Accurate recording of transactions and therefore reduced material misstatements;
- Reduced the month-end reconciliation processes and journals processed;
- Improve quality of information for budgeting and management decision making; and
- Aligned budget and IDP as all expenditure, both capital and operating, are driven from a project-based accounting.

However full Implementation of mSCOA regulations is still a challenge

The municipality has the following budget related policies in place that are reviewed annually and approved together with the annual budget:

1. Asset Management Policy
2. Cash Management Policy
3. Credit Control and debt collection policy
4. Supply Chain Management policy
5. Property rates policy
6. Budget policy
7. Virement policy
8. Petty cash policy
9. Tariff policy
10. Debt write off policy
11. Indigent policy
12. Banking and investment policy
13. Cash flow Management policy

All these policies have been approved by council.

2.35.3 REVENUE MANAGEMENT

The division is responsible for various revenue management activities, the major objectives being billing for consumption, debt management, debt collection care and indigent management. The main priority of the division is to ensure that the reviewed strategy approved by Council is fully implemented.

The municipality is updating its indigent register for all qualifying household regularly so as they can access free basic services. Indigent are defined as those people, due to several factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be.

Poverty is more than a lack of income. Poverty exists when an individual's or a household's, access to income, jobs, infrastructure or services is adequate to ensure full access to opportunities in society. The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors.

It is clear from the poverty profiles that not only is poverty a general critical problem, but that there is a significant number of people who are living in extreme poverty and who without Council support will be unable to afford to pay for even the most basic of services.

However, the approach is to ensure that the provision of indigent support to the community is in a sustainable manner and is within the financial and administrative capacity of the council. In 2023/2024 any household, earning less than the two (2) state pension grant income qualify to be registered as indigent, thus earning less than **R 3 500.00**. These include also pensioners, unemployed and child headed families.

The indigent policy of the municipality provides the following as support to qualifying indigents:

- Water; 6kl plus basic charges
- Sanitation; 100%
- Refuse 100 %
- Electricity 50kWh – supplied by Eskom in the townships and paid for by Phumelela Local Municipality through the Equitable Share.

The municipality has so far registered a total of 1 674 indigents for the 2022/2023 financial year. In addition, poor people living in the farms and thus not registered as indigents are benefitting from water which is transported through water tankers at no cost.

Valuation roll has been implemented according to MPRA. Monthly statements are being issued to rate payers and the amount received is being deposited into the municipal primary bank account. The municipality is currently maintaining a management accounting and information system which recognized revenue when is earned.

The municipality is charging arrears, except where the council has granted exemption in accordance with budget related policies. Municipality is currently assisted by Attorneys with litigation to those consumers who can afford to pay but they are simply denying paying.

The municipality is in the process of converting all electricity meters to prepaid smart meters in order to address low collection of electricity revenue and to limit the volume of customer complaints or queries relating to billing.

The challenge of going concern is being affected due to non-payment of municipal services and implementation of full credit control measures is being considered. Evidence of billing is reflected by the fact that meter reading is collected monthly by the meter readers and that statement of accounts are submitted to consumers every month by the account's distributors and through post and emails.

2.35.4 EXPENDITURE MANAGEMENT

Phumelela incurs expenditure in terms of the approved budget. Expenditure is funded from revenue collected from exchange and non-exchange transaction and revenue received from grants. The municipality has and maintains an effective system of expenditure control including grants. The municipality has and maintains a management, accounting and information system which recognizes expenditure incurred.

Payment of municipal creditors are made directly to the person to whom it is due and are made electronically within 30 days as stipulated by the MFMA section 65 (2) (e) depending on the cash flow of the municipality.

The municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments. Eskom account is not reducing due bypassing and ghost vending of electricity in Warden.

2.35.5 ASSETS MANAGEMENT

The management of assets are safeguarded & maintained in accordance with section 63(1) (a) of the Municipal Finance Management Act no 56 of 2003. The municipality's asset register is kept and updated in accordance with all applicable accounting standards such as GRAP 17 etc.

It also caters the recording of assets acquisitions, time for maintenance, restore the impaired and replacement of assets where there is no probability of future economic benefit or service potential attached to that particular asset.

2.35.6 SUPPLY CHAIN MANAGEMENT

Supply Chain Management, as the core component of the municipal financial management discipline, seeks to ensure the proper flow of goods and services between the supplied is in the right quality and quantity whilst advancing the Reconstruction and Development Programme goals, empowerment principles, supplier development, Local Economic Development and value for money, to ensure expeditious and appropriate service delivery. Supply Chain Management has been developed in accordance and in conjunction with other pieces of legislation to develop and shape the supply chain management within the local government sphere. These include Section 217 of the Constitution, which compels all organs of state to implement a Supply Chain Management system that is fair, transparent, equitable, competitive and cost-effective.

Chapter 11 of the Municipal Finance Management Act, 56 of 2003, compels the municipalities to establish Supply Chain Management Units and implement the Supply Chain Management Policy, which gives effect to all supply chain management functional areas.

It is a financial management tool, seeks to reform and regulate the way public funds are utilised when procuring goods and services whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any mal-administrative and fraudulent practices in the procurement front.

Phumelela Local Municipality's Supply Chain Management Unit was developed in terms of the above mentions set of prescripts and contributed heavily to the reduction of deviations which ultimately lead to the reduction the irregular and fruitless and wasteful expenditures.

2.35.7 THE NATIONAL AND PROVINCIAL ALLOCATIONS

Operational Grants	2023/2024	2024/25	2025/26
Equitable Share	96 027 000	102 742 000	105 181 000
Finance Management Grant	3 100 000	3 100 000,00	(3 100 000,00)
EPWP	1 218 000		
Provincial Treasury Grant			
SUBTOTAL	104 188 000	109 839 000	112 439 000

Operational Grants	2023/2024	2024/25	2025/26
MIG	24 403	25 344	26 325
WSIG	30 777	19 622	20 501
INEP	5 000	10 000	3 000
RBIG			
SUBTOTAL	60 180	54 966	49 826

Source: Division of Revenue Act 2018

The allocations from national and provincial government gradually decreases from year on year as per the table above, this simply imply that municipality must be self-sufficient in terms of generating own revenue, however, grants are guaranteed cash whiles own revenue through service charges and property rate depends on the honesty of consumers in pay their dues.

Should the trend of grants persist in decreasing to a level where municipalities cannot sufficiently be allocated reasonable financial assistance and consumers not being reliable in paying their accounts, this will lead to going concern being threatened?

2.35.8 AUDIT MATTER RAISED BY THE AUDITOR-GENERAL OF SOUTH AFRICA

The municipality received an unqualified audit opinion from the Auditor-General for the financial year 2014/15, 2015 /2016 and 2016/2017 consecutively and the Auditor-General awarded the municipality a qualified audit opinion for the financial year (2017/18). Phumelela Local Municipality received unqualified opinion for the year 2018/2019, 2019/2020, 2020/2021 and 2021/2022 consecutively. Matters such as lack of internal controls and Non-compliance will be addressed through implementation of Auditor General Action Plan. The municipality have drawn up an audit action plan addressing the issues raised in detail.

SECTION C: DEVELOPMENT STRATEGIES

3. INTRODUCTION

The development priorities as identified in the previous section served as the primary input to the strategies phase that provided general direction to guide strategy formulation and decision making over the medium term (3 years). Prior to proceeding with the ways and means of solving development-related problems, it was firstly necessary to establish common ground in respect of the desired future, resulting in a clear and shared vision statement for the local Municipality over the next twelve years.

With the shared vision firmly in place as foundation for development, it was possible to proceed with a more detailed step focussing on key issues which are the critical factors (internal and external) that may have an impact on a specific development issue and specifies the causes for the current state of the development priorities. With the stated concerns in mind, the key issues were transformed into specific medium-term objectives which are within the next five years, aimed at realizing the vision.

The next step was to create an understanding of the applicable national and provincial legislation and policies influencing development and local decision making. Consequently, a set of localized strategy guidelines was formulated for addressing issues with common interest in a coordinated manner throughout the entire district.

The localized strategy guidelines provided the general direction in ensuring that the development objectives could then be transformed into purposeful, action-orientated statements of intent or strategies.

These strategies are the means of solving problems by considering available resources, suggesting alternative solutions and choices as well as maximizing opportunities. Two types of strategies are distinguished namely financial strategies and development related strategies. Finally, after reaching consensus on all development strategies, several intended projects were identified for implementation.

3.1 LONG-TERM GROWTH AND DEVELOPMENT GOALS

The development priorities as identified in the previous section serves as the primary input to the strategies phase that provides general direction in guiding strategy formulation and decision making over a medium term.

Prior to proceedings with the ways and means of solving development related problems, it was firstly necessary to establish common ground in respect of the desired future, resulting in a clear and shared vision statement for the municipality over the remaining term of office of current council.

With the shared vision statement firmly in place as a foundation for development, it was possible to proceed with a more detailed step focusing on key issues which are critical factors that have an impact on a specific development issue and specifies the cause for the current state of the development priorities.

The next step was to create an understanding of the applicable national and provincial legislative and policy context influencing development and local decision making. Consequently, a set of localised strategy guidelines was formulated for addressing issues of common interests in a coordinated manner throughout the entire district, province and country.

The localised strategy guidelines provided the general direction in ensuring that the predetermined objectives could be transformed into a purposeful, action-orientated statement of intent and strategies. These strategies are means of solving the problems by considering available resources, suggesting alternative solutions and choices as well as maximising opportunities. Two types of strategies are distinguished, namely;

- Financial strategies; and
- Development related strategies

Finally, after reaching consensus on all the predetermined objectives, several intended projects are identified for implementation.

3.2 THE MUNICIPAL VISION

Vision

“A Caring Municipality Excelling in Service Delivery”

The key words and phrases in the vision must be interpreted, the following interpretation is suggested:

Municipality: A municipality consists of the political structures, the administration and the community (Systems Act Section 2)

Caring: An institution caring for its citizens and officials amidst the execution of duties and provision of services

Excelling: In stride of achievement beyond the norm towards higher levels

Service: Ensuring we upheld the principles of doing / acting with commitment at acceptable levels

Delivery: We do as promised,

Mission:

“We will realize our vision for the benefit of our communities through:

- Building a capable organization
- An efficient and effective financial and administrative backbone
- Resilient infrastructure
- Reliable and quality basic services
- Economic development and job creation”

5. Leadership Philosophy and Values

(a) Leadership philosophy

Through understanding and purposefulness, we create an environment in which staff flourish, deliver outstanding and sustainable service.

(b) Values of Phumelela

The acronym ARISE must represent the values of the organisation

A - Accountability

R - Responsiveness

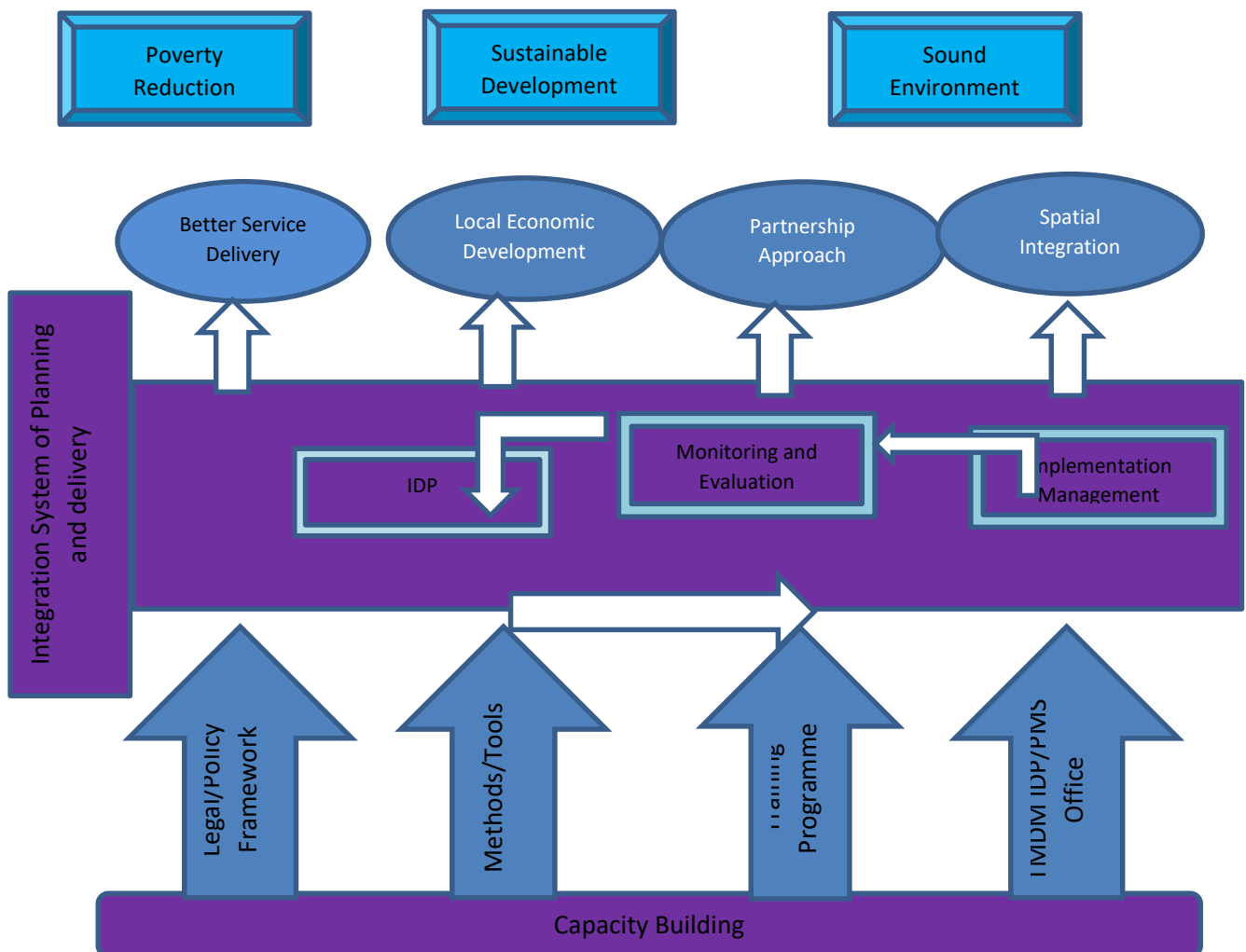
I - Integrity (Act with commitment at highest levels)

S - Service-oriented

E – Ethics

3.3 OVERVIEW OF THE PROCESS

The Integrated Development Plan is a municipal plan that last for the term of office of the council. It should be reviewed every year. There are three main goals that the programme aims to achieve. The IDP system is summarised as follows:



3.4 MINIMUM REQUIREMENTS

Because the Integrated Development Plan will guide all development within the district area of jurisdiction, it is necessary for the plan to be inclusive of all local municipal Integrated Development Plans, functions and systems. The Integrated Development Plan will therefore include the following:

- An overview of the current situation within the local municipalities.
- The development vision, objectives and strategies set by the local municipalities.
- An institutional framework with an organogram set for the district municipality.
- All investment and development initiatives, all known projects, plans and programmes to be implemented within the local municipalities by organs of state.
- Key Performance Indicators set by local municipalities
- Financial Plans of local municipalities that include budget projections, financial resources and financial strategies about revenue, credit control, external funding, financial management and capital and operational financing.
- Spatial Development Framework that reflects the desired spatial form of the district municipality as informed by the different Spatial Development Frameworks, objectives and strategies of local municipalities.

The ultimate purpose of the Thabo Mofutsanyana District Municipality's Integrated Development Plan is to have a framework or tool to manage and monitor as activities of the district municipality, its administrative personnel and the political office bearers. Also, to provide a framework for development of the local municipalities and therefore the entire process of compiling the Integrated Development Plan involved local municipalities in order to ensure alignment to the different planning development objectives and strategies.

The process was strengthened by the implementation of the Back to Basics Principles in the district and the local municipalities must adopt their own prior to the adoption of the Integrated Development Plan and the Budget. The focus of the district Integrated Development Plan is on the district-wide issues and powers and functions the district municipalities as indicated in the Municipal Structures Act, 117 of 1998 and the Constitution

3.5 OBJECTIVES AND LOCALISED STRATEGY GUIDELINES

In preparing for the strategy formulation process, it is important to ensure that the general guidelines related to crosscutting dimensions are adequately considered when designing strategies and projects are planned. To facilitate these requirements, a set of localised strategy guidelines was formulated regarding the following priorities:

- Spatial Development Framework
- Poverty Alleviation
- Gender Equity
- Environmental Sustainability
- Local Economic Development
- Organisational Development and Transformation
- Good Governance and Public Participation
- Financial Viability and Management

- Infrastructure and Service Delivery

In aligning these localised strategy guidelines to the National Development Plan, Free State Growth and Development Strategies, Thabo Mofutsanyana District Municipality's Integrated Development Plan Framework and Back to Basic Principles, the following issues were then reprioritised into the following five key performance areas:

1. Basic Services
2. Local Economic Development
3. Institutional Capacity
4. Financial Management
5. Promoting Good Governance and Public Participation

The above-mentioned key performance areas were used throughout the process to guide the strategy formulation, project identification and integration to ensure smooth alignment at the end.

3.6 RESOURCE FRAMES AND FINANCIAL STRATEGIES

Before the formulation of specific development strategies, a SWOT analysis is done on the organisational readiness to embark on such a mission. An investigation is done as to the amount of financial, human, institutional and natural resources which can be made available in implementing activities in order to achieve the predetermined objectives.

A Risk Assessment is done on those issues that could hamper the municipality to achieve those predetermined objectives. Since the implementation of the strategies will put tremendous pressure on the human and financial resources of the municipality, it is important to identify creative and innovative solutions for the coping with the human and financial resources constraints. The following strategies were then developed in order to meet the forthcoming challenges:

3.7 ORGANISATIONAL REDESIGN

The municipality embarked on a process of reviewing the organisational structure so that it can meet the current challenges and adhere to the legislative requirements.

3.8 FIVE YEAR FINANCIAL PLAN

Requirements of Regulation 2 (3) of the Municipal Planning and Performance Management Regulations, 2011 regarding the contents of a municipal financial plan:

(3) A financial plan reflected in a municipality's integrated development plan must at least-

- (a) include the budget projection required by section 26(h) of the Act;
- (b) indicate the financial resources that are available for capital project developments and operational expenditure; and
- (c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:
 - (i) Revenue raising strategies;

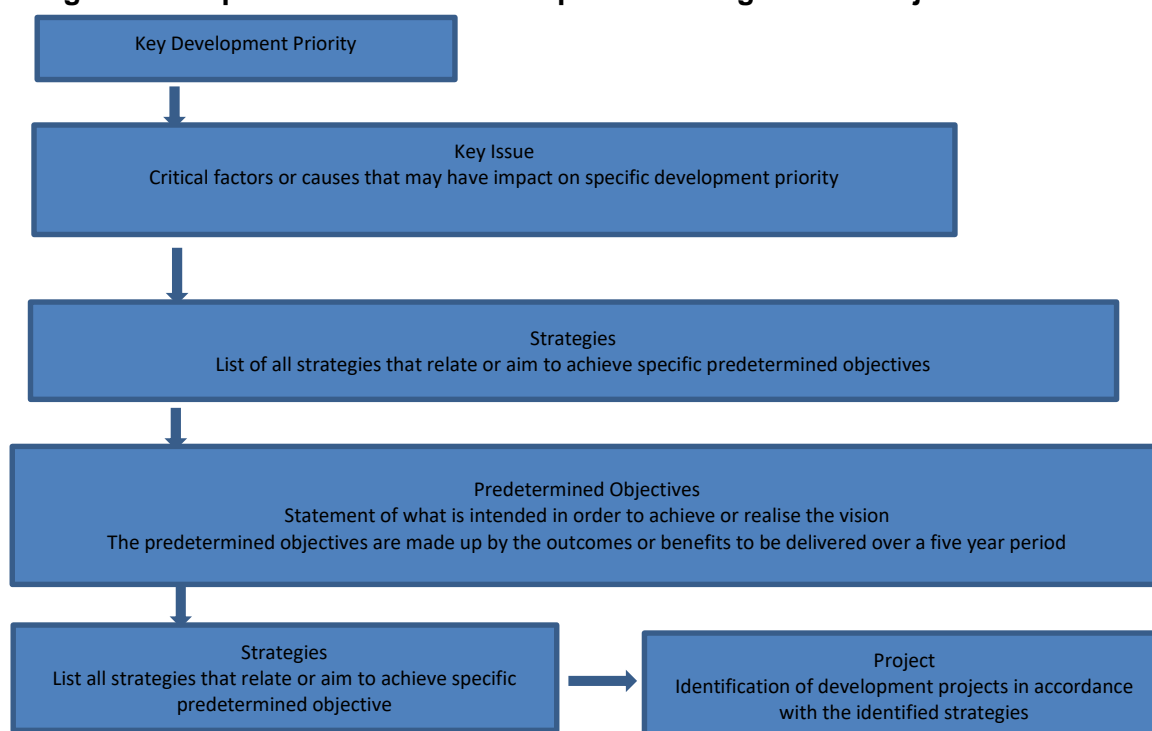
- (ii) asset management strategies;
- (iii) financial management strategies;
- (iv) capital financing strategies;
- (v) operational financing strategies; and
- (vi) strategies that would enhance cost-effectiveness.

3.9 DEVELOPMENT STRATEGIES AND PROJECT IDENTIFICATION

The formulation and development of related strategies and identification of projects in this section of the planning process is also discussed under headings of the development priorities in relation to each predetermine objective.

The predetermined objectives linked to this section of the planning process are to create continuity in relation to the strategies and projects. Each predetermined objective is preceded with a set of key issues as identified during the analysis phase. Below is the flow chart of how the development strategy and the localised strategy guidelines were developed.

Figure 3.1 Report Structure of Development Strategies and Projects



Deriving from the above diagram, the following issues we identified and compiled.

Basic Services and Infrastructure

Sustainable Development Goals	National Development Plan	Government Outcomes	Medium-Term Strategic Framework	Back to Basic Principles	Free State Growth and Development Strategies	Key Performance Area	Focus Area	Predetermined Objectives	Developmental Strategies
Clean Water and Sanitation	Environmental sustainability and resilience	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Water	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Maintenance of Water Network Infrastructure • Repairing/Replacing of water pipes • Repairing/Replacing Water Meters • Repairing/Replacing of Fire hydrants • To ensure access to a good quality, affordable and sustainable water infrastructure • Timeous Review of the Water Services Development Plan and other Blue drop documentation. • Refurbishment/ Upgrading of Water Purification Facilities
Clean water and Sanitation	Environmental sustainability and resilience	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Sanitation	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Maintenance of Sewer Infrastructure • Repairing/Replacing of Sewer Pipes • Unblocking of sewer pipes • Bucket Removal • Servicing of Ventilated Improved Pit latrines • Servicing of Septic Tanks • To ensure access to a good quality,

									affordable and sustainable <ul style="list-style-type: none"> • Sanitation infrastructure • Review of the WWRAP and other Green Drop Documentation • Refurbishment/ Upgrading of Water Purification Facilities.
Affordable and clean energy	Economic infrastructure	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Electricity	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Electrification of households • Public lighting • Repairing of streetlights and high mast • Installation of new public lighting • Improvement of energy capacity in Warden
Affordable and clean energy	Economic infrastructure	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Electricity	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Maintenance of electricity Network • Maintenance of substations • Housekeeping of substations and transformers • Replacement of MV network • Replacement of LV network • Compile the Electricity Masterplan for Warden.
Sustainable cities and communities	Environmental sustainability and resilience	An efficient, competitive and responsive economic	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Effective Waste Management Services	Supporting the delivery of municipal services to the right quality	<ul style="list-style-type: none"> • Refuse removal • Refuse collection and disposal • Proportion of landfill sites in compliance

		infrastructure						and standard	<p>with the National Environmental Waste Management Act, 59 of 1998</p> <ul style="list-style-type: none"> • Data collection of disposal waste at the Vrede, Warden and Memel landfill site • Implementation of ISWMP.
Sustainable cities and communities	Environmental sustainability and resilience	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Effective Waste Management Services	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Proportion of waste recycled • Compliance to environmental management requirements • Review the Integrated Environmental Management Plan • Conduct Public Awareness
Industry, innovation and infrastructure	Transforming Human Settlement	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Roads and Storm Water	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Maintenance of flexible pavement road infrastructure • Fixing of potholes • Resealing of flexible pavement road • Installation of Bollards • Installation of speed humps • Maintenance of gravel road infrastructure • Re-gravel of roads • Infrastructure Maintenance of storm water infrastructure • Storm water network cleaned/repared

									<ul style="list-style-type: none"> • Storm water kerb-inlet/catchment cleaned/repaired • Maintenance of side-walks infrastructure
Industry, innovation and infrastructure	Economic infrastructure	An efficient, competitive and responsive economic infrastructure	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Fleet Management	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Vehicle allocation • Licensing of vehicles • Control of fuel • Insurance claims • Vehicle maintenance
Sustainable cities and communities	Transforming Human Settlement	Sustainable human settlements and improved quality of household life	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Urban Planning and Human Settlement	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Land and security of tenure • Allocation of sites • Verification and approval on files for sites allocated • Title deeds issued • Formalisation of informal settlements • Spatial Planning and Land use Management • Review of Spatial Development Framework
Sustainable cities and communities	Transforming Human Settlement	Sustainable human settlements and improved quality of household life	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Urban Planning and Human Settlement	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Municipal Planning Tribunal Seatings • Compile illegal land use reports • Issuing of zoning Certificates • Consolidation, subdivision and rezoning of council properties • Processing of land development applications • Processing of liquor registration

									applications <ul style="list-style-type: none"> • Review of the Housing Sector Plan
Sustainable cities and communities	Transforming Human Settlement	Sustainable human settlements and improved quality of household life	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Urban Planning and Human Settlement	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Compliance to National Building Regulations and Standards • Compile and process submitted building plans • Conduct quality control and inspection on formal structures • Conduct Inspections on municipal properties • Issue non-compliance notices for illegal structures
Sustainable cities and communities	Transforming Human Settlement	Sustainable human settlements and improved quality of household life	Ensuring access to adequate human settlements and quality basic services	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Basic Services	Urban Planning and Human Settlement	Supporting the delivery of municipal services to the right quality and standard	<ul style="list-style-type: none"> • Compliance to National Building Regulations and Standards • Compile and process submitted building plans • Conduct quality control and inspection on formal structures • Conduct Inspections on municipal properties • Issue non-compliance notices for illegal structures

Local Economic Development

Sustainable Development Goals	National Development Plan	Government Outcomes	Medium-Term Strategic Framework	Back to Basic Principles	Free State Growth and Development Strategies	Key Performance Area	Focus Area	Predetermined Objectives	Developmental Strategies
Good jobs and economic growth	Economy and employment	Decent employment through inclusive economic growth	Radical economic transformation, rapid economic growth and job creation	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Local Economic Development	Development of local economy	Creating a conducive environment for economic development	<ul style="list-style-type: none"> • Expansion of business, decline in unemployment and increase in tourism • SMME development • Promotion and support of SMME's and Cooperatives development • Assist SMME's and Cooperatives with advice, information and registrations
Good jobs and economic growth	Economy and employment	Decent employment through inclusive economic growth	Radical economic transformation, rapid economic growth and job creation	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Local Economic Development	Development of local economy	Creating a conducive environment for economic development	<ul style="list-style-type: none"> • Capacitate SMME's and Cooperatives through training, workshops and roadshows • Assist Cooperatives to access funding from government programmes • Assist potential entrepreneurs in development and marketing • Facilitate and provide support for initiatives in agro-processing • Review Local Economic Strategy • Facilitate establishment of strategic partnerships that promote SMME development • Promotion and Support for Informal Sector

									<ul style="list-style-type: none"> Development • Develop Informal Trading Policy and Management Framework • Capacitate Informal sector through training programme
Good jobs and economic growth	Economy and employment	Decent employment through inclusive economic growth	Radical economic transformation, rapid economic growth and job creation	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Local Economic Development	Development of local economy	Creating a conducive environment for economic development	<ul style="list-style-type: none"> • Promotion and development of Agricultural Sector • Assist small scale farmers with training and workshops • Identify and support households to participate in home-based gardens programmes • Conduct audit on commonages in the municipality • Development of Commonage Management Plan based on audit • Promote and support youth in agriculture to participate in National and Provincial programmes • Business Regulation and Compliance • Issue business licenses in the municipality
Good jobs and economic growth	Economy and employment	Decent employment through inclusive economic growth	Radical economic transformation, rapid economic growth and job creation	Basic Services: Creating conditions for decent living	Economic growth, development and employment	Local Economic Development	Development of local tourism	Creating a conducive environment for economic development	<ul style="list-style-type: none"> • Issue permits to hawkers in the municipality • Development of reports on inspections performed on businesses issued with permits and licenses for the compliance and

									<div>regulation</div> <ul style="list-style-type: none">• Tourism Development• Development of Tourism sector Plan• Market tourism activities in the municipality• Provide support to art and craft exhibitors• Develop/acquire tourism material
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Institutional Capacity

Sustainable Development Goals	National Development Plan	Government Outcomes	Medium-Term Strategic Framework	Back to Basic Principles	Free State Growth and Development Strategies	Key Performance Area	Focus Area	Predetermined Objectives	Developmental Strategies
Partnerships for the goals	Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth path	Social cohesion and nation building	Building capable institutions and administration	Social and Human Development	Institutional Capacity	Sport Development	Building institutional resilience and administrative capability	<ul style="list-style-type: none"> • Sport Development Revival of Sport Councils and Sport Tournaments • Review and approve Sport Management Policy
Gender Equality	Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth path	Social cohesion and nation building	Building capable institutions and administration	Social and Human Development	Institutional Capacity	Human Resources Development	Building institutional resilience and administrative capability	<ul style="list-style-type: none"> • Facilitation of skills Development • Compilation of the Workplace Skills Plan • Conduct Skills Audit • Compilation of the Annual Training Report • Submission of monthly Training Intervention Reports
Gender Equality	Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth path	Social cohesion and nation building	Building capable institutions and administration	Social and Human Development	Institutional Capacity	Human Resources Development	Building institutional resilience and administrative capability	<ul style="list-style-type: none"> • Achievements of Employment Equity Targets Awareness campaigns on Employment Equity Policy • Submission of EEA2 and EEA4 to the Department of Labour • Compilation and submission of Employment Equity Reports to Management • Harmonisation of Labour Relations • Awareness campaign on the South African Local Government Bargain Council Collective Agreement • Management of external and internal labour matters • Compilation and submission of monthly labour Reports to Management
Gender Equality	Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth	Social cohesion and nation building	Building capable institutions and administration	Social and Human Development	Institutional Capacity	Human Resources Management	Building institutional resilience and administrative	<ul style="list-style-type: none"> • Coordination of recruitment processes • Finalisation of labour requisitions

		path						capability	<ul style="list-style-type: none"> • Advertisement as per the approved structure • Coordination and facilitation of interview processes • Effective Human Resource Management and Administration • Review of Human Resource Management Related Policies • Review and adoption of the organisational structure • Administration of Employee Benefits • Administration of Terminations
Gender Equality	Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth path	Social cohesion and nation building	Building capable institutions and administration	Social and Human Development	Institutional Capacity	Human Resources Management	Building institutional resilience and administrative capability	<ul style="list-style-type: none"> • Updating of employee benefits • Awareness on employee Benefits • Promotion of Health and Safety at the workplace • Conducting of assessment on municipal properties • Conducting of workshops on safety issues • Maintenance of injury on duty cases • Implementation of the Wellness Programmes • Awareness on wellness programme • Referrals made on employees

Financial Viability and Management

Sustainable Development Goals	National Development Plan	Government Outcomes	Medium-Term Strategic Framework	Back to Basic Principles	Free State Growth and Development Strategies	Key Performance Area	Focus Area	Predetermined Objectives	Developmental Strategies
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Viability and Management	Payroll Management	Effective and efficient payroll administration	<ul style="list-style-type: none"> Processing and payment of salaries Compile overtime and standby reports Processing of payment to third parties Administration and maintenance of leave
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Payroll Management	Ensuring sound financial management and accounting	Compile report on number of absenteeism Compile report on number of sick leave taken for the month
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Revenue Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> Debtors Management Balancing control account Report to electrical and water divisions on faulty meters Indigent Households Management Holding meetings with the public Conducting radio slots Customer care Management Review the complaint register regularly Cash Management Receipting, balancing and deposit Valuation Roll implementation Update of valuation roll with

									the supplementary valuation roll
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Revenue Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Updating of valuation roll according to deeds registrations • Credit Control and Debt Collection • Implementation of monthly cut off lists • Policy Review.
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management		Financial Management	Expenditure Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Expenditure Management • Filing of vouchers • Pay all invoices received within thirty working days • Reconciling regular suppliers' statement and creditors register • Insurance Management • Facilitation of insurance claims • Identification of insurable risk for municipal assets • Cash Management • Prepare and review cash flow forecast • Review and clearing of unreleased payments on the bank
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management		Financial Management	Expenditure Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Compliance with section 32 of the Municipal Finance Management Act, 56 of 2003 • Identification and recording of irregular, fruitless and wasteful expenditure cases • Addressing issued raised by Provincial Public

									Accounts Committee and Municipal Public Accounts Committee
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Asset Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Effective asset management • Review of Capital Infrastructure Investment Policy • Review of the Asset Management Policy • Improvement of asset maintenance • Compilation of asset maintenance reports • Accurate and complete Asset Registers • Updating of Fixed Asset Register
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Viability and Management	Asset Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Conducting physical asset verification • Performing monthly asset reconciliation with the general ledger
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management			Budgeting and Financial reporting	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Compilation of Mid-year Budget Report • Preparation of Annual Financial Statements • Submission of Annual Financial Statements to the office of the Auditor General of South Africa within the required timeframe • Compilation of an Adjustment Budget • Submission of Adjustment Budget to council for approval within

									the required timeframe <ul style="list-style-type: none"> • Publication of the approved Adjustment Budget within the required timeframe
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management		Financial Management	Budgeting and Financial reporting	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Submission of the approved Adjustment Budget to National Treasury, Provincial Treasury and the Free State CoGTA within the required timeframe • Compilation of the Financial Strategy • In-year reporting • Compilation of section 71 reports • Annual Budget • Compile and submission of a draft budget to council within a required timeframe • Compile and submission of a final budget to council within the required timeframe • Publication of the approved budget within the required timeframe • Submission of the approved budget to National Treasury, Provincial Treasury and the Free State CoGTA within the required timeframe
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management		Financial Management	Budgeting and Financial reporting	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> • Review budget related policies annually for adoption by council • Debt Coverage

									<ul style="list-style-type: none"> Ratio Outstanding Service Debtors ratio Cost Coverage Ratio
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Supply Chain Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> Improved supply chain management compliance and support Enhanced compliance regarding supply chain management Review of the Supply Chain Management Policy Develop and establish supply chain management procedure manual Stores and Inventory Management Quarterly stock take of inventory Stakeholder Engagement
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Supply Chain Management	Ensuring sound financial management and accounting	<ul style="list-style-type: none"> Conducting workshops with stakeholders on supply chain management processes Enhance and maintain a credible service provider database Establishment and activation of database on PHENIX Accounting System Management of Bid Committees Management of Bid Specification Committees

									<ul style="list-style-type: none"> • Management of Bid Evaluation Committees • Management of Bid Adjudication Committees • Enhancing the supply chain management reporting mechanisms • Submission of supply chain management deviation reports • Submission of quarterly reports on contract management
Peace and justice	Fighting corruption	A responsive, accountable effective and efficient local government system	Fighting corruption and crime	Sound Financial Management	Effective and efficient governance and Administration	Financial Management	Supply Chain Management	Ensuring sound financial management and accounting	Preparation and monitoring of Procurement Plan

Good Governance and Public Participation

Sustainable Development Goals	National Development Plan	Government Outcomes	Medium-Term Strategic Framework	Back to Basic Principles	Free State Growth and Development Strategies	Key Performance Area	Focus Area	Predetermined Objectives	Developmental Strategies
Partnerships for the goals	Nation building and social cohesion	A responsive, accountable effective and efficient local government system	Contributing to a better Africa and a better world	Good Governance, Transparency and Accountability	Effective and efficient governance and Administration	Good Governance, Transparency and Accountability	External and Internal Auditing	Enhancing good governance and public participation	<ul style="list-style-type: none"> • Review and approve the Audit and Performance Audit Committee Charter, Internal Audit Charter • Review and approve the Internal Audit Unit Charter • Review and approve the Audit and performance Audit Committee Charter • Review and approve the Internal Audit Strategic Plans • Review and approve the Coverage Plans • Review of Audit Programmes • Drafting of covering letter on quarterly plans • Implementation of the Coverage Plan • Review and approve Internal Audit procedure Manual
Partnerships for the goals	Nation building and social cohesion	A responsive, accountable effective and efficient local government system	Contributing to a better Africa and a better world	Good Governance, Transparency and Accountability	Effective and efficient governance and Administration	Good Governance, Transparency and Accountability	External and Internal Auditing	Promoting good governance, transparency and accountability	<ul style="list-style-type: none"> • Review of the Quarterly Assurance and Improvement Programme • Compilation and submission of quarterly reports • Compilation of follow-up audit reports • Conduct exit interview

									<ul style="list-style-type: none"> • Conduct Internal Assessment • Provision of quarterly assurance on action plans • Management of Audit and Performance Audit Committee • Compilation of Audit and Performance Audit Committee resolutions • Compilation of Audit and Performance Audit Committee reports • Coordination of external audit • Coordination of the external audit activities
Industry, innovation and infrastructure	Economic infrastructure	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Good Governance, Transparency and Accountability	Effective and efficient governance and Administration	Good Governance, Transparency and Accountability	Information Communication Technologies, Communication and Customer Care Relations	Promoting good governance, transparency and accountability	<ul style="list-style-type: none"> • Timeous and effective internal and external communication • Review and approval of Communication Strategic Documents • Conduct Communication Survey • Stakeholder Consultation • Engagement with local media • Promotion of themed awareness campaigns • Robust Information Communication Technology Governance • Conduct Information Communication Technology Steering Committee

									<ul style="list-style-type: none"> meetings • Production of security reports on the system • Email and internet maintenance reports
Industry, innovation and infrastructure	Economic infrastructure	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Good Governance, Transparency and Accountability	Effective and efficient governance and Administration	Good Governance, Transparency and Accountability	Information Communication Technologies, Communication and Customer Care Relations	Promoting good governance, transparency and accountability	<ul style="list-style-type: none"> • Review Information Communication Technology Security Policies • Information Communication technologies Service availability • Renew CIBECS disaster recovery license • Review MICROSOFT volume license agreement • Renew Anti-malware and Anti-spyware • Renew IMPERO remote administration license • Compilation and approval of the Information Communication Technology Business Continuity • Disaster recovery Test on human resource server • Disaster Recovery Test on Barn Owl Server
Industry, innovation and infrastructure	Economic infrastructure	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Good Governance, Transparency and Accountability	Effective and efficient governance and Administration	Good Governance, Transparency and Accountability	Information Communication Technologies, Communication and Customer Care Relations	Promoting good governance, transparency and accountability	Disaster recovery test on Domain Controller server
Partnerships for the goals	Nation building and social cohesion	An efficient, effective and development	Contributing to a better Africa and a better world	Public Participation	Effective and efficient governance and Administration	Public Participation	Integrated Development Planning and	Putting people first	<ul style="list-style-type: none"> • Development and adoption of the IDP Review

		oriented public service and an empowered, fair and inclusive citizenship					Performance Management Systems		<ul style="list-style-type: none"> Process Plan Engagement with communities on the development of the IDP Review Process Plan Publication of the IDP Review Process Plan Uploading of the IDP Review Process Plan on the website Adoption and review of the Integrated Development Plan Community engagement of the review of the IDP Submission of the draft IDP within the required timeframe Stakeholder assessment on the draft IDP Approval of the IDP Stakeholder assessment on the approved IDP
Partnerships for the goals	Nation building and social cohesion	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Public Participation	Effective and efficient governance and Administration	Public Participation	Integrated Development Planning and Performance Management Systems	Putting people first	<ul style="list-style-type: none"> Submission of the approved IDP to Free State MEC of CoGTA within the required timeframe Adoption and review of Performance Management System Submission of section 52(d) reports to council Compilation of Annual Report Submission of draft annual report to Auditor General of South Africa Submission of the Annual report to Council for tabling

									<ul style="list-style-type: none"> • Submission of the annual report to council for consideration • Engagement on the annual report by MPAC with communities • Deliberations by the MPAC on the annual report • Monitoring the implementation of the Back to Basic principles
Partnerships for the goals	Nation building and social cohesion	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Public Participation	Effective and efficient governance and Administration	Public Participation	Integrated Development Planning and Performance Management Systems	Putting people first	Monitoring the implementation of the Audit Report Action Plan
Partnerships for the goals	Nation building and social cohesion	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Public Participation	Effective and efficient Governance and Public Participation Administration	Good Governance and Public Participation	Ward Committees and Public Participation	Putting people first	<ul style="list-style-type: none"> • Conducting customer satisfactory survey • Design and development of survey questionnaire • Appointment of field workers • Training of field Workers • Stakeholder consultation and Unit Management Instructions given • Mayor's Imbizo's • Community meetings • Management of Ward Committees

									<ul style="list-style-type: none"> • Development of Ward Operational plans • Submission of Ward Committee Reports to Council
Partnerships for the goals	Nation building and social cohesion	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Contributing to a better Africa and a better world	Public Participation	Effective and efficient Governance and Administration	Public Participation	Ward Committees and Public Participation	Putting people first	<ul style="list-style-type: none"> • Development of Ward Plans • Public Participation • Development of a Public Participation Strategy • Sectoral Planning Integration • Submission of sector plans from departments • Special Programmes • Implementation of special programmes from Executive Mayor, Speaker and Municipal Manager • Monitoring of the implementation of council resolutions
Industry, innovation and infrastructure	Nation building and social cohesion	A responsive, accountable effective and efficient local government system	Contributing to a better Africa and a better world	Public Participation	Effective and efficient Governance and Administration	Institutional Capacity	Risk Management	Building institutional resilience and administrative capability	<ul style="list-style-type: none"> • Management of Risk • Risk Management Plan • Facilitate Enterprise Wide Risk Assessment

									<ul style="list-style-type: none">• Review and approve of Strategic Risk Management Documents
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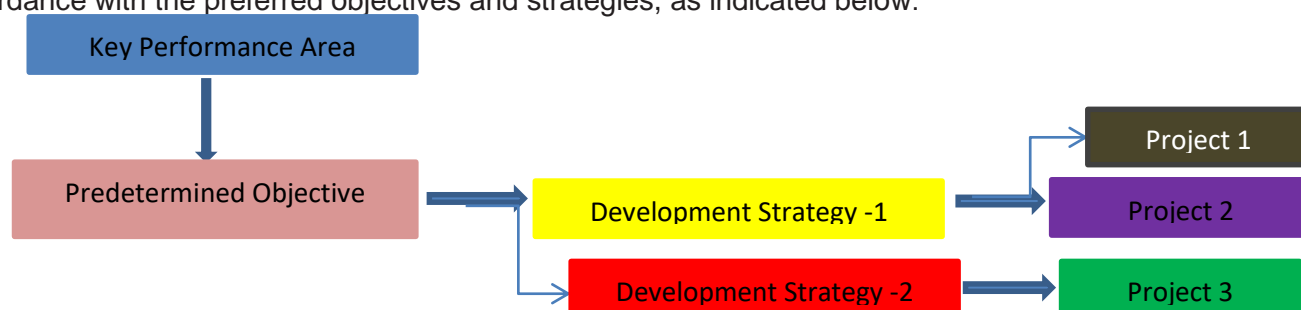
SECTION D: PROJECT IDENTIFICATION

4. Introduction

Derived from the identified development strategies and projects in the previous chapter, it was necessary to formulate sufficiently detailed project proposals in order to ensure an executive direction for the implementation of the projects. This phase therefore focussed on the technical and financial decisions and formed the detailed project designs needed to ensure the link between planning and physical delivery of projects.

4.1 Detailed Project Design

In order to ensure the smooth implementation of a project proposal, it is imperative to first check that such a project complies with the principles, objectives and strategies set earlier in the integrated development planning process. In order to accomplish this each project was numbered in a unique way to indicate which strategies and/or objectives it aims to achieve. The different projects are therefore listed under the heading of its related development priority and numbered in accordance with the preferred objectives and strategies, as indicated below.



During the project design phase, it is important to design each project in accordance with a standard format to ensure uniformity and that everyone understands the output. In order to assist in the further implementation of the projects, a logical framework was created, detailing several target and activity indicators. These target and activity indicators are explained below and depicted on a one-page document per project.

4.2 Project objective(s)

Project objective(s)	predetermined	Describing the expected positive impact of the proposed project and providing focus and orientation of the project
Indicators		Measurement units, which indicates a certain anticipated outcome of the project and useful criterion to measure the progress in the achievement of the predetermined objectives
Output (Project deliverables)		A tool for implementation management and accountability, output relate to the physical and tangible outcome of the project
Target groups		Indicates how much will be delivered within a specific period and to whom
Location		Indication of the physical size and exact location of the proposed project, indicating the priority status of different locations
Activities		Simultaneous and chronological steps to be taken to make sure that output can be achieved
Timeframes		Emphasis is put on the milestones that need to be accomplished by a specific time to implement a project
Cost		Available funding in terms of the approved cash backed budget
Project prioritisation		Listing projects in order of importance according to a set criterion
Living quality		Projects impact regarding living standard of communities Determination as to whether the outcomes will address a life-threatening situation in terms of basic needs, improve living standards or simply be convenient to the community
Relevance to the core value		Evaluation of projects against a set of core issues or underlying causes
Economic value		Determination of the impact the project will have on the economy to ensure sustainable growth and the improved quality of life
Dependency ration		Criteria used to unlock a series of other projects when implemented, whilst others will be strongly dependent on the predecessor
Probability of achievement		Subjective evaluation of project against project viability and financial availability

4.3 Funded Projects

DETAILS	REF No:	GRANT	BUDGET 2023-24	BUDGET 2024-25
PMU		MIG	1 220 300,00	1 '267 500,00
Memel/Zamani: Construction of Sewer reticulation and House connections for 118 erven (MIS:377721)	Sewer001	MIG	2 949 058.55	
Vrede/Thembalihle: Construction of 1km paved road and storm water (MIS:413511)	Road002	MIG	1 636 293.86	
Warden/Ezenzeleni: Construction of 1km paved road and storm water (MIS:413528)	Road003	MIG	3 092 839,34	
Warden/ Ezenzeleni: Construction of water Reticulation Phase 2 (Ext1)		MIG	13 606 450.05	
Warden/ Ezenzeleni: Construction of Sewer Reticulation Phase 2 (Ext1)		MIG	3 990 031.62	15 441 103.58
Vrede/ Thembalihle: Upgrading of sports Facility		MIG	1 147 797.75	
Upgrading of outfall sewer in ext 4 Vrede/Thembalihle	Sewer002	WSIG	5 716 140.80	
Upgrading of the Warden sewerage system	Sewer003	WSIG	5 879 152.38	
Electrification of 1356 sites in Warden	Bulk	INEP	5000 000.00	
Total			31 544 771.17	16 708 603.58

OTHER PROPOSED FUTURE PROJECTS

- Electrification of 500 sites in Vrede.
- Water and Sewer reticulation by Human Settlement in Memel
- Upgrading of wastewater treatment plant in Warden.
- Upgrading oxidation ponds and pump station in Memel

Own Funding

- Regravelling of streets Warden, Vrede and Memel 1km
- Paving on site walks to completed Vrede, Memel and Warden
- Procurement of 1500 dustbins (500 per town)
- Fixing of potholes in all towns
- Purchasing of Yellow and White Fleet

4.4 Unfunded Projects (Submitted for District Development Model) DDM

PROJECT NAME	PROJECT TYPE	SECTOR	PROJECT STATUS	ESTIMATED BUDGET	ESTIMATED NUMBER OF BENEFICIARIES	PROGRESS TO DATE
Memel/Zamani Construction of Water Supply Line with Associated Storage and Pump Station	Water	MIG	Tender Stage	-	1122	Funding Available
Memel/Zamani Construction of Water Reticulation for 1211 Sites	Water	DoHS	Planning Stage	-	250	No Funding
Memel/Zamani: Construction of Water Network for 500 sites in Lindelani	Water	DoHS/ MIG	Planning Stage	8 mill	500	No Funding
Warden/Ezenzeleni: Construction of Water & Sewer reticulation for 499 sites	Water	DoHS/ MIG	Planning Stage	13 mill	484	No Funding
Vrede/ Thembalihle: Replacement of AC Pipes into PVC Pipes	Water	WSIG	Tender Stage	15 mill	800	Funding Available
Warden: Refurbishment of the Waste Water Treatment Plant with Pump Station (Mechanical & Electrical)	Water	WSIG	Business Plan	10 mill	3887	Funding Available
Revamping of water treatment plant in Warden	Water	WSIG	Planning		3887	No Funding
Thembalihle/ Vrede: Upgrading of Out-fall Sewer	Sewer	MIG	Planning Stage	236 826,00	2500	Funding Available
Warden/ Ezenzeleni: Construction of Sewer Reticulation for 1009 Sites	Sewer	DoHS/ MIG	Planning Stage	4, 9 mill	510	No Funding
Construction of Outfall Sewer and Pumpstation in Ezenzeleni Warden	Sewer	WSIG	Complete	-	857	Funding Available

Refurbishment of Waste Water treatment plant and pump Stations in Vrede	Sewer	WSIG	Planning Stage	-	4833	No Funding
Refurbishment of Waste Water treatment plant and pump Stations in Warden	Sewer	WSIG	Planning Stage	-	3887	Funding Available
Refurbishment of Waste Water treatment plant and pump Stations in Memel	Sewer	WSIG	Planning Stage	7, 2 mill	2945	No Funding
Warden Construction of Sewer Retic. to 1009	Sewer	DoHS	Planning	15 mill	1009	No Funding
Memel Zamani: Electrification of 300 of 1211 sites	Electric	INEP	On Going	6,8 mill	1122	Funding Available
Phumelela: Installation of 4 High-mast lights	Electric	MIG	Complete	-	800	Funding Available
Warden/ Ezenzelelni: Upgrading of Spots Facility Phase 4	Electric	MIG	On Hold	-	1200	Funding Available
Warden: Electrification of 1359 SITES	Electric	INEP	Planning	33 mill	1359	Funding Available
Installation of High-Mast Lights in Phumelela	Electric	MIG	Planning	12 mill	12000	Partial Funding
Vrede/ Thembalihle: electrification 1400 sites	Electric	INEP	Planning	32,7 mill	1350	No Funding
Phumelela: Construction of Paving Streets 10 km	Roads and Storm Water	MIG	Planning	120 mill	12000	No Funding
Memel/ Zamani Construction of paved road and storm-water	Road	MIG	Planning	-	900	Funding Available
Ezenzelelni/ Warden: Fencing of Cemeteries	Cemetery	MIG	Complete		2721	Funding Available
Phumelela: Fencing of Cemeteries	Cemetery	MIG	Cemetery	7 mill	2721	Partial Funding
Vrede/ Thembalihle: Construction of a Multi-Purpose Centre	Spots	MIG	Planning	23 mill	4833	No Funding
Construction of Stadium in Thembalihle	Sports	MIG	Planning	18 mill	2500	No Funding
Purchasing of White and Yellow Fleet and Machinery for all departments	Fleet	TMDM	Planning	35 mill	12000	No Funding
Construction/ Rehabilitation /closing of Landfill sites in Phumelela Local Municipality	Waste Management	DEA	Planning	45 mill	11665	No Funding
Vrede/ Thembalihle: Construction of Overhead Pedestrian Bridge	Transport	DoT	Planning	8 mill	1009	No Funding

Construction of catchment Dam in Memel	Water	RBIG	Planning	150m		No Funding
Construction of catchment Dam in Vrede	Water	RBIG	Planning	150m		No Funding
Development of Tourism sector Plan	Tourism	DESTEА	Planning	N/a	N/a	No Funding
Seekoievlei Resort	Tourism	DESTEА	Incomplete	N/a	50054	No Funding
Vreskykerskop	Tourism	HUMAN SETTLEMENT	Proclamation under dispute	N/a	400	No Funding
Develop/ acquire tourism material	Tourism	DESTEА	Planning	N/a	50054	No Funding

The One Plan: Is an integrated plan that emerges out of an elaborate process of consultation and engagements between the various municipalities, provincial and national departments, civil society and private sector to address the development and service delivery challenges in the given district or metropolitan municipality. The plan, alluded to, will ultimately form part of the One Joined Up Plan of national government. The plan has to take into account the local conditions and be informed by national, provincial and local government plan and thus be a consolidated district plan that reflects the totality of plans and projects for the district. **See attached annexure E**

SECTION E: SPATIAL DEVELOPMENT FRAMEWORK

5.1 Spatial Vision and Application of Principles

The draft Vision of the municipality is as follows:

A) Vision: Seeks to guide the overall spatial distribution of current and desirable land uses in order to promote efficient service delivery and innovative economic development corridor.

B) Mission: Maintain highly committed and motivated municipality that is prepared to serve communities by ensuring quality service delivery, resource efficiency and accountability as well as encouraging community participation in developmental initiatives.

The implications of the above vision are as follows:

- Spatial Planning must ensure that the municipality's resources, mainly arable land, are not unnecessary damaged for their use by another sector, for example, future urban development should not take good agricultural land out of production
- Urban settlements should present a high-quality image and appearance so that are attractive to visitors and residents alike.

5.2 Macro-Conceptual Framework

5.2.1 Natural System Synthesis

Drainage, steep slopes and arability were found to be the main engineering geological problems, particularly with regard to low-cost development. A development suitability map has been compiled denoting preferential areas for development based on engineering geological parameters. The provision of services to the north and west will be problematic and expensive due to the topography and slope.

The topography along the Cornelis River is too steep for residential development and it can only be used as an open area and dam. The other open spaces in town and the dam are worth to be developed and can be an attribute to the town. The major ecological sensitive areas will be conserved in this area.

The development of an open space system will have to be planned and managed and a development proposal will have to take into account any environmental impact.

In view of the locality of Warden adjacent to the N3 Freeway, it is proposed that a tourism node be established at the entrance to (to the west of the N3) Warden which will generate additional income. This development will focus on overnight facilities (caravanning), recreation and eco-tourism.

5.2.2 Socio-Economic and Built Environment Synthesis

The FS PSDF states that its role is to create an enabling, functional and statutory environment to promote sustainable socio-economic development with a focus on the following:

“Providing direction and scope to province-wide development programmes and projects taking into consideration economic, political, social, and environmental constraints and opportunities;
Enhancing human well-being (including social equity) and environmental integrity through the efficient use of the various forms of capital inherent, or available to the Free State;
Serving as a framework for public and private-sector investment, indicating areas of opportunity and development priorities;

Providing an environment of certainty and predictability critical for investment;

Together with the FSGDS provide guidance to public and private infrastructure investment in the province, taking cognisance of the growth and development potential of the municipalities and settlements;

Serving as a spatial and strategic vision and basis for common action amongst all social partners, both inside and outside government in a province;

Spatially co-ordinate and direct the activities and resources of the provincial government departments; and,

Put forward a spatial vision, objectives, policy, and strategic implementation guidelines for projects identified in the FSGDS.”

Spatial Planning Categories (SPCs) will form the basis for the overlaying of conceptual proposals of the Phumelela SDF. In this regard, the Free State Spatial Planning and Land Use Bill states that all planning/development frameworks should be done according to prescribed spatial planning categories in order to have a system that will be interpreted in a similar manner across the different levels of development frameworks that are in relation to the province. These SPCs provide a framework to guide decision-making regarding land-use at all levels of planning and will ensure effective monitoring and evaluation at all levels of planning.

Alignment of the Thabo Mofutsanyana District SDF and Phumelela Local SDF with the Free State Provincial Spatial Development Framework (FSPSDF) is achieved by structuring the SDF document in accordance with the different Spatial Planning Categories (SPCs) as reflected in the Free State Provincial Spatial Development Framework 2018, as well as incorporating development proposals applicable to Phumelela Local Municipality from the said framework.

5.3 Sector Gross Value Add Contribution

- Phumelela value add is occurring to agricultural products and that tourism and financial services are on the increase.

Legend:

1. Agriculture, hunting, forestry and fishing
2. Mining and Quarrying
3. Manufacturing
4. Electricity, gas and water supply
5. Construction
6. Wholesale and retail
7. Transport, storage and communication
8. Finance, insurance, real estate and business services
9. Community, social and personal services
10. Government Services

5.3.1 Sector Employment Levels

Residential and employment opportunities are impacted by new urban development in the form of mainly low-income housing development and the move of agricultural labour off the farms and into the towns for residential purposes. Socially and economically the municipality is facing the challenges of declining incomes, especially among the higher wage earners who generate high levels of demand, and increasing social welfare grants, which are mostly used for survival consumption.

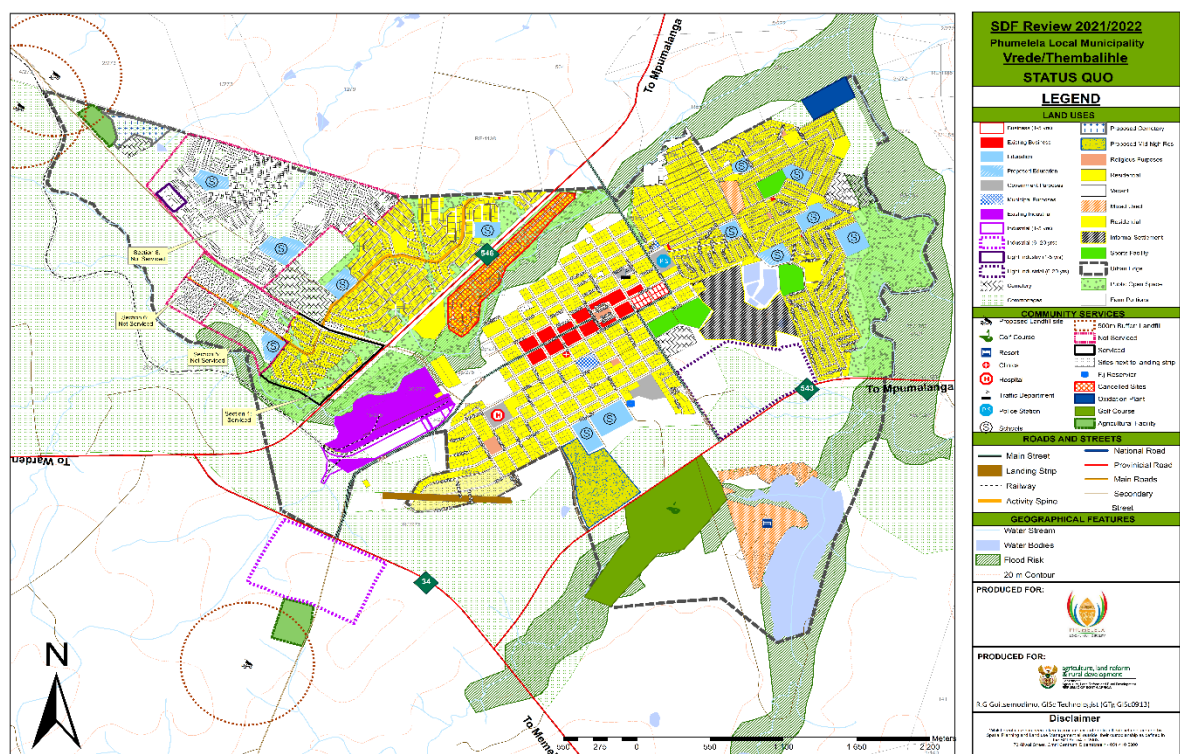
- To serve as agricultural service centres, the towns in Phumelela must reflect:
- High order distribution value chain and retail services.
- Social, education and community services.
- Information dissemination.
- High quality, compact, safe and efficient urban environments.

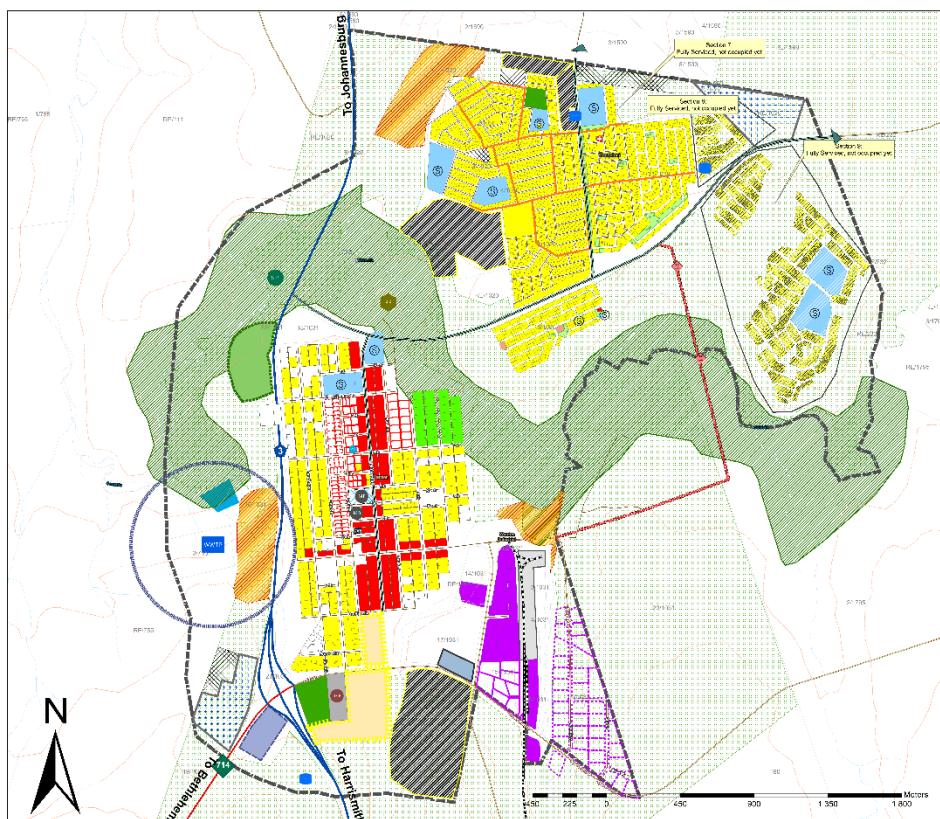
5.4 Municipal Spatial Development Framework

It comprises the following elements:

- Bio-regions;
 - Spatial Planning Categories (SPCs);
 - Settlements and Rural Service Centres; and,
 - Settlement Hierarchy;
- Major Infrastructure Projects;
 - Major Tourism Projects;
 - Settlement level guidelines.

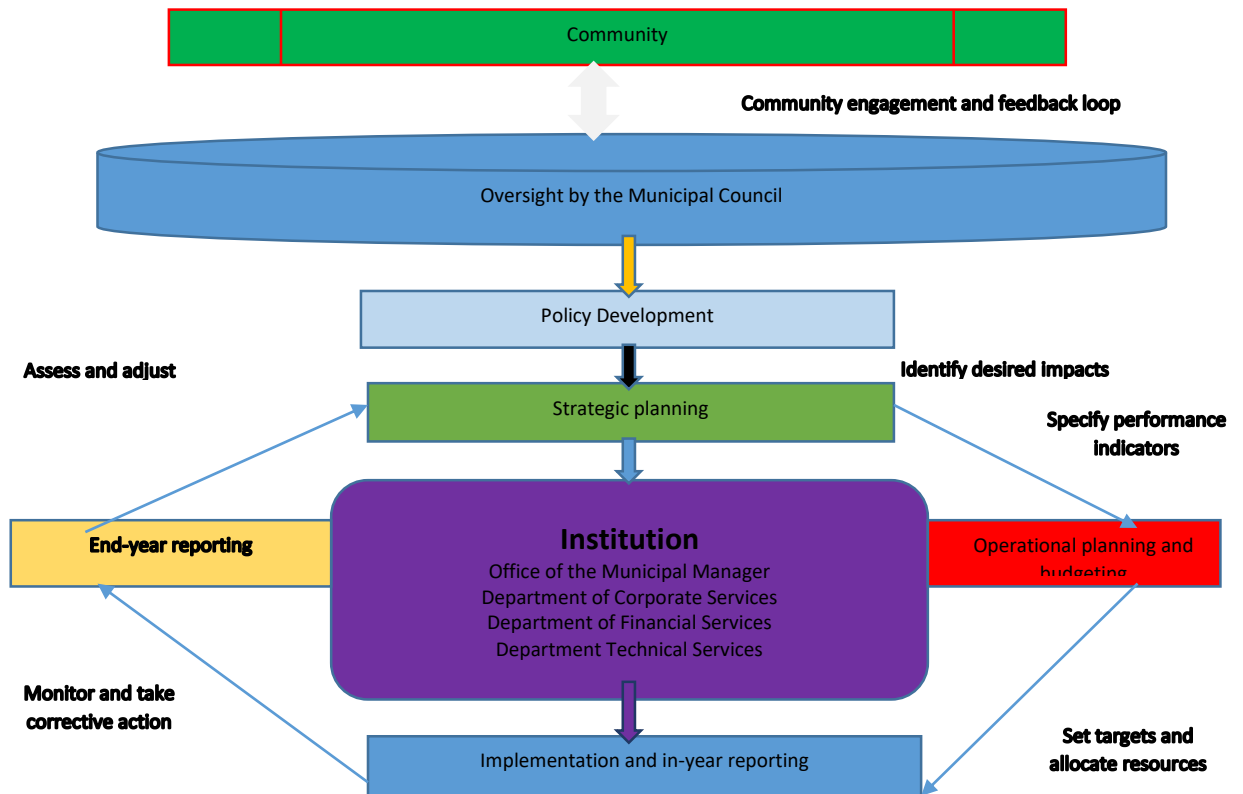
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SECTION F: FINANCIAL STRATEGY

6.1 Planning, budgeting and reporting cycle



The purpose of the financial plan is to set out details of the financial issues that need to be addressed in a financial year. It is meant to be a tool to highlight any financial shortcomings. Financial planning is the organisation of financial data for the purpose of developing a strategic plan to constructively manage revenue, expenditure, assets and liabilities to meet the short, medium and long-term goals and objectives. Financial planning is looking at the future and bringing it back to the present while you can still do something about it. (Roy Diliberto).

It is therefore imperative to scrutinise the state of the municipal finances with regards to possible future income sources and the areas where such income is likely to be applied given the present level of backlogs and community priorities. The financial plan is a tool that is generally used by municipalities to influence the contents of the IDP to ensure that the IDP is funded and that cash is available to implement projects in terms of the municipal IDP objectives.

In order to ensure that projects identified in the IDP are implemented through sound financial planning, the municipality needs to ensure that:

- A financial plan is developed specifying the projects to be undertaken, the associated time-frames within which they are to be completed as well as sources of funding for the projects;
- The projects are priorities in terms of the needs of the community;
- The IDP is linked to financial planning;

- Financial plan involves producing a medium-term projection of capital and operating expenditure. The projection includes an overall overview of likely future tariffs if all other things remain equal. For example, if Eskom increases tariffs above the general norm, then the water tariffs will have to be increased accordingly.

6.2 OPERATING REVENUE BY SOURCE

Section 26(h) of the Municipal systems Act, 32 of 2000, provides that an Integrated Development Plan, must include a budget projection for at least the next three years. In view of the, the following table is a consolidated overview of the proposed 2023/2024 Medium-Term Revenue and Expenditure Framework:

Description R thousands	Current Year 2022/2023		2023/2024 Medium-term Revenue and Expenditure Framework		
	Original Budget 2022/2023 R'000	Adjustment Budget 2022/2023 R'000	Budget Year 2023/2024 R'000	Budget Year+1 2024/2025 R'000	Budget Year+2 2025/2026 R'000
Financial Performance					
Property Rates	18 428	18 428	21 189	22 228	23 272
Service Charges	57 217	64 704	98 406	103 228	108 079
Investment Revenue	781	781	822	862	903
Transfers recognised operational	97 282	91 282	104 188	109 839	112 439
Other own revenue	24 067	33 599	25 622	26 864	29 414
Total Revenue (excluding capital transfers and contributions)	197 775	208 794	250 227	265 087	274 107

Total operating revenue has grown by **19,84%** or **R 41 433** for the 2023/2024 financial year when compared to the 2022/2023 Adjustment Budget. For the two outer years, operational revenue will increase by **5%** and **4%** respectively.

6.3 Summary of Operating Expenditure by Standard Classification Item

Description R thousands	Current Year 2022/2023		2023/2024 Medium-term Revenue and Expenditure Framework		
	Original Budget 2022/2023 R 000	Adjustment Budget 2022/2023 R 000	Budget Year 2023/2024 R 000	Budget Year+1 2024/2025 R 000	Budget Year+2 2025/2026 R 000
Financial Performance					
Employee Costs	91 041	91 069	109 292	114 162	119 528
Remuneration of Councillors	6 891	6 878	7 096	7 444	7 794
Depreciation and Assets Impairment	11 960	11 960	22 396	22 707	23 774
Finance Charges	3 120	5 601	5 897	6 186	6 477
Materials and Bulk Purchases	19 586	31 867	33 556	35 200	36 855
Other Expenditure	65 124	61 389	71 969	77 243	78 049
Total Expenditure	197 723	206 771	250 206	262 942	272 477

Total operating expenditure for the 2023/2024 financial year has been appropriated at **R 250 206** and translates into a budgeted surplus of **(R21 000)**. When compared to the 2022/23 Adjustments Budget, operational expenditure has increased by **21%** or **R43 435** in the 2022/2023 Budget

6.2 Operating Revenue Framework

For Phumelela Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality.

The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The municipality's Revenue Enhancement Strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a fifty five per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality

The sources of funding are important to ensure that budget is funded, and cash backed. The following items warrant specific mention:

Rent of facilities³

The rental income amounting to **R 822** is expected from the renting of municipal properties and community halls in all towns.

Interest Income

Interest income is expected to increase from **R 781 808** to **R 822** due to financial difficulties encountered by the municipality.

Equitable Share

Equitable share has been increased from **R 91 282** to **R 104 188**

Operational Grants	2023/2024	2024/25	2025/26
Equitable Share	96 027 000	102 742 000	105 181 000
Finance Management Grant	3 100 000	3 100 000,00	(3 100 000,00)
EPWP	1 218 000		
Provincial Treasury Grant			
SUBTOTAL	104 188 000	109 839 000	112 439 000

Operational Grants	2023/2024	2024/25	2025/26
MIG	24 403	25 344	26 325
WSIG	30 777	19 622	20 501
INEP	5 000	10 000	3 000
RBIG			
SUBTOTAL	60 180	54 966	49 826

Capital Income

Source	Amount
Own Revenue	R 000
Municipal Infrastructure Grant	24 403
Regional Bulk Infrastructure Grant	30 777
Water Services Infrastructure Grant	5 000
Integrated National Electrification Programme	24 403
Total	60 180

Operational Expenditure Framework

Employee Related Costs

The employee related costs comprise **43,64%** of the total operating budget.

Remuneration of Councillors

The remuneration of councillors comprise **2,81%** of the total operating budget.

Working Capital Reserve

This is the provision for doubtful debts R 46 197 as a result on non collection level.

Depreciation

This is a non cash budgeted for as per the stipulation of the new accounting standard and is funded from the backlog depreciation. The **189%** increase is based preliminary on the 2023/2024 depreciation calculation.

Repairs and Maintenance

The budgeted amounts are for repairs and maintenance is R 5 330 109

The Final Budget 2023/2024 is attached here to is Annexure

SECTION G: INSTITUTIONAL DEVELOPMENT AND PERFORMANCE MANAGEMENT SYSTEMS

7. Introduction

Performance Management is a process which measures the implementation of an organization's strategy. At the local government level, this has become an imperative, with economic development, transformation, governance, financial viability and service delivery being the key performance areas in terms of the Local Government Developmental Agenda. Performance management provides the mechanism to measure whether targets to meet its strategic objectives that are set by municipalities and its employees, are met. National government has also found it necessary to institutionalize and provide legislation on the performance management process for local government.

The Municipal Systems Act (MSA) of 2000 mandates municipalities to establish a performance management system, and the Planning and Performance Management Regulations of 2001 outlines the municipality's performance management system. The Municipal Finance Management Act of 2003 (MFMA) require that the 5-year strategy of a municipality, the Integrated Development Plan (IDP), should be aligned to the municipal budget and must be monitored for the implementation of the IDP against the budget via the annual Service Delivery and Budget Implementation Plan (SDBIP).

The purpose of this document is to review and update the current framework adopted in 2012, with a view to aligning it with current legislative and policy framework. In reviewing the 2012 Policy Framework, efforts have been made to reflect the changes that have occurred in local government through the introduction of the 5 Year Local Government Strategic Agenda and the five Key Performance Areas that now inform the Revised Municipal Scorecard Model.

This document will therefore incorporate recently promulgated legislation and policies, currently and an updated version of the Municipal Scorecard Model and the 5 perspectives, different levels of scorecards and the relationship of these levels, roles and responsibilities of different stakeholders. The Performance Management Systems Handbook will also reflect the linkages between the Integrated Development Plan (IDP), the Budget, the Service Delivery and Budget Implementation Plan (SDBIP) and the manual Performance Management System of the municipality. As required by the Municipal Systems Act, 2000 and the Planning and Performance Management Regulations, 2001.

This Performance Management Systems Handbook sets out:

- The objectives and benefits of the performance management system;
- The principles that will inform the development and implementation of the system;
- A preferred performance model that describes what areas of performance will be measured by the municipality;
- The process by which the system will be managed;
- The roles and responsibilities of different stakeholders; and
- The process of managing employee performance

7.1 Rationale for Performance Management

7.1.1 Policy and Legal Framework

Legislative enactments which govern performance management in municipalities are found in the Batho Pele Principles; the White Paper on Local Government; Municipal Systems Act, 2000; Municipal Planning and Performance Management Regulations, 2001; Municipal Finance Management Act 2003;

Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; the Framework on Managing Performance Information and lastly the Directive on Performance Information of the Public Audit Act, 2004 published under Notice 646 of 2007. Although it is not considered necessary to go into detail in respect of all the legislation it is important to give a brief overview of the most important legislative provisions set out in:

- The Municipal Systems Act No. 32 of 2000
- The Municipal Planning and Performance Management Regulations of 2001
- The Municipal Finance Management Act No. 56 of 2003; and
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006.

Summaries of the provisions relating to organisational performance management are therefore set out hereunder.

A. The Municipal Systems Act, 32 of 2000

Chapter 6 of the Municipal Systems Act (2000) provides briefly that a municipality must

- Develop an Electronic Performance Management System (PMS);
- Promote a performance culture;
- Administer its affairs in an economical, effective, efficient and accountable manner;
- Set Key Performance Indicators (KPI's) as a yardstick for measuring performance;
- Set targets to monitor and review the performance of the municipality based on indicators linked to their IDP;
- Monitor and review performance at least once per year;
- Take steps to improve performance;
- Report on performance to relevant stakeholders;
- Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the Municipal Finance Management Act of 2003;
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the national Minister of Provincial and Local Government;
- Conduct an internal audit of all performance measures on a continuous basis;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and in reviewing municipal performance.

Sections 55 to 58 of the Municipal Systems Act further outline the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.

B. The Municipal Planning and Performance Management Regulations of 2001

In summary the Regulations provide that a municipality's Performance Management System must:

- Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
- Comply with the requirements of the Municipal Systems Act;
- Relate to the municipality's employee performance management processes and be linked to the municipality's IDP; and that:
- A municipality must:
 - Set key performance indicators (KPI's) including input, output and outcome indicators in consultation with communities;
 - Annually review its Key Performance Indicators;
 - Set performance targets for each financial year;
 - Measure and report on the nine nationally prescribed KPI's;
 - Report on performance to Council at least twice a year;
 - As part of its internal audit process audit the results of performance measurement;
 - Appoint a performance audit committee; and
 - Provide secretarial support to the said audit committee

C. The Municipal Finance Management Act, 56 of 2003 (MFMA)

The Municipal Finance Management Act also contains various important provisions relating to performance management. In terms of the Act all municipalities must:

- Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators;
- When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget;
- Empower the Mayor or Executive Committee to approve the Service Delivery and Budget Implementation Plan and the Performance Agreements of the Municipal Managers and the Managers directly accountable to the Municipal Manager; and
- Compile an annual report, which must, amongst other things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

D. The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006.

This legislation regulates the management of the Section 57 employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development and empowerment measures and performance evaluation processes. These regulations further provide criteria for performance assessment and the 5-point rating upon which performance of an individual need to be scored during the assessment and evaluation.

7.2 Objectives of Performance Management

The objectives of institutionalizing performance management are beyond the legislative compliance requirements. The general objectives of managing performance are to:

- facilitate increased accountability;

- facilitate learning and improvement;
- provide early warning signals; and
- facilitate decision-making processes
- To serve as a primary mechanism to monitor, review and improve the implementation of the Phumelela municipality's IDP.

7.3 Principles that will Guide the Development and Implementation of the Performance Management System

In developing the system, the municipality will be guided by the following principles:

Both development and implementation of the system must be driven by top management and council;

- The system must place the community at the centre of the local government processes;
- The system should not be punitive but be developmental to provide learning and growth opportunities through the coaching and review processes.
- The system must be developed and implemented within the available capacity and resources of the municipality;
- The system should align to other municipal initiatives, systems and processes; and
- The performance management system will be implemented in such a way that it:

Is developmental and not punitive in nature as employees will be provided with career opportunities and allowed space to be creative and innovative in improving their performance. Provides a clear and detailed framework for:

- Agreement on performance contracts;
- Clear key performance indicators, targets and standards which are agreed upon;
- A balance between organizational needs and employee rights;
- Provides clear linkages between performance and recognition and reward;
- Provides a clear guide on dealing with poor or non-performance

Performance Management Systems Policy is attached to this document as Annexure H

7.4 Organisational Structure

7.4.1 Purpose

The purpose of this process is to review the existing organisational structure and align it with the strategic objectives of the Phumelela Local Municipality. It will also be to determine the base for the alignment, revision and or retaining of functions and positions as well as conclusions culminate in proposals for the approval of a new organisational structure which will also addresses the alignment of functions in a systematic manner, to group functions that related into same departments where possible, keeping in mind that all functions and departments are cross-cutting and should therefore complement each other.

See attached Organisational Structure Annexure G

7.4.2 Background/Brief Overview

The Phumelela Local Municipality was established in terms of section 12 of the Local Government: Municipal Structures Act, 117 of 1998 as amended. Measuring 8 197 km's, it is situated in the Eastern Free State and forms part of the Thabo Mofutsanyana District Municipality. The Phumelela Municipality comprise of three towns i.e. Vrede: Head Quarters, Warden and Memel.

The Municipality derives its powers from the Constitution of the Republic of South Africa, Act 108 of 1996, sections 156 and 229; and the Local Government: Municipal Structure Act, 117 of 1998 as amended. Recent events, which included community unrest, as well as the poor performance by the municipality both on strategic and operational levels, have hindered the municipality's efforts to deliver on both its constitutional and legislative and strategic mandate. The Municipal Systems Act, Act 32 of 2000, provides as it relates to the organizational structure of a municipality - Section 66 - for the following:

- " 1. A municipal Manager, within a policy frame work determined by the Municipal Council and subject to any applicable legislation, must:
- Approve a staff establishment for the municipality:
 - Provide a job description for each post on the staff establishment
 - Attach to those post the remuneration and other conditions of service as may be determined in accordance with any applicable legislation and
 - Establish a processes and mechanism to regularly evaluate the staff establishment and if necessary, review the staff establishment and remuneration and conditions of service

Other reference points for the organogram review process were-

- Local Government: Municipal Planning and Performance Management regulations of 2001
- Municipal Finance Management Act, Act 56 of 2003
- Skills Development Act
- Employment Equity Act.
- Integrated Development Plan of the Phumelela Municipality.
- Organogram framework-DPSA

SECTION H: INTEGRATION

8. Introduction

8.1 Integrated Sector Programmes

One of the challenges identified during the assessment of the Integrated Development Plans was a lack of integration of various programmes in the Integrated Development Plan. This lack of integrating could be attributed to many factors-one of them is an inability to identify and demonstrate relationships among various sector plans. This is because in most instances sector plans are normally developed as a standalone plan independent from one another. This results to fragmented programmes and projects that are not aligned or contributing to the vision of a municipality.

At the core of the system of local government is the ability of a municipality to coordinate and integrate programmes of other government spheres and sectors implemented in their space. This role is very critical given that all government programmes and services are delivered in municipal space. In this regard, the integrated development planning process becomes a vehicle to facilitate integrated development and ensure that local government outcomes contained in the White Paper on Local Government are attained.

The approaches and plans to achieve these outcomes are contained in various national and provincial legislations and policy frameworks. National departments, through legislation and policies, express government priorities, strategies, plans and programmes. The legislation and policies also require municipalities to develop sector-specific plans to guide the rendering of certain services. For the purpose of this framework these sector plans are grouped into two main categories, namely sector plans providing overall development vision of the municipality and sector plans that are service oriented.

Sector Plans providing for the overall development vision of the municipality

Most of these sector plans provide socio-economic vision and transformation vision of the municipality-they are mandatory as required by the Municipal Systems Act 32 of 2000. In terms of the Municipal Systems Act, 32 of 2000 the following sector plans must be part of the IDP:

- Spatial Development Framework;
- Local Economic Development Plan;
- Disaster Management Plan;
- Institutional Plan; and
- Financial Plan.

Although the Municipal systems act, 32 of 2000 mandates the inclusion of these plans in the Integrated Development Plan, one of the challenges is that the relationship among these plans is not clearly defined. This has resulted to some municipalities viewing them as attachments to the Integrated Development Plans as opposed to be an integral component of the Integrated Development plans.

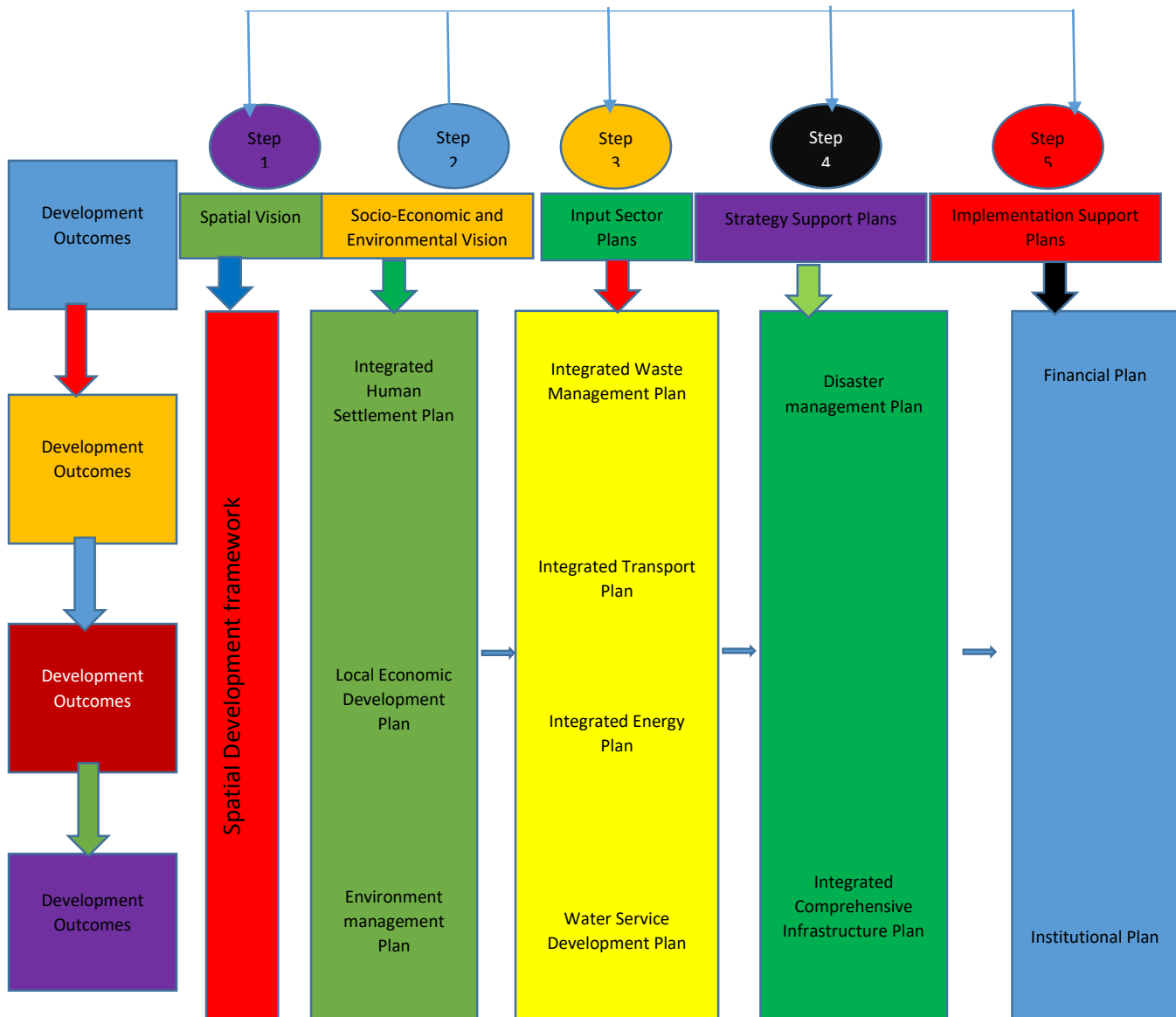
Sector Plans provided for and regulated by sector specific legislation and policies

Various national legislations and policies provide for the development of service delivery related sector plans to regulate and guide the delivery of certain services in municipalities. These plans include amongst others:

- Water Services Development Plan;
- Integrated Waste Management Plan;
- Integrated Transport Plan;
- Environmental Management Plan;
- Integrated Human Settlement Plan;
- Integrated Energy Plan;
- Sport and Recreation Plan;

- Integrated HIV/AIDS Plan;
- Integrated Poverty Alleviation;
- Integrated Gender Equity Plan;
- Migration Integrated Development Management Plan

The two categories provide strategies, programmes and projects that form the basis for an Integrated Development Plan and budget. The section below outlines the relationship and hierarchy of various plan.



During this phase of the Integrated Development Plan formulation, true meaning is given to the process of integrated development planning. With the designed projects for implementation in mind, the integration phase aims to align these different project proposals firstly with specific deliverables from the Integrated Development Plan formulation and secondly with certain legal requirements. More specifically, the projects must be aligned with the agreed objectives and strategies to ensure transparency as well as with the available financial and institutional resources to ensure implementation.

Furthermore, the projects also need to be aligned with national and provincial legal requirements to ensure uniformity and compatibility with government strategies and programmes. The National and

Provincial Planning and Development Fora played a crucial role in aligning the IDP's and the National and Provincial development plans and strategies. Instead of arriving at a simplified "to do" list for the next financial year, the aim is to formulate a set of consolidated and integrated programmes for implementation, specifically focusing on contents, location, timing and responsibilities of key activities. The integration requirements are divided into three broad categories namely:

- Integrated sector programmes;
- Internal planning programmes; and
- External policy guideline requirements

Integrated sector programmes form the basis for preparing budgets and future sectoral business plans. From the project planning and design sheets it was possible to compile a list of sector specific projects from the multi-sectoral Integrated Development Plan projects. The sectoral programmes to projects representing both sector components as well as the following departments are within the municipality:

- (a) Department of the Office of the Municipal Manager
- (b) Department of Technical Services
- (c) Department of Corporate Services
- (d) Department of Financial Services

It is important to note that these programmes do not only make provision for Integrated Development Plan related projects but also other project costs and activities in order to create a comprehensive picture for budgeting purposes.

Sector Department Projects and programmes

Projects and programmes of other spheres (However still awaiting Commitment Letters from relevant department)

Sector Department	Project Type	Town	Cost
Department of Energy	Upgrading of Bulk Infrastructure for 1375 Sites in Warden	Warden	R29 870 000
Dept. Water & Sanitation	1.Replacement of asbestos pipe to UPVC pipe in Vrede/Thembalihle. 2.Upgrading of the sewerage system phase 2	Vrede/Thembalihle.	R20 777 000
COGTA	Outfall Sewer Line		R 1 250 354
DESTEA	Buy Back Centers and Recycling facilities Support	All	R 500 000.00
DESTEA	Waste Pickers/reclaimers Training workshop	All Municipalities	N/A
DESTEA	Collection of data on section 23 of NEMAQA activities in all Municipalities	All Municipalities	N/A

DESTE	Support Municipalities to undertake Air quality related compliance inspections	All Municipalities	N/A
DESTE	Planting of trees Economic Recovery and Reconstruction Plan	All Municipalities	N/A
DESTE	Facilitate funding for catalytic projects	All Municipalities	N/A
COGTA	Drilling and Equipping of boreholes in Vrede	Vrede	R1 326 628.51
THABO MOFUTSANYANA DISTRICT MUNICIPALITY ENVIRONMENTAL PROGRAMMES	Youth Environmental Coordinators Programme	All Municipalities	Budget to be confirmed
THABO MOFUTSANYANA DISTRICT MUNICIPALITY ENVIRONMENTAL PROGRAMMES	Working for Wetlands	Seekoie-Vlei (Memel)	R11 000 000.00

8.2 Internal Planning programmes

In order to set up close links between planning and budgeting as well as between planning and implementation, several internal planning programmes are required. These plans, however, do not only serve as a framework for managing finances, but it also sets the groundwork for regular management information in respect of monitoring progress and performance.

Finally, it also demonstrates compliance of the Integrated Development Plan with spatial principles and strategies and which serves as a basis for spatial coordination of activities and for land use management decisions. The status and annexure numbers of the relevant internal planning programmes is indicated in the table below:

8.2.1 Current status of Sector Plans

Critical component	Available / Not Available	If available when as it last reviewed	Comments
Spatial development framework ANNEXURE A	Available	Reviewing process in 2020/21	To adopted in 2021/22
LED strategy ANNEXURE B	Available in Draft	Reviewing process in 2020/21	To adopted in 2021/22
Integrated Waste Management Plan ANNEXURE D	Available	Reviewing process in 2020/21	To adopted in 2021/22
Land use Management	Not available		Will be

framework/ strategy			prioritised
Land reform strategy	Not available		Will be prioritised
Transport Plan	Not available		Will be prioritised
Disaster Management Plan ANNEXURE C	Available	To be reviewed	To be reviewed
Environmental Management Plan	Not available		Will be prioritised
Water service development Plan	Not available		Will be prioritised
Energy Master Plan	Not available		Will be prioritised
RRAMS	Available in Draft	Reviewed 2020/21	To adopted in 2021/22
Water and Sanitation Master Plan	Not Available		Will be prioritised
Storm-Water Master Plan	Not Available		Will be prioritised
Water Safety Plans	Not Available		Not Available
Water Conservation/Water Demand Management ANNEXURE E	Available	Reviewed in 2020/21	To adopted in 2021/22
Waste Water Risk Abatement Management Plans	Available	To be reviewed	Will be prioritised
Electricity Master Plan	Not available		Will be prioritised
Housing Sector Plan	Not available		Will be prioritised
Health Sector Plan (HIV/ Aids Plan)	Not available		Will be prioritised
Institutional Plan	Not available		Will be prioritised
Financial Plan	Available	To be reviewed	Will be prioritised

8.3 External Policy Guideline Requirements

In order to complete the integration phase of the Integrated Development Plan, it is necessary to check consistency with policy guidelines of certain cross-cutting dimensions. This requires the formulation of several programmes which assess the effect or impact of project proposals in relation to poverty reduction and gender equity, environmental practices, economic development and employment generation as well as the prevention and spreading of HIV / AIDS. The status and annexure numbers of the relevant external policy and guideline programmes is indicated in the table below.

8.3.1 Current status of external policy guideline programmes

External Policy Guideline Requirements	Current Status
Poverty Reduction/Gender Equity Plan	To be reviewed
Local Economic Development Strategy	To be reviewed (in DRAFT)
Environmental Management Plan	Approved by council on 31 May 2019
HIV/AIDS Plan	To be reviewed

SECTION I: APPROVAL

9. Introduction

This document contains the draft Integrated Development Plan 2023/2024 of the Municipality and was formulated over a period of nine months, taking into consideration the views and aspirations of the entire community. The draft Integrated Development Plan provides the foundation for development and will form the basis of the planning process for the next two years until 2025

9.1 Invitation for Comments

In order to ensure transparency of the draft Integrated Development Plan process everybody is given the chance to raise concerns regarding the contents of the draft Integrated Development Plan. All national and provincial departments are firstly given a chance to assess the viability and feasibility of project proposals from a technical perspective. More specifically, the spheres of government are responsible for checking the compliance of the draft Integrated Development Plan in relation to legal and policy requirements, as well as to ensure vertical coordination and sector.

Since the operational activities of the local municipality will have a certain effect and possible impact on surrounding areas, adjacent local and district municipalities are also given the opportunity to raise any concerns in respect of possible contradicting types of development and to ensure the alignment of IDPs. This exercise will be conducted during April 2023.

Finally, all residents and stakeholders will also be given the opportunity to comment on the contents of the draft IDP 2023/2024, as they are directly affected. The draft IDP 2023/2024 will be advertised in local newspapers on 3rd of April 2023 (Monday) and all concerned parties will be given a period of 21 days after the adoption of the draft Integrated Development 2023/2024 on the 04 April 2023 until the 05 May 2023 to forward comments to the Municipal Manager.

9.2 Adoption and Approval

After all the comments are incorporated in the final Integrated Development Plan document, the Council would adopt and approved the document. The approved document will be submitted to the MEC: Corporate Governance and Traditional Affairs in the Free State, as required by the Municipal Systems Act, 2 of 2000. The final Integrated Development Plan 2023/2024, together with all the appendices, annexures and the Budget 2023/2024 as required by legislation will be approved by Council before the start of the new financial year.

ABBREVIATIONS

BTO	BUDGET AND TRESURY OFFICE
DCS	DEPARTMENT OF CORPORATE SERVICES
DES	DEPARTMENT OF ENGINEERING SERVICES
DESTEA	DEPARTMENT OF ECONOMIC AND SMALL BUSINESS, TOURISM AND ENVIRONMENTAL AFFAIRS
DPSA	DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION
DPSS	DEPARTMENT OF DEVELOPMENT PLANNING AND SOCIAL SECURITY
DTS	DEPARTMENT OF TREASURY SERVICES
FSGDS	FREE STATE GROWTH AND DEVELOPMENT STRATEGIES
IDP	INTEGRATED DEVEOPMENT PLAN
KFA	KEY FOCUS AREA
KPA	KEY PERFORMANCE AREA
KPI	KEY PERFORMANCE INDICATOR
LED	LOCAL ECONOMIC DEVELOPMENT
PMS	PERVORMANACE MANAGEMENT SYSTEM
LGMSA	LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 117 OF 1998
MDG	MELLENIUM DEVELOPMENT GOALS
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003
MSA	MUNICIPAL SYSTEMS ACT
MTREF	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK
MTSF	MEDIUM TERM STRATEGIC FRAMEWORK
NDP	NATIONAL DEVELOPMENT GOALS
SDF	SPATIAL DEVELOPMENT FRAMEWORK
SDG	SUSTAINABLE DEVELOPMENT GOALS
SLUMA	SPATIAL PLANNING AND LAND USE MAMANGEMENGT ACT
STATSSA	STATISTICS SOUTH AFRICA
WTW	WATER TREATMENT WORKS
WWTW	WASTE WATER TREATMENWORKS
IWMP	INTERGRATED WASTE MANAGEMENT PLAN
WDM	WATER CONSEVATION PLAN
DDM	DISTRICT DEVELOPMENT MODEL
WSP	WORK SKILLS PLAN
EEP	EMPLOYMENT EQUITY PLAN

ANNEXURES

- SPATIAL DEVELOPMENT FRAMEWORK: ANNEXURE A
- DRAFT LOCAL ECONOMIC DEVELOPMENT: ANNEXURE B
- DISASTER MANAGEMENT PLAN: ANNEXURE C
- INTERGRATED WASTE MANAGEMENT PLAN: ANNEXURE D
- DISTRICT ONE PLAN: ANNEXURE E
- FINANCIAL PLAN: ANNEXURE F
- ORGANISATIONAL STRUCTURE: ANNEXURE G
- PERFORMANCE MANAGEMENT POLICY: ANNEXURE H
- EMPLOYMENT EQUITY PLAN: ANNEXURE I
- WORK SKILLS PLAN: ANNEXURE J
- BUDGET SCHEDULE A: ANNEXURE K

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