THEMBELIHLE MUNICIPALITY



IDP 2024/2025

Table of Contents

Forward by Mayor 3

Introduction by the Acting Municipal Manager 5

The Planning Process.....6

VISION 9

PROCESS OVERVIEW: Steps & Event..... 13

CHAPTER 2 : Situation Analysis 15

PUBLIC PARTICIPATION..... 33

LEGISLATION POLICY..... 34

STRATEGIC ACTION PLAN..... 43

MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT 48

THE SITUATION 54

ECONOMIC ANALYSIS.....**Error! Bookmark not defined.**56

CHAPTER 3: DEVELOPMENT PLAN .....**Error! Bookmark not defined.**61

INFRASTRUCTURE PROJECTS .....**Error! Bookmark not defined.**75

CHAPTER 4: LONG TERM FINANCIAL PLAN.....**Error! Bookmark not defined.**93

CHAPTER 5: PERFORMANCE MANAGEMENT.....**Error! Bookmark not defined.**123

Foreword by the Mayor

We are pleased to present to the people of Thembelihle and our development partners, the Integrated Development Plan for our Municipality. This process for the Thembelihle Municipal Council started in 2021 until 2026, where we developed a vision for the next 5 Years and this vision, is ***"Providing quality services through good relations and sound management".*** A further breakdown of the vision reveals the following:

- ✓ We took special concern of the fact that the municipality needs to provide quality services to its residents and as such its customers or consumers
- ✓ We are also cognisant of the fact that we need to maintain good relations with our stakeholders and including our communities and employees
- ✓ We are also particularly interested in sound management and as such a municipality everyone can be proud of.

We went on further to say, this we will achieve by:

i. Enhance stakeholder relations
ii. Improving our revenue
iii. Expanding sustainable infrastructure
iv. Provide quality services
v. Stimulating Local Economic Development

We electrified households through the Integrated National Electrification Programme (INEP). It is also imperative that we work closely with our ratepayers on the challenges of none payment of services and rates so as to be able to continue providing services to our residents.

We are pleased and satisfied that this document is a product of thorough and sufficient consultation. This document was canvassed with communities maximally. In this regard, we consulted with communities during the development and at the same time gave them feedback on what our priorities in terms of the alignment with the budget will be. We further took the pain to align our strategic objectives with the projects, something that has been rather a challenge for most municipalities. We are particularly aware that the audit process includes the assessment of the alignment of projects with objectives and thus the broader organizational vision.

It is our expectation that the engagement process that started as a result of this process will continue even during implementation. During this process we wish to assure a few things to you, the communities of Thembelihle. These are:

We will create jobs for local communities,

We will provide quality projects with the communities as our implementation partners

We will also be accessible and have reliable up to date information that is aimed at building confidence in our governance system and

Create a mechanism both in law and reality to realign these priorities as your reality changes.

Thembelihle council has taken it upon itself to champion the process and ensure that the IDP is taken to the people and that the people are in synch with our governance processes.

Dankie

Thank you

Siyabulela

_____

Cllr. M.S Visser

Mayor

Introduction by the Acting Municipal Manager

The impact of the economic downturn had its bearing on the performance of the municipality during the last financial years. This compounded by systems failures in our financial management systems, has made the municipality to be at its lowest performance ever in its history. The economic downturn led to service payment ratio to downscale. Lot of people could not afford the services due to retrenchments and uncertainty about their futures.

On the other hand, we were affected by a failure of our financial management system which was due to change of financial management system as to meet the National Treasury requirements of an integrated management system throughout the country. The system was infested with many teething challenges which led inability to bill correctly. The inability to bill correctly was exacerbated by households that do not have meters due to lack of maintenance budget, and also the existence of stuck meters. The increase of informal settlements, which later required services but due to lack of proper management systems, increased the billing challenges. All these impacted on revenue generation and collection. These is also translated into high water and electricity losses.

Closure of the post office compounded the billing challenges as the distribution of accounts was disrupted. Members of the community who could pay, did not come to pay as expected. E-mail distribution of accounts was used, this could not succeed because only few account holders had email addresses registered with the municipality. This saw the collection rate dropping to 32%.

On the governance side, the municipality did not help the municipality to be better. Since 2021, the municipality has been operating on an ad hoc basis, Council was run from the court. There has been three Acting Municipal Managers and one permanent Municipal Manager, who later resigned. The municipality was affected by dismissal of Senior Manager Corporate Services and the suspension of the CFO, these led to administrative instability. At some stage, for about two months there was no Municipal Manager and the CFO at the same time. This led to workers going on strike because they could not be paid their salaries.

During the third quarter of the financial year, the municipality moved towards stability where major functions of the municipality were restored. There has been build up from there. The collection rate increased steadily, paid most of the debtors, minimised if not dealt with all the litigation matters and fees associated thereto, managed to make payment arrangements with the big debtors to ensure that the municipality is working hard towards financial recovery. The revenue enhancement strategy was approved by Council, as assisted by DBSA. Council also approved the Spatial

Development Framework in December last year, this as a means of streamlining development and improving on generating new streams of revenue.

The municipality employed various mechanisms to distribute the accounts to the residents, which amongst others includes use of ward committees to do house to house distribution of accounts, mass mobilisation for the registration of indigents and ward-based community meetings as Council meet the people. The municipality has revised its Credit Control and Debt Collection Policy, Disposal of Immovable Property

Policy, Cost Containment Policy, and the Indigents Policy to improve on the revenue collection and ultimately improved service delivery.

Comparing to infrastructure investment in the municipality last year, which saw only two projects, i.e. Refurbishment of Hopetown Waste-Water Treatment Plant funded by MIG, and the Refurbishment of Strydenburg Waste-Water Treatment Plant funded by WSIG. In the current development era, the following projects will undertake by the municipality:

1. Refurbishment of the Hopetown Waste-water Treatment Plant at the cost of R9 697million from MIG.
2. Replacement of the ACC pipes steel Water Reservoirs and installation of sectoral bulk water meters in Strydenburg funded by WSIG at R12 059 million.
3. The EEDSM for Hopetown funded at R2 million by DMRE.
4. Cleaning programme and installation of solar panels at the Technical Department funded by EPWP at R1.2 million.
5. Construction of 58 houses in Strydenburg funded by COGHSTA at R13 920 million.
6. Construction of 50 houses in Hopetown funded by COGHSTA at R12 million.

In the process of development, the municipality is busy with the development of the Water Services Master Plan, Water Services Development Plan and Management Plan to reduce non-revenue water losses with the assistance of DBSA. The municipality is working all its infrastructure plan with the MISA deployed personnel. The municipality is in the process to develop a business plan for the development of the Electricity Master Plan and Loss- reduction strategy.

In the pursuit of development,

_____

MR. P. LESERWANE

Acting Municipal Manager

CHAPTER 1. The Planning Process

1.1 Institutional Arrangements / Roles and Responsibilities

The following management system has been put in place.

IDP MANAGER

The Council appointed the Municipal Manager as IDP Manager and would be tasked to manage the IDP and make sure that the IDP is implemented.

The IDP Manager would be responsible to ensure the:

- preparation of the Process Plan;
- day to day management of the planning process;
- chairing of the Steering Committee; and
- managing the consultants; and
- implementation of the IDP afterwards.

1.1.1 IDP STEERING COMMITTEE

The Steering Committee is a technical working team consisting of Departmental Heads and senior officials within the municipality. These individuals would be involved in preparing technical reports and info, formulation of recommendations and to prepare certain documents.

This committee would be chaired by the IDP Manager (Municipal Manager) and would also be responsible for the secretariat.

The following officials have been nominated:

*	IDP Manager	-	Mr. P. Leserwane (Acting Municipal Manager)
*	Corporate Service	-	Mr. TR Oliphant (Manager Corporate Services)
*	Technical Services	-	Mr. S. Marufu (Manager Technical Services)
			Ms. Nolufefe
			Mrs. Basile
*	Tourism Officer	-	Mr. M. Makenna (IDP Process Facilitator)
*	Financial Services	-	Mr. R. Shuping (Chief Financial Officer)
		-	Mr L. Khapa (Accountant: Budget)
*	Strydenburg Office	-	Mr. V. Mpamba (Office Head)
*	Administration	–	Ms. C. Mogalie (Chief Admin Officer)

1.1.2 IDP REPRESENTATIVE FORUM

This forum guarantees public participation and a consultative approach during the IDP process. The nomination of role players should be such that all levels and interested groups in the society are representative. Proper participation and communication should be guaranteed.

The Mayor should chair this forum or any individual councillor appointed in writing and the secretariat performed by the IDP Steering Committee. The following councillors have been nominated on the forum:

- Clr L.W Makenna
- Clr J. Mkosana
- Clr T. Yola
- Clr P. Van Niekerk
- Clr B. Mpamba
- Clr T. Dina
- Clr R. Jansen
- Clr E. Van Niekerk
- Clr F. Mans
- Clr V. Dolopi
- Clr M. Visser

1.2 THE ADMINISTRATION

The Municipal Manager is the Accounting Officer of the Municipality and also the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities. He is assisted by the Strategic Management Team (SMT), which comprises of the Executive Directors of four departments. There are also three divisional managers reporting directly to the Municipal Manager as indicated in the structure below. The SMT is responsible for identifying and setting strategic interventions to improve service delivery; developing new initiatives based on feedback from political leadership, departments and the local community; and managing current priorities.

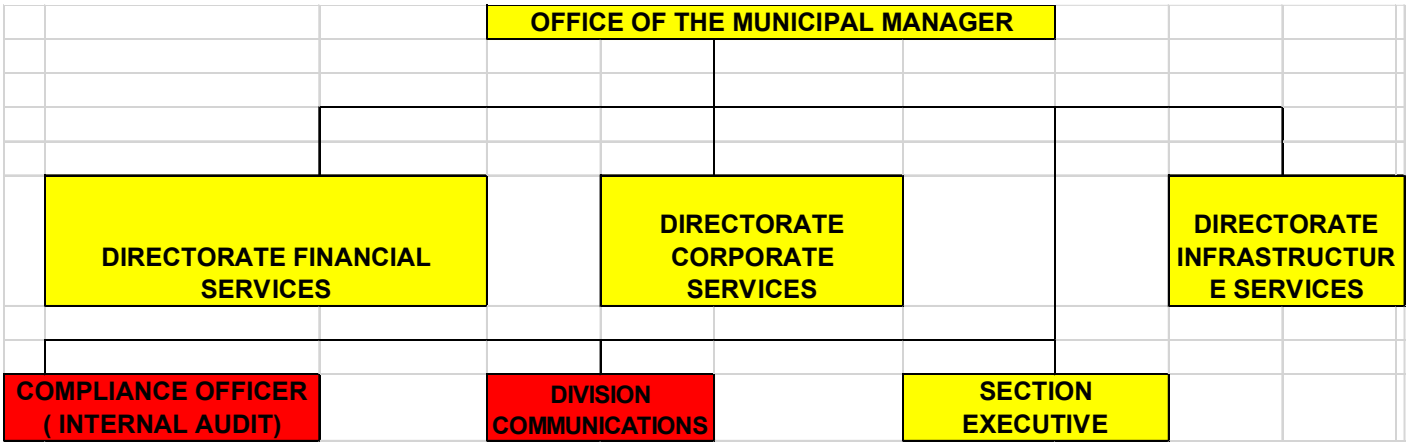


Figure 1

1.3 Thembelihle Vision

The Thembelihle Municipal vision is ***"Providing quality services through good relations and sound management"*** To achieve this vision and to realize the long- term vision of "Vision 2032" as discussed above, the Municipality has identified five (5) Key Performance Areas (KPAs) and 9 Pre-determined Objectives (PDOs). From these 9 PDOs, projects, programmes and key initiatives have been developed. These will be discussed in further detail in Chapters 2 and 3 of the IDP. The table below provides details in respect of the Thembelihle Municipality's Strategic Framework.

What is IDP?

The legislation requires each municipality to develop a plan for the development of its area of jurisdiction. The law mandates that the plan should be holistic and integrated in each its approach and content. The plan should be long-term, covering five years. The Integrated Development Plan (IDP) therefore is a five-year development blueprint for a municipality. According to the Municipal Systems Act, No 32 of 2000, the IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making.

1.4 Legislative context

1.4.1. The Constitution of the Republic of South Africa

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

- To ensure sustainable provision of services
- To promote social and economic development
- To promote a safe and healthy environment
- To give priority to the basic needs of communities; and
- To encourage involvement of communities

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

1.4.2. The Municipal Systems Act, No 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 the elected term, adopt a single, inclusive and strategic plan for the development of the municipality". The Act dictates that the plan should: integrate and co-ordinate plans and should take into account 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) states that an IDP adopted by the council of a municipality-

(a) Is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
(b) 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
(c) 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 by a by-law.

1.4.3 Municipal Systems Amendment Act No 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 baring political officer bearers from holding senior positions in local municipal offices.

Section 56A (1) 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 (1) 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. The 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 Thembelihle Local Municipality. Serious attempts will be made to accommodate these recommendations in the IDP.

1.4.4 The White Paper on Local Government

The White Paper on Local Government gives municipalities responsibility to "work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs improve the quality of their lives".

1.5 Policy context

The Constitution stipulates that all three spheres of governance are autonomous but interdependent. This therefore calls for closer collaboration between all these spheres of governance. Needless to mention, a number of national, including international, policies have a particular bearing on the provincial and local sphere of government. A few critical ones are highlighted below.

1.5.1 Medium Term Strategic framework

The Medium Term Strategy Framework (MTSF, 2021-2026) is a statement of government intent. It identifies the development challenges facing South Africa and outlines the medium-term strategy for improving living conditions of South Africans. The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments need to develop their five-year strategic plans and budget requirements, taking into account the medium-term imperatives. Municipalities are also expected to adapt their integrated development plans in line with the national medium-term priorities.

The MTSF identifies the following five development objectives:

1. Halve poverty and unemployment by 2026
2. Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
3. Improve the nation's health profile and skills base and ensure universal access to basic services
4. Build a nation free of all forms of racism, sexism, tribalism and xenophobia
5. Improve the safety of citizens by reducing incidents of crime and corruption

1.5.2 The Government 12 Outcomes

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance. The **TWELVE KEY OUTCOMES** that have been identified and agreed to by the Cabinet are:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path

6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and world
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Of the 12 outcomes above, Outcome 9 is closest to local government. The champion of the goal is the national Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision of a "Responsive, accountable, effective and efficient local government system", seven outputs have been identified.

- **Output 1**: Implement a differentiated approach to municipal financing, planning and support
- **Output 2**: Improving Access to Basic Services
- **Output 3**: Implementation of the Community Work Programme
- **Output 4**: Actions supportive of the human settlement outcomes
- **Output 5**: Deepen democracy through a refined Ward Committee model
- **Output 6**: Administrative and financial capability
- **Output 7**: Single Window of Coordination

1.6.1. National Development Plan

The South African Government, through the Ministry of Planning, has published a *National Development Plan*. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people's capabilities to be to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes to the following strategies to address the above goals:

1. Creating jobs and improving livelihoods
2. Expanding infrastructure
3. Transition to a low-carbon economy
4. Transforming urban and rural spaces
5. Improving education and training
6. Providing quality health care
7. Fighting corruption and enhancing accountability
8. Transforming society and uniting the nation

At the core of the Plan is to eliminate poverty and reduce inequality is the special focus on the promotion gender equity and addressing the pressing needs of youth. It is prudent for Thembelihle Municipality to take these issues into account when planning for development for the next five years.

1.7 Process overview : Steps and events

PROCESS PHASES AND PROGRAMME

The following process phase as stipulated was followed

Pre-planning phase (Process Plan)

A Process Plan serves as a guideline (step-by-step manual) for the Development of the IDP. The Process Plan deals with how the process of the development of an IDP should unfold. It further indicates when certain actions are expected and the responsible person attached thereto as well as the expected outcomes.

Analysis phase

During this phase certain information and data has been gathered relevant to the priority issues. The priority issues refer to certain problem areas identified in order to secure a better future. Public participation is the basis of this identification and a proper understanding of the problem areas (priority issues) was necessary. Information on available resources was also necessary.

Strategies phase

During this phase a vision was be formulated for the municipality and certain objectives set to address the abovementioned problems (what should be done). Thereafter strategies should be formulated on how the problems should be addressed.

Project phase

During this phase specific projects should be identified for implementation. These projects must address the goals specified in the previous phase. Indicators, outputs, targets, time schedules and budgets should be identified.

Integration phase

After project identification the authority must ensure that objectives and strategies comply with legal requirements. The necessary 5-year plans should be put in place as well as the spatial development framework.

Approval phase

A table top IDP framework is developed to give guidance to the shape and information content of the final document. The DRAFT document has been submitted and approved by council and it must as well be assessed by the Department of Cooperative Governance for relevance as well compliance.

The final plan (document) is to be approved by council after the public has been given the opportunity to comment on the plan and/or any amendments required by the council. Thereafter the plan should be submitted to the MEC for his assessment to ensure the document complies with the requirements of the Municipal Systems Act.

2. CHAPTER 2. SITUATIONAL ANALYSIS

2.1 INTRODUCTION

This chapter provides a situational analysis of the existing trends and conditions in the Thembelihle Municipality, in accordance with the requirements of the Municipal Systems Act for developing an IDP.

This chapter sets out to show the following; the status quo of the municipality with key statistics; a summary of the challenges faced; ward demarcation and profile; the public participation processes; as well as an analysis per PDO.

2.2 BACKGROUND

Thembelihle Local Municipality (formerly known as *Oranje-Karoo Local Municipality*) is a local municipality in the Pixley ka Seme District Municipality district of the Northern Cape province of South Africa. Thembelihle is a Xhosa name meaning “good hope”, the new emblem depicts the diversity of Thembelihle inhabitants and its surroundings.

2.3. GEOGRAPHY, HISTORY AND ECONOMY

The municipality covers a total square area of 8 023km². Thembelihle Local Municipality is a Category B municipality situated in the heart of the Karoo in the Pixley Ka Seme District of the Northern Cape Province. It is one of the smaller municipalities of the eight that make up the district, accounting for only 8% of its geographical area.



This mostly agricultural landscape is rich in natural resources. The first diamond was discovered in Hopetown and a great part of the Anglo-Boer War was fought in these parts. It is primarily made up of Hopetown and Strydenburg.

2.3.1 Hopetown

Hopetown was founded in 1850 when Sir Harry Smith extended the northern frontier of the Cape Colony to the Orange River. A handful of settlers claimed ground where there was a natural ford over the Orange River, and by 1854 a frontier town had developed. Hopetown was named after William Hope, Auditor-General and Secretary of the Cape Colony Government at the time, and is often mistaken for a town in the Freestate, South Africa, called Hoopstad. Hoopstad is a different town and should not be confused with Hopetown in the Northern Cape, South Africa.

Hopetown was a quiet farming area until several large diamonds, most notable the Eureka Diamond and the Star of South Africa, were discovered there between 1867 and 1869. The Cape Government Railways were founded in 1872, and the Cape government decided to run the main western line, between the Kimberley diamond fields and Cape Town on the coast, directly through Hopetown. The ford was upgraded to a railway bridge in 1884.

2.3.2 Strydenburg

Strydenburg is seventy-seven km north of Britstown, it was laid out by the Dutch Reformed Church on the farm *Roodepan* in 1892. It also lies on the N12, which separates the actual town from its township. Strydenburg is 55km south-west of Hopetown and 75km north-north-west of Britstown. It was laid out in 1892 on the farm Roodepan and attained municipal status in 1914. Dutch for ‘town of

argument', the name refers to disagreement as to on which farm it should be situated.

Strydenburg is a typical semi-desert suburb which is quiet, peaceful and full of character. It is the ideal stop over for travelers as it is halfway between Cape Town and Johannesburg. Strydenburg offers tourists a complete relaxation time away from the city life. There are hiking trails nearby and the visitors enjoy canoeing and river rafting on the Orange River not far from Strydenburg.

Strydenburg is in the Northern Cape and enjoys a semi-desert climate with hot to very hot and dry summer months and warm winter days with cool winter evenings. Most rainfall is during the winter months.

2.3.3. Demographics of Thembelihle (Statistics SA)

	2016	**2022**
Population	16 230	22 542
Age Structure		
Population under 15	25.0%	6 584
Population 15 to 64	68.5%	14 149
Population over 65	6.5%	1 807
Dependency Ratio		
Per 100 (15-64)	46.0	59.3
Sex Ratio		
Males per 100 females	104.6	103.3
Population Growth		
Per annum	0.75%	n/a
Labour Market		
Unemployment rate (official)	n/a	28.4%
Youth unemployment rate (official) 15-34	n/a	35.2%
Education (aged 20 +)		

No schooling	10.8%	1 200
Matric	22.2%	3 646
Higher education	5.0%	991
Household Dynamics		
Households	4 736	5 211
Average household size	3.4	4.3
Female headed households	32.4%	32.3%
Formal dwellings	77.4%	68.1%
Housing owned	51.0%	51.4%
Household Services		
Flush toilet connected to sewerage	66.4%	60.0%
Weekly refuse removal	59.4%	68.4%
Piped water inside dwelling	39.9%	33.5%
Electricity for lighting	84.2%	75.2%

Table 5 Source: Stats SA

Population by sex

2001			2011			2016			2022		
Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**
7 193	7 275	**14 467**	8 297	7 933	**16 230**	7 976	7 724	**15 701**	10 807	11 735	**22 542**

Table 6 Source: Stats SA

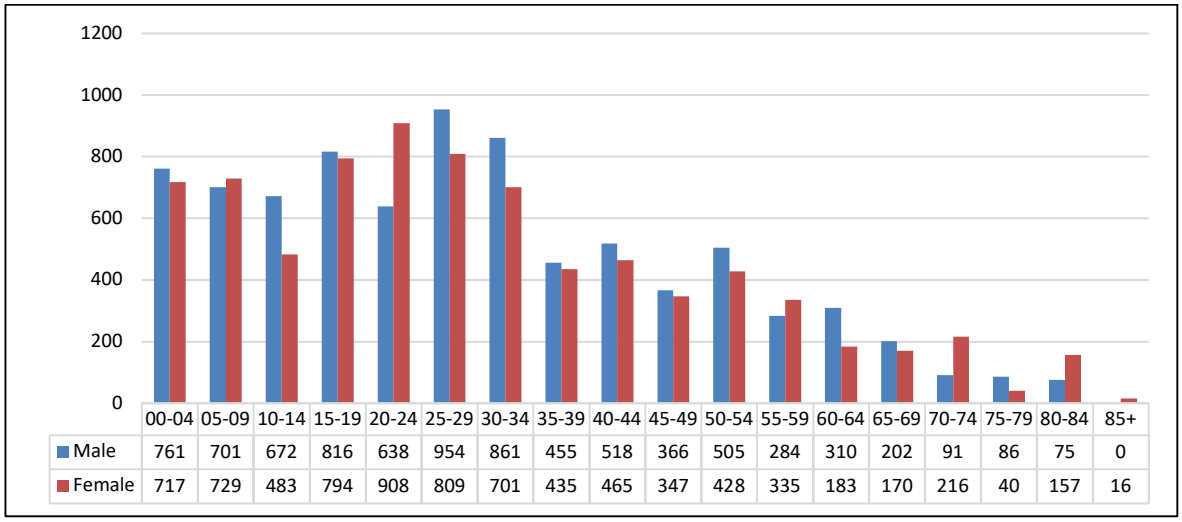


Figure 2 Source: Stats SA: Population by Sex

Figure 2 indicates that the greater proportion of the population in Thembelihle municipality is young, consisting mainly of children and youth. There is however a greater proportion of males compared to females for ages from 25 to 54 years, and the female population shows a slightly greater proportion in numbers compared to males for ages 75 and above. This signifies a greater life-span for females than males.

The Thembelihle Municipality has a largely youth population with the greatest age ranges in the population being ages 0-34. This is further differentiated by the majority age being in the ages 0-14. It is also worth noting that there is a great pensioner age, 65 and greater.

Population Growth 2001-2022

NC076: Thembelihle	2001	2011	2016	2022
Black African	1 863	2 391	2 258	2 744
Coloured	10 563	11 108	11 450	15 172
Indian or Asian	22	82	117	166
White	2 019	2 055	2 406	4 433
Other	-	65	-	25
Unspecified	-	-	-	
Total	**14 467**	**15 701**	**16 231**	**22 540**

Table 7 Stats SA: Population Growth

The population in Thembelihle has been on the rise. From the graph above, the population of Thembelihle has increased from 14467 in 2001, 15701 in 2011 and 16231 in 2016. There is an ever-increasing trend in the population growth and therefore this means there is pressure on the infrastructure- the water, electricity and sewerage networks of the municipality. The municipality will be further, burdened if no proper planning is done . There is a possibility for the increase in the equitable share of the municipality and with proper planning even the grading for the municipality.

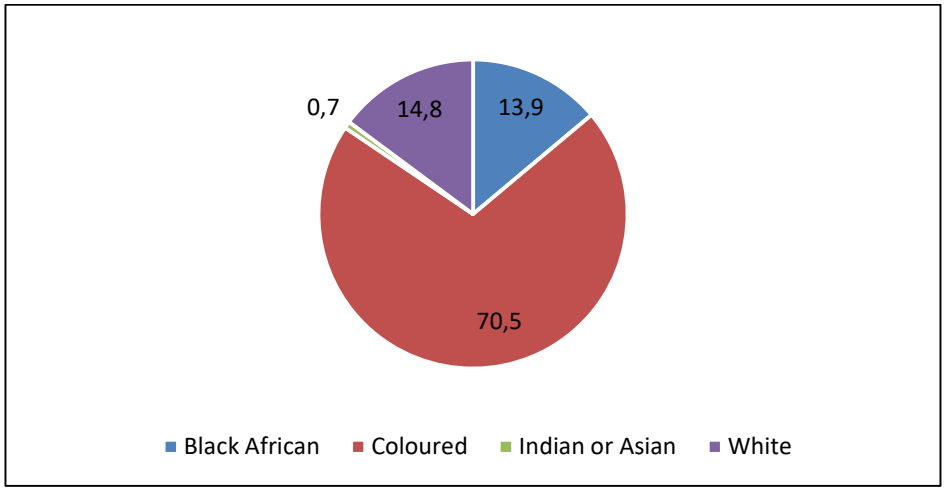


Figure 2 Stats SA: Population Growth

The Grap outlines the percentage distribution of the population of Thembelihle in 2016, where the Coloured population group accounts for 70.5% of the population in the municipality, followed by the White, Black African, and Indian/Asian population groups respectively.

It is also important to appreciate that there is a need to understand the population dynamics from the perspective of the coloured population being the majority and as such programmes aimed at social cohesion should move from that appreciation. There is a slowly rising Asian population which is undocumented and needs to be included in the proper channels for registering populations.

Distribution of persons aged 1 year and older by language spoken most often in the household, 2016

Language spoken in households	Number	Percentage (%)
Afrikaans	15 045	**94.2**
English	59	**0.4**
IsiXhosa	513	**3.2**
Sepedi	186	**1.2**
Setswana	47	**0.3**
Khoi; nama and san languages	27	**0.2**
Other	87	**0.5**
Total	**15 964**	**100.0**

Table 8 Stats SA: Languages

Table 8 represents the languages spoken in the area. This is key in understanding the community and assist in planning any community engagement. From the graph above, it can be noted that the most commonly spoken language in the area is Afrikaans and Xhosa a distant second and then English

Table 8 shows that the language spoken mostly by households in Thembelihle is Afrikaans, representing a total of 15 045 (94.2%) of households, followed by those who speak IsiXhosa (3.2%). The least spoken language in Thembelihle is English, Setswana and Khoi; nama and san languages at 0.4%, 0.3% and 0.2% 22tilization22.

Further research that sought to contextualize the findings above, has revealed that the majority of people who speak IsiXhosa do not speak English as a second language but rather, Afrikaans as a second language. English is spoken by 0,4 percentage of the total population in the municipal area.

Distribution of persons aged 18 years and older by marital status, 2016

Marital status	Number	Percentage (%)
Living together like husband and wife/partners	1 837	**14.4**
Divorced	221	**1.7**
Separated; but still legally married	105	**0.8**
Widowed	509	**4.0**
Single; but have been living together with someone as husband/wife/partner before	1 027	**8.1**
Single; and have never lived together as husband/wife/partner	5 495	**43.2**
Legally married (include customary; traditional; religious etc.)	3 529	**27.7**
Total	**12 722**	**100.0**

Table 9 Stats SA: Marital Status

Table 9 shows that 43.2% of the population of Thembelihle is single; and has never lived together as husband/wife/partner. This is followed by those who are legally married (27.7%) and those that are living together like husband and wife/partners (14.4%). About 1.7% of the population is divorced, and 0.8% are separated but still legally married.

2.3.4. Education

Highest level of education for persons aged 20 years and above, 2001-2022

	No schooling	Some primary	Complete primary	Some secondary	Grade 12/Std 10	Higher	Total
Number							
2001	2 093	2 216	672	1 808	1 009	507	**8 305**
2011	1 383	1 965	641	2 727	1 823	602	**9 141**
2016	1 140	1 700	854	3 522	2 346	533	**10 095**
2022	1 200	2 037	745	4 224	3 646	991	**12 843**
Percentage %							
	No schooling	**Some primary**	**Complete primary**	**Some secondary**	**Grade 12/Std 10**	**Higher**	**Total**
1996	35.9	22.9	6.9	19.4	9.3	5.6	**100.0**
2001	25.2	26.7	8.1	21.8	12.1	6.1	**100.0**
2011	15.1	21.5	7.0	29.8	19.9	6.6	**100.0**
2016	11.3	16.8	8.5	34.9	23.2	5.3	**100.0**

Table 10 Stats SA: Educational Levels

Table 10 It shows the decline in the proportion of persons with higher education, from 5.6% in 1996 to5.3% in 2016. There is an increase however observed in the number of persons having a matric qualification over the same period.

Highest level of education by population group type for persons aged 20 years and above, 2016

	No schooling	Some Primary	Complete Primary	Some Secondary	Grade 12/Std 10	Higher	Total
Number							
Black African	218	260	163	337	292	11	**1 283**
Coloured	921	1 440	691	2 621	1 146	112	**6 932**
Indian/Asian	-	-	-	27	27	-	**53**
White	-	-	-	537	881	410	**1 829**
Percentage (%)							
Black African	17.0	20.3	12.7	26.3	22.8	0.9	**100.0**
Coloured	13.3	20.8	10.0	37.8	16.5	1.6	**100.0**
Indian/Asian	-	-	-	50.9	50.9	-	**100.0**
White	-	-	-	29.4	48.2	22.4	**100.0**

Table 11 Stat SA Education Levels by population

Table 11 shows that a higher proportion of the Black African population in Thembelihle have no schooling when compared to other population groups (17.0%), followed by the Coloured population (13.3%). The Indian/Asian population group has a higher percentage of individuals who have a matric qualification

2.3.5. Household Information

Number of households by household size, 2001-2022

	1	2	3	4	5	6	7	8	9	10+	Total
2001	526	749	634	587	428	274	174	118	57	126	**3 673**
2011	873	883	677	628	389	296	170	103	67	108	**4 194**
2016	832	1 192	532	789	654	333	192	49	83	81	**4 737**
2022											**5 211**

Table 12 Stats SA Household size

Table 12 shows that the number of households in Thembelihle increased by 474 households over the period from 2016 to 2022.

Percentage distribution of households by household size 1996-2016

	1	2	3	4	5	6	7	8	9	10+	Total
1996	12.5	18.8	17.8	16.3	13.8	7.8	5.8	4.2	2.9	4.9	**100.0**
2001	14.3	20.4	17.3	16.0	11.7	7.5	4.7	3.2	1.6	3.4	**100.0**
2011	20.8	21.1	16.1	15.0	9.3	7.1	4.1	2.5	1.6	2.6	**100.0**
2016	17.6	25.2	11.2	16.7	13.8	7.0	4.1	1.0	1.8	1.7	**100.0**

Table 13 Stats SA Household distribution

Table 13 shows that in 2016, there was a higher percentage for two-person households when compared to other household sizes at 25.2%. This is followed by single-person households at 17.6% of the total number of households in Thembelihle.

Household head by sex, 1996-2016

	1996	2001	2011	2016
Male	2 257	2 767	2 836	3 203
Female	671	885	1 348	1 533
Total	2 928	3 652	4 184	4 736

Table 14 Stats SA: Household by sex

Table 14 shows a more significant increase in the number of female-headed households when compared to male-headed households in Thembelihle over the period from 1996 to 2016. Female-headed households increased from 671 households in 1996 to 1 533 households in 2016, whilst those headed by males increased marginally from 2 257 in 1996 to 2 836 in 2016.

Type of dwelling occupied by households, 1996-2016

	Formal dwelling	Traditional dwelling	Informal dwelling	Other	Total
1996	86.0	0.9	12.9	0.2	**100.0**
2001	76.7	4.1	17.9	1.4	**100.0**
2011	77.5	0.3	21.1	1.1	**100.0**
2016	77.8	1.3	15.4	5.6	**100.0**

Table 15 Stats SA: Households by dwelling type

Table 15 shows a decrease in the proportion of households staying in formal dwellings in Thembelihle. Households occupying formal dwellings decreased by 8.2% from 86.0% in 1996 to 77.8% in 2016. There is an increase in the proportion in informal dwellings, from 12.9% in 1996 to 15.4% in 2016. The proportion of traditional dwellings has increased over the same period.

Tenure household 2001-2016

	Owned	Rented	Occupied rent-free	Other	Total
2001	42.4	16.6	41.0	-	**100.0**
2011	51.4	16.3	29.9	2.5	**100.0**
2016	52.4	13.4	25.0	9.2	**100.0**

Table 15 Stats SA: Household by tenure

Table 15 shows an increase of 10.0% in the proportion of dwellings owned by households in Thembelihle, from 42.4% in 2001 to 52.4% in 2016. It shows a decrease in the proportion of households that are occupied rent-free, 41.0% in 2001 to 25.0% in 2016.

2.3.5. Household Services

Household perceptions on difficulties facing the municipality, 2016

Difficulty facing the municipality	Number	Percent (%)
Lack of safe and reliable water supply	266	**5.6**
Cost of water	152	**3.2**
Lack of reliable electricity supply	215	**4.5**
Cost of electricity	125	**2.6**
Inadequate sanitation/sewerage/toilet services	324	**6.8**
Inadequate refuse/waste removal	268	**5.7**
Inadequate housing	303	**6.4**
Inadequate roads	628	**13.3**
Inadequate street lights	42	**0.9**
Lack of/inadequate employment opportunities	392	**8.3**
Drug abuse	41	**0.9**
Alcohol abuse	68	**1.4**
Lack of/inadequate healthcare services	25	**0.5**
Corruption	292	**6.2**
Other	376	**7.9**
None	1 220	**25.8**
Total	**4 737**	**100.0**

Table 16 Stats SA: Household perceptions

Table 16 shows that 13.3% of the households in Thembelihle are complaining about inadequate roads. This is followed by those who perceived that a lack of or inadequate employment opportunities was the major challenge facing the municipality (8.3%). About 2.6% feel that the cost of electricity charged by the municipality is too high, whilst 6.2% said corruption is a major problem in their municipality.

Type of refuse removal used by households, 2001-2022

	Removed by local authority at least once a week	Removed by local authority less often than once a week	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Total
2001	57.3	0.4	3.4	29.5	9.3	0.0	**100.0**
2011	68.3	0.8	4.6	13.6	11.7	1.0	**100.0**
2016	59.4	2.5	13.0	19.3	5.0	0.7	**100.0**
2022	2 592	57	358	938	1 096	37	**5 211**

Table 17 Stats SA : Refuse removal services

Table17 It shows an increase in the proportion of households using a communal refuse dump

Type of sanitation facilities used by households, 2001-2022

	Flush or chemical toilet	Pit latrine	Bucket latrine	None of the above	Total
2001	53.0	9.0	8.2	29.8	**100.0**
2011	65.9	22.6	0.3	11.2	**100.0**
2016	70.6	12.6	3.9	12.9	**100.0**
2022	3 606	1 105	71	352	**5 134**

Table 18 Stats SA: Sanitation Services

Table 18 shows an increase in the proportion of households that use a flush or chemical toilet in Thembelihle, from 55.0% in 1996 to 70.6% in 2016. There is an increase in proportion of households using a pit latrine over the same period. There is also a decrease in the proportion of households using bucket latrines between 1996 and 2016.

Energy sources

Main source of energy used for lighting, 2001-2022

	Electricity	Gas	Paraffin	Candles	Solar	Other	Total
2001	67.2	0.2	9.0	22.1	0.8	0.7	**100.0**
2011	75.5	0.2	2.4	20.7	1.1	0.0	**100.0**
2016	85.6	0.3	0.9	10.3	2.2	0.6	**100.0**
2022	4 526	30	47	445	142	5	**5 195**

Table 29 Stats SA: Energy Services

2.3.6. Employment and Statistical Services

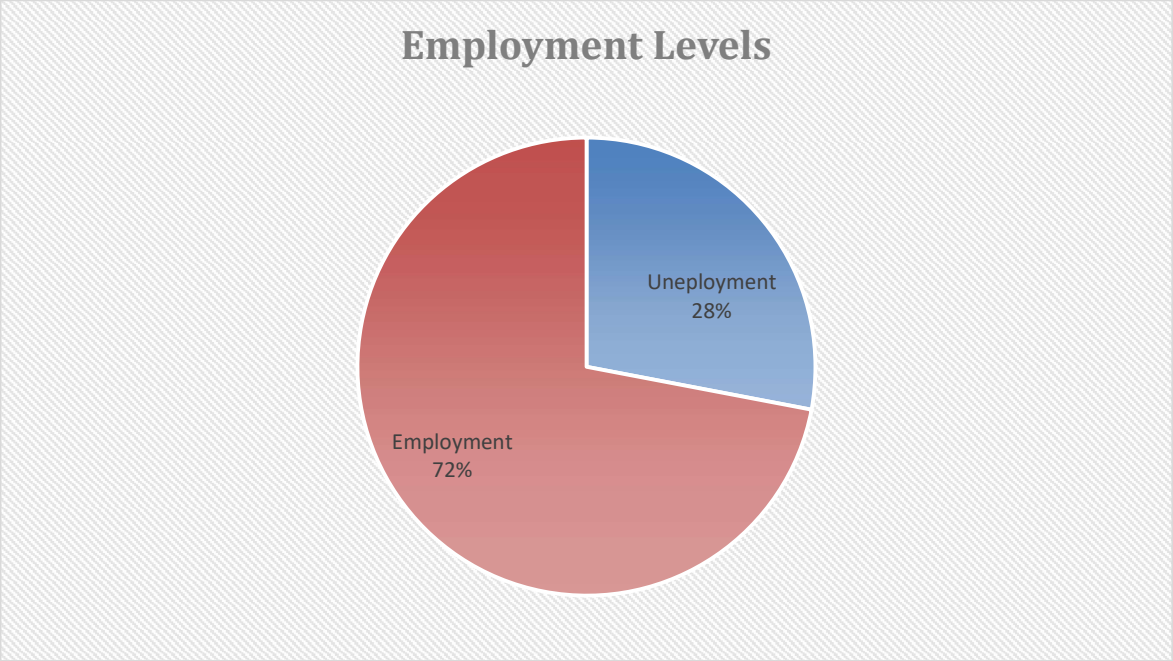


Figure 3 Stats SA: Employment Levels

Figure 4 depicts that of the economically active population, 72% of that section is employed and 28% unemployed. This was a very good variable in light of a 43% provincial unemployment figure. During the Covid Pandemic this situation could have decreased and will be reported on in due course once the census figures have been updated by STATS SA. Whilst this is a good reflection, more can be done and the efforts can be directed towards the ensuring sustainable jobs and skills development to reduce the effect that the Pandemic had on the employment within the Municipality.

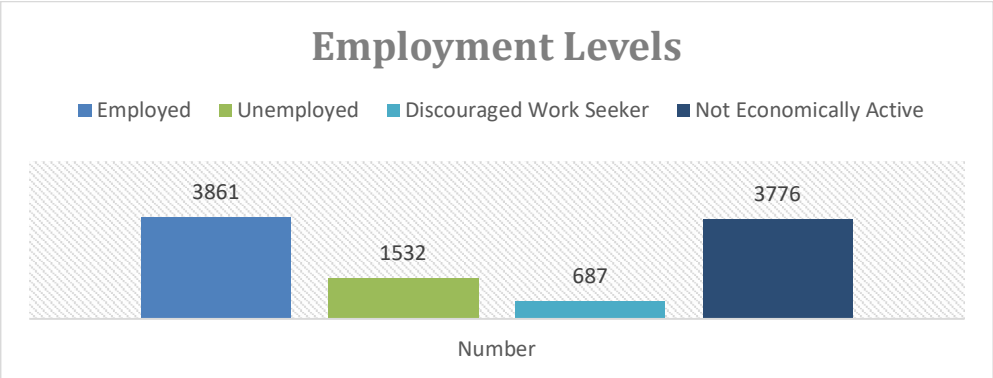


Figure 5 Stats SA: Employment levels

Figure 5 further supplements the employment situation above and further qualifies the definition of employment. From this graph, the total number of employed people is 3861 and the total number of unemployed people is 1532. The number of discouraged work seekers is 687. The combination of discouraged work seekers and the unemployed population is close to 2 200 workers.

2.3.7. Household Income and food security

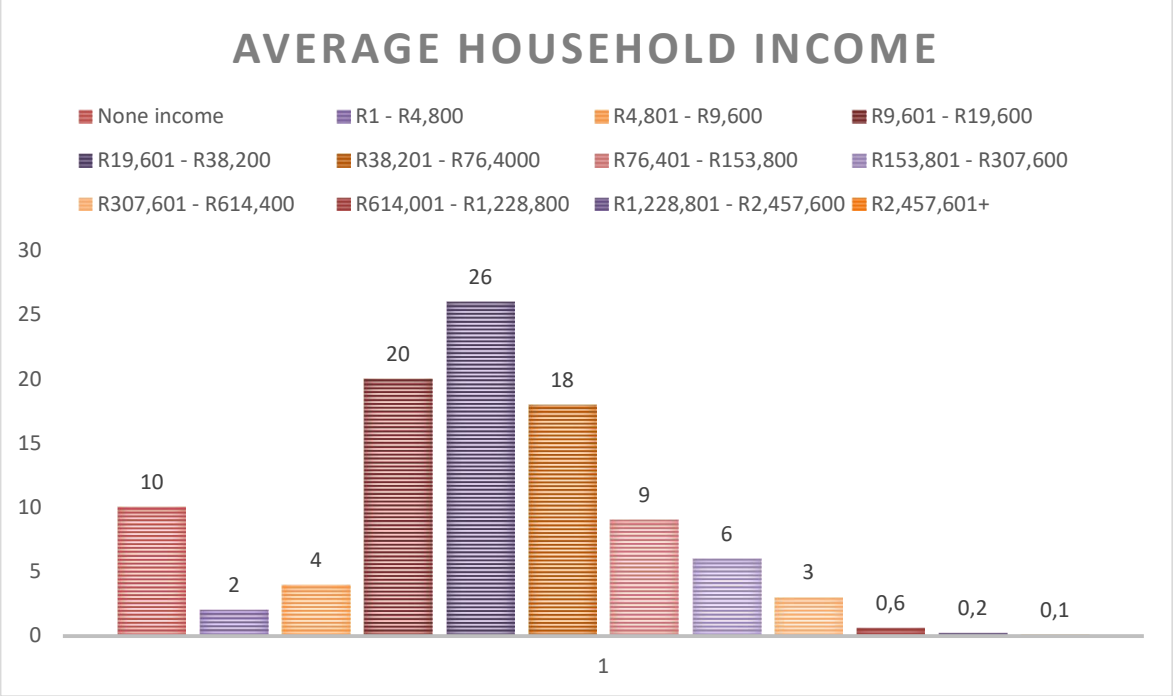


Figure 6 STATS SA: Average Household Income

Figure 5 above shows that the average income is within the range of R9 601,00 and R76 400,00 per annum, the highest number of households are in the middle to higher income strata. In this regard, they earn in the ranges of R307 614 400 to R 2 452 601. This means that there is a thriving middle class in the Thembelihle Municipal area. There is a 0,6% of earners in the above R 2 452 601 bracket.

Ran out money to buy food in the 12 months preceding the survey	Number	Percent (%)
Yes	1 139	24.0
No	3 597	76.0
Total	**4 736**	**100.0**

Table 30 Stats SA 2016: Ability to buy food

Table 30 shows that 76.0% (3 597) of the households in Thembelihle have ran out of money to buy food in the 12 months preceding the survey in 2016. This is slightly higher than people who are living below the poverty line based on an income of R9 600,00 per annum.

Ran out of money to buy food for 5 or more days in the past 30 days	Number	Percent (%)
Yes	549	48.2
No	590	51.8
Total	**1 139**	**100.0**

Table 31 Stats SA 2016: Ability to budget

Table 31 shows that from the total households that reported having run out of money to buy food in Thembelihle, 51.8% (590) have ran out of money to buy food for 5 or more days in the past 30 days preceding the survey in 2016.This shows that the community should be encouraged to create a culture of budgeting according to their need as almost 50% lives from hand to month.

Pixley ka Seme District Municipality	Indigent households registered with municipalities	Benefitting			
		Water	Electricity	Sewerage and sanitation	Solid waste management
Emthanjeni Local Municipality	3 422	3 422	3 422	3 422	3 422
Kareeberg Local Municipality	1 502	1 454	1 502	1 454	1 454
Renosterberg Local Municipality	1 208	1 208	1 208	1 208	1 208
Siyancuma Local Municipality	2 955	2 787	2 745	2 787	2 787
Siyathemba Local Municipality	2 752	2 752	1 988	2 752	2 752
Thembelihle Local Municipality	1 287	1 287	1 287	1 287	0
Ubuntu Local Municipality	1 823	1 823	1 823	1 823	1 823
Umsobomvu Local Municipality	2 613	2 613	2 613	2 446	2 613
Total	**11 839**	**11 623**	**10 865**	**11 623**	**11 623**

Table 32 Stats SA: Indigent Households

Table 32 shows that the number of indigent households registered in the Pixley ka Seme district for the year 2016 is 11 839 units, with the Emthanjeni municipality having the highest number of such households at 3 422 units, followed by Siyancuma, Siyathemba, and Umsobomvu municipalities with 2 955, 2 752, and 2 613 indigent households respectively. The municipalities with the least number of indigent households are Renosterberg, Thembelihle, Kareeberg, and Ubuntu local municipalities, with each having 1 208, 1 287, 1 502, and 1 823 indigent households respectively.

It is noted that not all indigent households across the respective municipalities are benefiting from free basic services from the municipality however, with the exception of households in Emthanjeni, Renosterberg, and Ubuntu municipalities, where all indigent households are receiving free basic services from the municipality.

2.3.8. Economic Activity

Households by type of agricultural activity, 2016

Type of agriculture activity	Number	Percentage (%)
Poultry production	456	**9.6**
Vegetable production	11	**0.2**
Fruit production	23	**0.5**
Livestock production	360	**7.6**
Other	10	**0.2**

Table 32 Stats SA: Agricultural Activity

Table 32 shows that from the total households in Thembelihle, 9.6% (456) of households are into poultry production, followed by those who partake in livestock production (7.6%) and fruit production (0.5%) respectively.



Figure 7 : Stats SA GVA Sectoral Composition

In 2015, the community services sector was the largest within Thembelihle Municipality accounting for R 269 million or 26.3% of the total GVA in the local municipality's economy. The sector that contributed the second most to the GVA of the Thembelihle Local Municipality was the agriculture sector at 21.4%, followed by the trade sector with 17.3%. The sector that contributes the least to the economy of Thembelihle Municipality is the electricity sector with a contribution of R 24 million or 2.34% of the total GVA.

The comparative advantage (CA) of a region indicates a relative competitive production function for a product or service in that specific economy compared to the aggregate economy. An indication of the CA of an economy is its location quotient. The location quotient is a calculated ratio between two economies. In the case of the Thembelihle Municipality, the location quotient was determined between the LM and the Pixley Ka Seme DM.

For 2015 Thembelihle Local Municipality had a very large comparative advantage in the agriculture sector. The transport sector also has a comparative advantage. The trade also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent.

The Thembelihle Local Municipality has a comparative disadvantage when it comes to the mining and finance sector which has a large comparative disadvantage. In general mining is a very concentrated economic sector. The Thembelihle Local Municipality area does have some mining, but this is very limited and fairly unimportant

Most of the agricultural economy consists of extensive farming (sheep and goats), as well as a growing number of game farming operations. However, there is intensive agriculture along the Orange Riet Canal System, along the upper Orange River (Colesberg-Hopetown area), and along the middle Orange River area. Hopetown is a centre of irrigation farming.

HOPETOWN FOOTPRINT

We are living in a community affected by severe levels of poverty, unemployment, substance abuse are factors contributory to violence which include GBVF and serious crime. The high prevalence of HIV/AIDS &TB and recently **Covid-19** exacerbate the situation. Overcrowding and poor living conditions in most parts of the Thembelihle sub- district are contributing factors.

In pursuit of the Mission and **Vision**, the **Objectives** of the organisation are:

- Advocacy for the eradication and prevention of Gender-Based Violence
- Counselling and assisting victims of GBV to access VEP programs
- To provide a service that offers people spiritual, emotional and psychosocial support
- To restore dignity, pride and self-esteem of the affected through education, support program.
- To assist government in its combat of the scourge

METHODS AND MITIGTION

- Community Awareness Campaigns to be held periodically
- Advocacy programs regularly
- Training and Education for Counselors. This will be done in the form of workshops and Virtual
- Accredited Training Sessions and
- Accredited Counselling Training to be held for relevant groups and individuals

COMMUNITY WORK PROGRAMME (CWP) TRANSITIONAL PLAN

- As part of intervention and providing support the intention is to utilize CWP participants to continue providing basic services to citizens in identified priority municipalities
- It is very important the Useful work to be aligned to IDP, DDM Plans and One Plans of various municipalities in which the CWP is implemented.
- Implementation of CWP will focus on Anchor Activities categorised on the following **Three Key Pillars** for more relevance and impact:
  - ❑ Basic Service Pilar (70%)
  - ❑ Economic Pilar (15-20%)
  - ❑ Social and Socio Pilar (10-15%)

2. BASIC SERVICES Pilar (70% of CWP Budget and Focus)

No.	Work Packages/ Anchor Projects	Useful Work
1.	Road Maintenance	- pothole patching, verge grass cutting, stormwater drainage cleaning, culverts cleaning
2.	Road Signage and Road Naming Audit	- check presence and integrity of signage (if possible, prepare signage),
3.	Water/Waste - Water Facilities	- grass cutting at the reservoirs and treatment plants, painting and marking of facilities, Fencing
4.	Sewers	identify missing manholes and replacement with concrete rather than steel
5.	Plumbing (Not in the reticulation systems)	- Leak repairs to Indigent Households and Council facilities; Leak detections and repair leaking taps
6.	Water and Electricity Servitude Management	- cutting trees on the servitudes; inspect on servitude encroachments; marking repairs where technical and professional expertise is not mandatory.
7.	Water/Electricity Meter audits	Open covered meters, check meters that are not functional or damaged
8.	Solid Waste Management	- waste picking and separation at source and landfill sites, rehabilitation of the illegal dumps (e.g. parks),

3. <u>ECONOMIC PILAR</u> (15-20%)

- The aim is to focus on the exit strategies for participants.
- Enhancement to Partnerships and Stakeholder Management for greater impact by bringing in public and private sectors, to add capacity, technical support and relevant training which will ensure:

3.1 Increase exit opportunities for participants with much skills,

3.2 Participants are capacitated to start their own businesses and corporative,

No.	**Work Packages/ Anchor Projects**	**Useful Work**
1.	Community Based Economic Projects	- Sewing, - Brick making, - Bakeries, - Other Related
2.	Agriculture projects.	- Food Gardens (Fresh Produce) - Poultry farming, - Goats/Sheep farming, - Piggery
3.	Other	- Other innovative income generating activates

4. <u>SOCIAL & SOCIO-ECONOMIC PILLAR</u> (10-15%)

To continue with the current CWP activities focusing on social and socio-economic activities:

- Home and community-based care work;
- Caring for orphans and vulnerable children;
- Supporting Early Childhood Development;
- Food Security (Food gardens at a small scales and Feeding scheme)
- School Support (Schooler patrol/ Teacher assistance)

<u>Misa - CWP Support of Municipal Basic Services</u>

<u>Roads and Stormwater repairs</u>

- **Pothole repairs and crack sealing, Cleaning and unblocking of existing stormwater drains, Replacement of Manhole covers, Replacement of stormwater catch pits covers, Replacement of roadside kerbs, Re-Marking Road markings, Replacement of road signs and Traffic Signage, Repair of road edges, Repair of gravel road shoulders,**

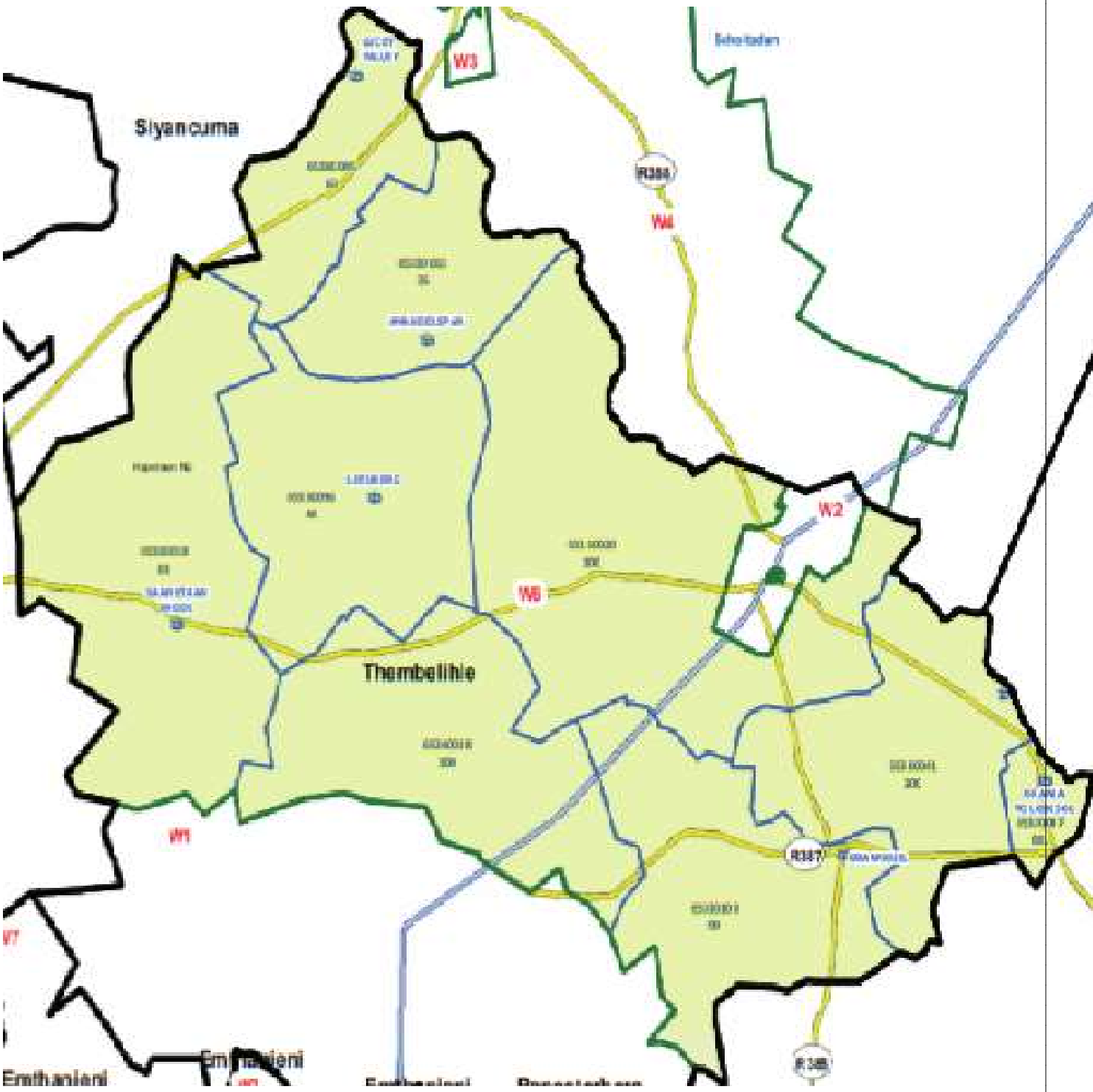
<u>Street and community lighting</u>

- **Street light repairs,**

<u>Sewer pipeline repairs</u>

- **Repair of VIP Top Structure Toilets and disinfection,**

2.3.10. Ward Demarcation



Maps 1 Demarcation Board: Wards of Thembelihle

Ward Profile:

In terms of section 18(3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the MEC responsible for local government has determined that the municipal council consists of 11 councillors. After having consulted the Independent Electoral Commission, The Municipal Demarcation Board has delimited the municipality into wards in terms of Schedule 1 of the Act.

The number of registered voters in each ward does not vary by more than fifteen percent from the norm. The norm was determined by dividing the total number of voters on the municipal segment of the national common voters roll, namely voters on 5 March 2019, by the number of wards in the municipality.

The ward numbers, the voting districts and voting stations in each ward, and the number of voters are as follows:

Ward Number	Voting District Number	Voting Station Name	Registered Voters
Ward 1	65240018	DR ESSOP COMMUNITY HALL	1711
Ward 2	65160053	FULL ARMOUR CHURCH OF GOD	404
Ward 2	65160020	MSC NUWE BIBLIOTEEKSAAL	1071
Ward 3	65160042	VUKASIZWE PRIMARY SCHOOL	342
Ward 3	65160019	STEYNVILLE COMMUNITY HALL	1310
Ward 4	65160020	MSC NUWE BIBLIOTEEKSAAL	200
Ward 4	65160031	STEYNVILLE HIGH SCHOOL	1215
Ward 4	65160053	FULL ARMOUR CHURCH OF GOD	200
Ward 5	65160019	STEYNVILLE COMMUNITY HALL	300
Ward 5	65160031	STEYNVILLE HIGH SCHOOL	1000
Ward 6	65330063	AMANDELSPAN	35
Ward 6	65330041	BOLAND FARM	200
Ward 6	65330108	KRAANKUIL	99
Ward 6	65330096	LEEUBERG	46
Ward 6	65330085	LUCKY VALLEY	63
Ward 6	65330018	SAAMSTAAN SKOOL	83
Ward 6	65240018	DR ESSOP COMMUNITY HALL	100
Ward 6	65320017	ORANIA VOLKSKOOL	681
Ward 6	65160020	MSC NUWE BIBLIOTEEKSAAL	100

Table 33 Municipal Demarcation Board 2020: ward profile

2.4 Public Participation

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. IDP public meetings are conducted to ensure that people from all 6 wards are included in the planning of the Municipality as well as to assist the Municipality in achieving its long-term development objectives. It will also guide the ward in what it will do to take forward its own development programme with support from all role players. Ward Committees were elected and are in place to address the wards' priorities and needs.

2.4.1 Public Participation Process

The Municipality has various public participation processes and platforms to ensure integrated consultation on a continuous basis. These include:

- Ward committee meetings which take place quarterly and is deemed functional;
- IDP Roadshows in all wards
- IDP Representative Forum;

  Mayor meets the people meetings – The purpose thereof to engage relevant municipal interest groups as part of ongoing public participation; and Open Days with communities relating to the Spatial Development Framework

LEGISLATION/ POLICY	PROVISION	
Constitution of the Republic of South Africa, 1996	**"A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community."**	
National Development Plan; vision 2030	**On inclusive and integrated rural economy** **• By 2030, South Africa's rural communities should have greater opportunities to participate fully in the economic, social and political life of the country On an economy that will create more jobs** **• By 2030, the economy should be close to full employment; equip people with skills they need, ensure that ownership of production is less concentrated and more diverse and be able to grow rapidly; providing the resources to pay for investment in human and physical capital**	
National Framework for LED 2014- 2019	**The vision as set out by the Framework is: "Competitive, sustainable, inclusive local economies world-class and dynamic places to live, invest, and work; maximizing local opportunities, addressing local needs, and contributing to national development objectives"**	
1998 Local Government White paper	**The paper introduced the concept of developmental local government; i.e. the "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of lives."**	

Municipal Systems Act (2000)	**In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.**	
Back to Basics	**• B2B Approach primary goal is to improve performance of the municipalities in line with the National and Provincial Development Plans.** **• To facilitate integrated planning and participation by sector departments in the various work streams for implementation of B2B.** **• To ensure that sector departments strategic plans are aligned with B2B and IDPs.** **• To enhance integrated service delivery support, monitoring and evaluation of support provided to municipalities**	
Area	**Legislation**	**Linkage/PROMOTION**

Integrated planning	**a) The Local Government: Municipal System Act, 2000 (Act 32 of 2000) as amended**	**This act compels municipalities to draw up the IDP's as a singular, inclusive and strategic development plan. In terms of this Act, a municipality produces an IDP every five years comprising of the following components (i) A vision of the long-term development of the area.** **Municipality's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements.** **Municipality's development priorities and objectives for the Council elected term.** **(iv) An assessment of the existing level of development which must include an identification of the need for basic municipal service.** (3) **Spatial development framework which must include the provision of basic guidelines for a land use management system.** **(vi) The key performance indicators as determined by COGTA and performing targets.**

Community safety	• **Criminal procedure Act 51 of 1977**	**To make provision for procedures and related matters in criminal proceedings**
	• **National Road Traffic Act 93 of 1996**	**To provide for road traffic matters**
	• **South African police Service Act 68 of 1995**	**Establishment of municipal police and related matters**
Waste Management	• **National Environmental Management Act 107 of 1998**	**To provide for co-operative, environmental governance by establishing principles for decision making on matters affecting the environment, institutions that will promote co-operative governance and procedures for coordinating environmental functions exercised by organs of states, and to provide for matters connected therewith.**
	• **National Environmental Management Waste Act 59 of 2008**	**To reform the law regulation waste management in order to protect health and environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecological sustainable development and matters connected therewith**
Cemeteries, Funeral parlours and Crematoria	**Funeral, Burial and Cremation Services Act of 2002**	**To provide for establishment licenses and operation of funeral parlours, burials and cremations**
Animal Pound	**National Animal Pounds Bill of 2013**	**To establish National norms and standards in order to maintain consistency relating to pound and impounding of animals**
Libraries	**Libraries and information services Act 6 of 2003**	**To provide for the establishment of the administration and control of library and information services in the province**
Roads and Storm Water	• **The South African National Roads Agency Limited and National Roads Act 7 of 1998**	**To ensure compliance on all roads standards**
	• **Infrastructure Development Act 23 of 2014**	**To provide for the facilitation and coordination of public infrastructure development**

	• **National Land Transport Act 5 of 2009**	**To provide further the process of transformation and restructuring the national land transport system**
Electricity	**Electricity Act 18 of 2015**	**To provide for continuity existence of electricity control board and for control of the generation and supply of electricity and for matters connected therewith**

Budget Planning	**Municipal Finance Management Act, 2003 (Act 56 of 2003)**	**The MFMA provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full as a result. Specifically, section 21 (1) of the Act requires that a municipality co-ordinate the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent. Key to ensuring the co- ordination of the IDP and Annual Budget is the development of the Service Delivery Budget and Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor of a municipality for implementation of service delivery and Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.**

Planning and Performance Management	**The Municipal Planning and Performance Management Regulations (2001)**	**This framework set out the following requirements:** (i) **An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation.** (ii) **Investment initiatives that should be clarified.** (iii) **Development initiatives including infrastructure, physical, social and Institutional development.** (iv) **All known projects, plans and programmes to be implemented within the municipality by any organ of state.**

National Developmental Plan	**The National Development Plan (NDP) vision 2030**	**The NDP outcome 9 which stating the responsive, accountable, effective and efficient developmental local government system. The NDP envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role in broad terms such a state intervenes to support and guide development in such a way that benefits society and particularly the poor. The NDP priorities to achieve the vision are as follows:** (i) **Members of society have sustainable and reliable access to basic services** (ii) **Sound financial and administrative management** (iii) **Intergovernmental and democratic governance arrangements for a functional system cooperative governance strengthened** (iv) **Promotion of social and economic development** **Local public employment programmes expanded through the Community Works Programme**

Special Programmes (SPU)	**National Youth Policy 2020 Children's Act 38 of 2005** ○ **White Paper on an Integrated National Disability Older Person's Act 13 2006** ○ **Women Empowerment and Gender Equality Act, 2014** **Military Veterans Act 18 of 2011**	**These policies provide guide for:** **• Consolidated and integrated youth development into the mainstream of government policies, programmes and the national budget** **• Strengthening of the capacity of key youth development institutions and ensuring integration and coordination in the delivery of youth services.** **• Building the capacity of young people to enable them to take charge of their own well-being by building their assets and 46tilizati their potential.** **• Strengthening of a culture of patriotic citizenship among young people and to help them become responsible adults who care for their families and communities.** **• Fostering a sense of national cohesion, while acknowledging the country's diversity, and inculcate a spirit of patriotism by encouraging visible and active participation in different youth initiatives, projects and nation building-activities.**

		• This prescribes on what can be contributed to the development of disabled people and to the promotion and protection of their rights. • The act aims to establish a society of the older persons who are content, dignified, possessed of a high sense of self-worth and tilizatio their potential as well as to ensure that they enjoy all opportunities besides being given the care and protection as members of a family, society and the nation.

STRATEGIC ACTION PLAN FOR 2021-2025 FINANCIAL YEAR

□□ADMINISTRATION, MONITORING AND EVALUATION

KEY OBJECTIVES	KEY ACTIVITIES	RISK	BASELINE ALIGNMENT	ACTION INTERVENTION	RESPONSIBLE MANAGER	BUDGET REQUIRED	TIME-FRAME
ORGANISATIONAL STRUCTURE REVIEW	> Job descriptions > Job evaluation > Norms and standards	High	> Norms and standards > Legislative compliance > Budget alignment > Consultation process	> Signed job descriptions from directorates > Adherence to legislation	Municipal Manager	Municipal Operating Budget	
INTEGRATED HR PLAN	> Succession Plan > Attraction and Retention	High	> Draft HR Plan in place to be reviewed > LG Regulations consideration consultation > Consultation > Aligned with the IDP and Organogram	> Consultative process > Tabling to LLF for recommendations > Tabling to Council for approval	HR Officer	Municipal Operating Budget	
RECRUITMENT AND SELECTION	> Review of recruitment policy > Annual Recruitment Plan	High	> R & S Policy adopted > Alignment with EE Plan > Alignment with budget (norms) > Legislative requirements	> Consultative process > Tabling to LLF for recommendations > Tabling to Council for approval	HR Officer	Municipal Operating Budget	
EMPLOYMENT EQUITY AND DIVERSITY MANAGEMENT	> EE Plan with EE targets (quality) > Submission of EE report > People with disability > EE Structure capacity and M & E > Women empowerment > Employee satisfaction survey	High	> EE Plan in draft need review > Legislative compliance > Development of a disability and designated groups strategy > Change management strategy	> Consultative process > Tabling to LLF for recommendations > Tabling to Council for approval	Municipal Manager	Municipal Operating Budget	
PERFORMANCE MANAGEMENT SYSTEM	> PMS Policy	High	> PMS Policy not in place	> Benchmarking with other municipalities > Consultative process > Tabling to Council > M & E	Municipal Manager / Shared Service from DM	Municipal Operating Budget	

SKILLS DEVELOPMENT AND CAPACITY BUILDING	> Skills Audit exercise > Competency Assessment i.t.o. regulations > Well costed annual Training Plan > Training Committee (capacity and M & E role)	High	> Alignment with budget and legislation > M & E mechanism > WSP compliance	> Identification of skills for specialized areas > Implementation plan by committee	HR Officer	Operating Budget LGSETA
MONITORING AND EVALUATION	> Development of the M & E Plan > Formulation / establishment of M & E unit > Establishment of M & E Committee	Medium	> M & E resides with HR > No dedicated M & E Unit > Establish M & E Unit to be located in the MM's Office	> Approved of structure by Council > Appointment of staff > Election of committee members	Municipal Manager	Municipal Operating Budget
COMMUNICATION AND PUBLIC PARTICIPATION	> Finalization of the Communication Strategy > Implementation of the Comm Strategy > Development of the PP strategy > Conduct annual customer satisfaction survey	Medium	> Draft Communication Strategy in place > Finalize the draft and adopt > Alignment with	> Benchmark with other municipalities PP Strategy	Municipal Manager / Communication Officer	Municipal Operating Budget

KEY OBJECTIVES	KEY ACTIVITIES	RISK	BASELINE ALIGNMENT	ACTION INTERVENTION	RESPONSIBLE MANAGER	BUDGET REQUIRED
INFRASTRUCTURE, PLANNING AND DEVELOPMENT	**Vision 2030 Municipal Development Plan**	High	> No Municipal Development Plan (Vision 2030)	> Sector Departments should assist the municipality in the establishment of the plan	Manager Technical Services, Manager Corporate Service	Municipal Operating Budget
	Storm Water Master Plan	Low	> Draft Storm Water Master Plan for entire Municipality	> Draft Storm Water Master Plan to be tabled for adoption by Council	Manager Technical Services	Municipal Operating Budget
	CIP	Low	> The municipality should draft a CIP	> The CIP would quantify all infrastructure requirements incorporating the existing infrastructure master plans including capital and operational projects / programmes	Manager Technical Services	Municipal Operating Budget
	Municipal Infrastructure Investment Plan	High	> Challenge to maintain the new proliferated infrastructure > Inadequate capital funding to cater for current and future infrastructure development	> Create Infrastructure replacement fund	Manager Technical Services	Municipal Operating Budget
	Spatial Development Framework (SDF)	Low	> Review of SDF	> Outdated SDF in place > Advertise Draft SDF > Public Participation > Finalization and adoption by Council	Manager: Planning Shared Service Pixley Ka Seme	DRDAR is assisting financially Review
	Spatial Planning and Land Use Management Act (SPLUMA)	High	> Challenge in the implementation model of SPLUMA	> Municipality should consider shared services i.e. a joint tribunal between	Manager: Planning Shared Service Pixley Ka Seme	DRDAR is assisting financially
	Municipal Housing Sector Plan	High	> Reviewed and adopted the MHSP	> Update MHSP	Manager: Housing	Municipal Operating Budget
	Water Services Development Plan	Low	> Outstanding	> Compile WSDP	Manager: Technical Services	Municipal Operating Budget
BASIC SERVICES	**Annual Operating Budget**	High	- The municipality has a limited operating budget resulting into dilapidating infrastructure - The challenge is to maintain the new proliferated infrastructure	- The municipality must increase the operating budget on an incremental basis to eventually subsidize the full cost of rendering	All managers	

				the operation and maintenance services		
			-	-		
	3 Year Capital Plan	High	- Inadequate capital funding to cater for current and future infrastructure development	- Sector departments to be engaged by Thembelihle LM to assist in lobbying of capital funding for future resource and infrastructure development	All Managers	
	SDBIP Quarterly Progress Report	High	- The current SDBIP does not reflect measurable outputs - The SDBIP is not submitted quarterly to the MM and to the COGTA	- Set realistic and measurable KPI and outputs - Submit quarterly SDBIP	All Managers	
ELECTRICITY	**Pre-paid meters to be implemented**	High	- Inadequate funding for installation of meters	- Upgrading of present facilities in a phased fashion	Manager: Technical Services	Municipal Operating Budget
	Renewable Energy	Low	- mitigate the effect of load shedding	- Source investors to invest in the programme	Manager: Technical Services Manager: PMU	
	Solar Home System (500 units)	Low	- Improved Standards of living	- Compile a Business Plan	Manager: Technical Services Manager: PMU	
WATER	**Water Conservation and Demand Management**	High	- Municipality loses income due to water losses and unaccounted water and incorrect billing	- Implement water conservation and demand management initiatives. - Inspect and audit of water meter installations to ensure leak detection and correct billing of customers.	Manager: Technical Services	Municipal Operating Budget
	Equipping of two additional boreholes in Strydenburg	High	- Improve redundancy on bulk water infrastructure and water supply provide sustainable water to community.	- In Process	Manager: Technical Services DWA COGHSTA	DWA
	DWS ACIP Programme	High	- Service of 1500 new stands with water connections in Hopetown, Strydenburg,	- Business plan need to be developed		DWA

			Steynville, Vergenoeg, Deetlefsville en Hillside			
	Pre-paid Water Meters	Low	- Purchase and installation of pre-paid water meters in the municipal area	- Improved Service Delivery. Determine proper water balance and generate revenue	MIG Technical Services	Municipal Operating Budget
	Water Pipeline	High	- Replacement of the A/C water pipeline from Thornville PS to Strydenburg to a full UPVC line	- Improve infrastructure - Improve Service delivery - Decrease water losses	In process	DWA
ROADS	**Municipal Roads**	High	- Upgrading of internal roads in Hopetown and Strydenburg	- Repair of potholes and resealing of roads - Improved infrastructure	Technical Services	Municipal Operating Budget & MIG
HOUSING	**52 utilization**	High	- Residents in need of 52 utilization sites to access funding for basic services and electrical connections	- Formalize informal settlements to better the living conditions of residents. - Pre-planning of informal settlement	Town Planning	COGTA
	Provision of backlogged subsidy housing in all towns **350 Vergenoeg** **200 Hopetown** **150 Strydenburg** **300 Hillside** **350 Steynville** **100 Deetlefsville**	High	- Residents in need of services sites to build houses	Provide proper housing / shelter	Technical & Housing Service	COGTA

KPA 1 – MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

ORGANISATIONAL STRUCTURE AND ESTABLISHMENT PLAN

Section 66 of the Municipal Systems Act (act No.32 of 2000) requires a Municipal Manager to develop a policy framework determined by the municipal council and subject to any applicable legislation, establish a mechanism, to regularly evaluate the staff establishment of a municipality and if the staff establishment requires amendment the approval of the Council shall be obtained. Thembelihle Local Municipality is divided into two levels namely; Political and Administrative structure. The administration is accountable to Political Structure.

Political Structure

- The municipality is governed by its council led by the Executive Mayor and chaired by the Speaker. The political seat is at Hopetown. There are section 79 committees established to assist council in governing the work of line functional administration and section 80 committees which assist the executive committee to function. The councillors signed a code of conduct on their first induction meeting in 2021 and the declaration is being signed annually in the beginning of each financial year. The Council also established the rules committee chaired by the Speaker which developed the rules of order for the council and its function which also enforces the implementation of rules in the council and adherence to the code of conduct by councillors. The municipality had established the following committees that assist the council in carrying out its responsibilities:

- Municipal Public Accounts Committee

- Audit committee

Section 80 committees are as follows:

- Corporate Services
- Finance
- Development & Technical Service

All the above committees are sitting every 2nd month.

Other Committees:

- Local Labour Forum
- Training Committee
- Employment Equity Committee
- Occupational Health and Safety Committee
- Sport Committee
- Risk Management Committee

Administrative Structure The Political and administrative seat of Thembelihle Local Municipality is situated in Hopetown Main Offices. The municipality extends its services by having a functional staffed unit in Strydenburg except Orania. Thembelihle Local Municipality has a signed and an approved Organizational structure by the Council, which reflects 136 staff compliment. The total staff compliment is currently 97 and 39 vacancies. The recruitment processes for some of the vacant positions will commenced and all positions for senior managers are filled. The Municipal Manager of the institution is employed in terms of section 54, whilst the senior management is employed in terms of section 56.

The municipality has three levels of management and are as follows;

- **Top Management (constituted by Senior Managers)**
- **Middle Management (constituted by Managers reporting to Senior Managers)**
- **Operational Management (constituted by Officers Supervisors Team leaders)**

Top Management is responsible for Strategic Planning of the institution, in doing that Middle Management forms part of the processes for Strategy Development. This is done to build capacity and to promote participation and innovation.

Administratively, the municipality consists of the following departments:

- **MUNICIPAL MANAGER OFFICE**
  - **Units Management**
  - **Communications & Customer Care**
  - **Strategic Planning & Performance Management**
  - **Council Support**
  - **Public Participation**
  - **Legal & Risk Services**
  - **Internal Audit**

❑ CORPORATE SERVICES

- **Human Resource Management**
- **Records Management**
- **Council Support**
- **Local Economic Development**
- **Land Use Management**
- **Human Settlements**
- **Property Management**
- **Building Controls**
- **Facilities**
- **Traffic Management & Law Enforcement**
- **Public Participation**
- **Payroll**

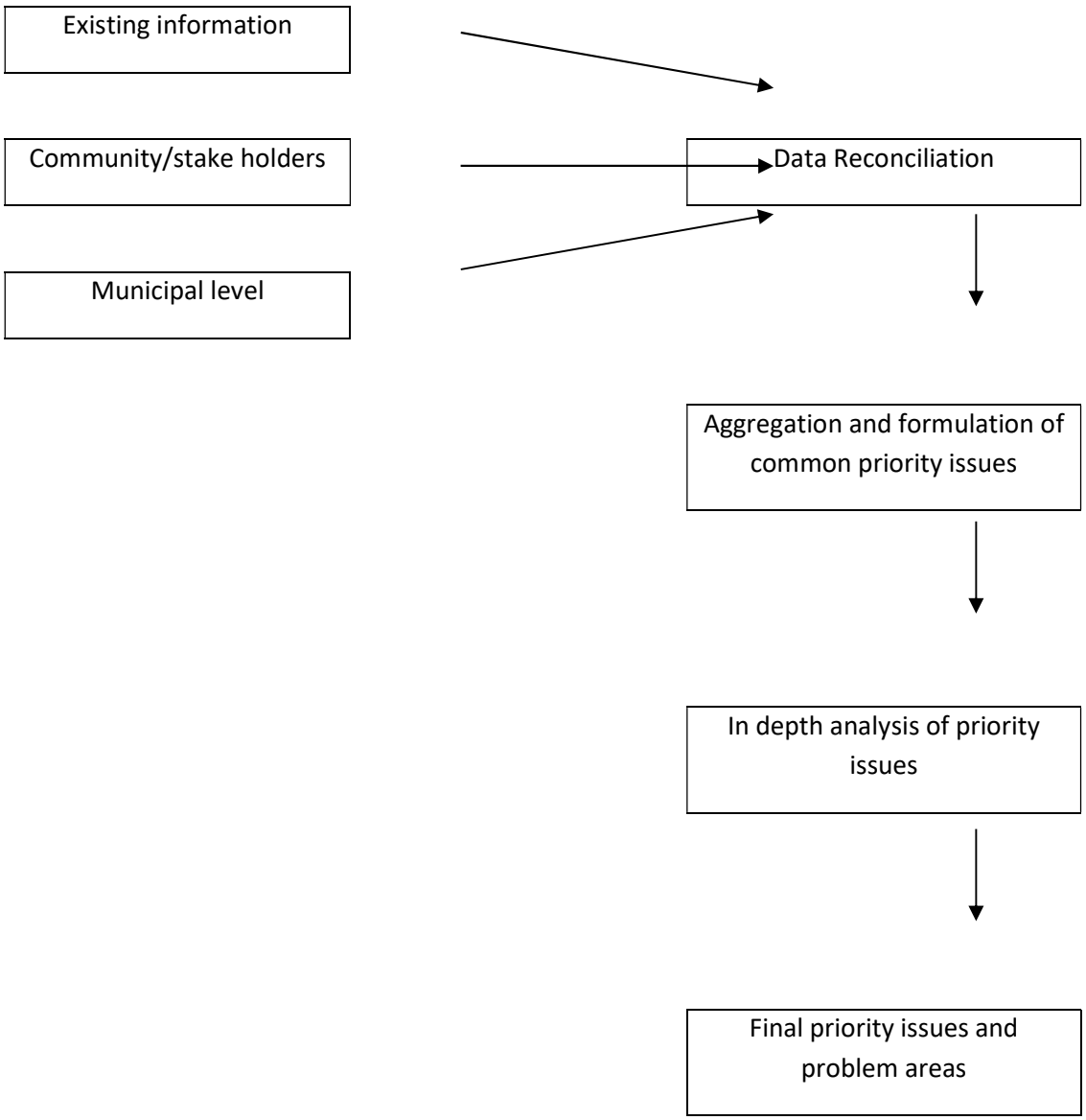
- **FINANCE**

  - **Budget Planning**
  - **Expenditure Management**
  - **Revenue Management**
  - **Supply Chain Management**
  - **Financial Reporting**
  - **Asset Management**
  - **Free Basic Services**

- **TECHNICAL DEPARTMENT**

  - **Roads & Storm water**
  - **Electricity**
  - **Civil & Building Works**
  - **Mechanical Works**
  - **Parks & Recreation**
  - **Water & Sanitation**
  - **Waste Management**
  - **Expanded Public Works Programme**

- **Environmental Management**
- **Project Management Unit**
- **Disaster Co-ordination**
- **Spatial Planning**



4 The Situation

4.1 Summary of community and stakeholder Priority Issues

1. Solar Panels on Farm
2. Provision for Taxi services in Strydenburg;
3. Upgrading of entrances into the Townships;
4. Poor storm water drainage in all the areas;
5. Bad quality of driving/top surface of the streets especially in the lower income areas;
6. Poor quality of road signs and speed bumps within the urban & rural areas;
7. Lack of proper fencing on some roads;
8. Provision of roads for small holdings to be developed between the river and Hopetown;
9. Upgrading and re-opening of Orange River station in order to serve the surrounding hunter load.
10. Reduce speed on the N12 through the towns;
11. Research into the provision of taxi terminus;
12. Rehabilitation of all tarred streets especially in Hopetown;
13. Provision of proper sanitation within the Steynville and Deetlefsville informal areas;\phasing out of the bucket system if and where still in operation;
14. Upgrading of the sewer facilities of farm workers;
15. Research into the provision of a traffic test centre;
16. Need a Mobile Police Station in the rural area;
17. Urgent need to upgrade the electrical bulk supply and distribution system of the wider Hopetown and Strydenburg to make provision for investment;
18. Lack of facilities and equipment to do maintenance on electrical system;\electrification of small holdings to be provided between the Orange River and Hopetown;
19. Provision of more area lights & High Mass Lights
20. Provision of more pre-paid meters;
21. Upgrading of the bulk water supply system, purification and storage system as well as distribution;
22. On medium terms the development of Strydenburg bore hole supply system;
23. Provide sufficient water for present and future commercial and residential development;
24. Lack of sufficient water in the informal settlement areas within the wider municipal area;
25. Provision of water to municipal grazing camps used by informal farmers;
26. Stabilising and degradation of the commonage caused by overgrazing;
27. Improved refuse removal system and updating of present facilities;
28. Lack of refuse bins;
29. Rehabilitation of current dumping sites, closure thereof and registering of new sites;
30. Provision of a fire brigade service;
31. Provision of more fire extinguishing water points & equipment;
32. A demand for a multi-purpose sport facility to include a wide spectrum of facilities including a golf course
33. All facilities to be provided should be sustainable with possible use of re-cycled effluent water from the waste water treatment works;
34. Provision of sport facilities for the disabled;
35. Upgrading and maintenance of cemeteries & provision for toilets in Town;
36. Provision of health and medical facilities for the disabled;
37. Poor ambulance services to be upgraded;
38. Special provision to be made in ambulances for paramedics accidents on the N12;
39. Need for medical doctors at clinics;
40. Provision for bursaries for the youth; (in particular Engineers & Electricians)
41. Centre to care for people with AIDS (Hospice) & Old age Home;
42. Upgrading of mobile clinic services;
43. Building for Hospice is needed;
44. Need Town planner with Infrastructure skills;
45. Shopping Centre;
46. Allocation for Houses;
47. Stalls for Street hawkers/traders
48. Need to care for orphans;

49. Abuse of children and women;
50. Provide training and facilities to emerging business men/women;
51. Lack of capital for economic development;
52. Lack of developed tourism potential within the municipal area with consideration for facilities like (a)a nature reserve with a rest camp, (b)Picnic facilities on the Orange River;
53. Job creation;
54. Poor developed residential parks;
55. Market the Orange River as a tourist facility;
56. Technical and financial assistance to small farmers;
57. Demand for self-build erven;
58. Improved and more professional planning for future services;\increased need for church and business erven;
59. Upgrading of 2 room houses in Deetlefsville;
60. A lack of libraries and ancillary arranged activities;
61. A need for adult education (ABET) especially amongst farm workers;

4.2 Priority Issues from a Municipal Perspective

1 Solar Panels on Farm;
2 Upgrading of the N12 between Hopetown and Strydenburg;
3 Research into the provision of taxi terminus;
4 Poor storm water drainage in all the areas;
5 Provision of roads for small holdings to be developed between the river and Hopetown;
6 Maintenance and Upgrading internal streets to both towns;
7 Reduce speed on the N12 through the towns;
8 Rehabilitation of all tarred streets especially in Hopetown;
9 Provision of proper sanitation within the Steynville and Deetleffsville informal areas;\phasing out of the bucket system if and where still in operation;
10 Urgent need to upgrade the electrical bulk supply and distribution system of the wider Hopetown and Strydenburg to make provision for investment;
11 Provision of more area lights & High Mass Lights;
12 Poor quality of drinking water in Strydenburg;
13 Upgrading of the bulk water supply system, purification and storage system as well as distribution;
14 Improved refuse removal system and updating of present facilities;
15 Upgrading and maintenance of cemeteries & provision for toilets in Town;
16 Need Town planner with Infrastructure skills;
17 Allocation for Houses;
18 Poverty elevation and job creation;
19 Need for formal houses to address the housing backlog;
20 Need for townhouses in lower to middle income areas;\housing for farm workers;\request to develop small holdings between the river to the north and Hopetown to the north
21 Improved municipal facilities to provide better services

5 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

5.1 Geographic Context

Map 1.1 depicts the Thembelihle local municipal boundary. From this map, it is evident that the municipal area includes the following main towns:

- Hopetown (the seat of the Local Municipality)
- Strydenburg
- Orania

Map 1: The Thembelihle Local Municipality



Source: Boundary data provided by the Municipal Demarcation Board, 2012

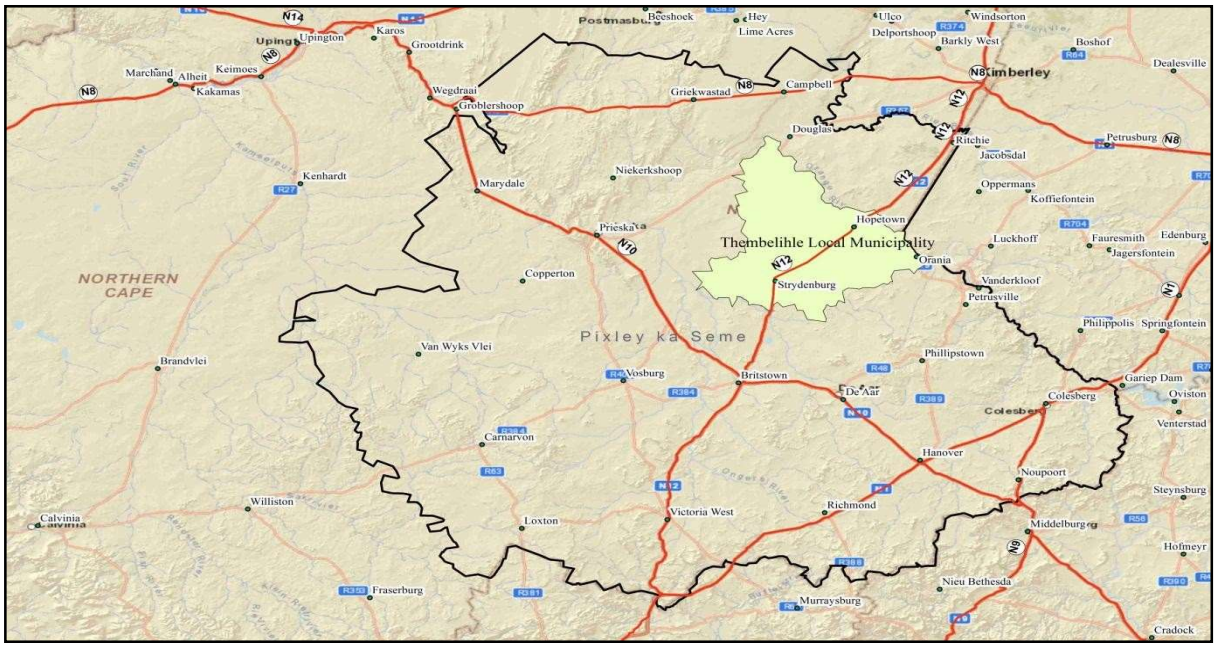
The municipal area encompasses a geographic area of some 6,986 km² which implies that Thembelihle accounts for some 6.8% of the total District surface area. The local economy is mainly agriculture-based and highly dependent on the Orange River, which runs through the area. Although the area is well known for sheep farming, crops are also produced on the banks of the river. Hopetown and Strydenburg are located next to the N12 highway, which link the area to Kimberley and Cape Town (via its southbound connection to the N1).

5.1.1 Thembelihle in Regional Context

Thembelihle is one of eight Local Municipalities in the Pixley Ka Seme District. The other seven Municipalities are:

1. Siyancuma Local Municipality
2. Emthanjeni Local Municipality
3. Siyathemba Local Municipality
4. Umsobomvu Local Municipality
5. Ubuntu Local Municipality
6. Kareeberg Local Municipality
7. Renosterberg Local Municipality

Map 2: The Pixley Ka Seme District Municipality, 2012



Source: Boundary data provided by the Municipal Demarcation Board, 2012

De Aar is the seat of the Pixley Ka Seme District Municipality (located in the Emthanjeni LM). Hopetown is located some 181 km from De Aar and 123 km from Kimberley. Spatially, Thembelihle is very distant from South Africa's largest consumer markets.

Figure 5: Local Economic Development (LED) Core Pillars

LED Core Policy Pillars



Building Diverse and Inovation-driven Local Economies

- Local sector development
- Metro economic development programmes
- Link to regional economic cooperation
- Link to regional industrial development
- Advancing primary, secondary, tertiary and quinary sectors
- Exploiting STI to advance sustainability, competitiveness and productivity
- Linking LED to corridor development and sub-national cross boader programme



Developing Inclusive Local Economies

- Development of informal economies
- Inner city economic revitalisation
- Urban and rural linkages
- Township economic development
- Inclusive and integrated rural economies
- Economic empowerment of women, youth and people living with disabilities
- Expanded public and community works programmes
- Small towns economic development programme
- Promote business growth through partnerships and joint ventures



Developing Learning and Skilful Economies

- Enhancing innovation, skills and productive capacities
- Enterprise and entrepreneurship programmes
- Developing leadership and management skills
- Skills development
- Strengthening linkages between knowledge organisations and LED actors



Enterprise Development and Support

- Support businesses of women, youth and people with disabilities
- SMME support
- Business development services and collaboration
- Techno-entrepreneurship
- Cooperatives support
- Business incubation
- Business linkages



Economic Governance and Infrastructure

- Improving LED planning capacity
- Improving economic and management capacity
- Enhance administrative economic development capacity
- Improve access to development funding/finance
- Strengthening LED agencies
- Improve the ease of doing business, i.e. red tape reduction
- Improve business attraction, retention and expansion
- Image enhancement, beautification and marketing of local spaces
- Support for economic infrastructure development
- Facilitate land use development



Strengthen Local Innovation Systems

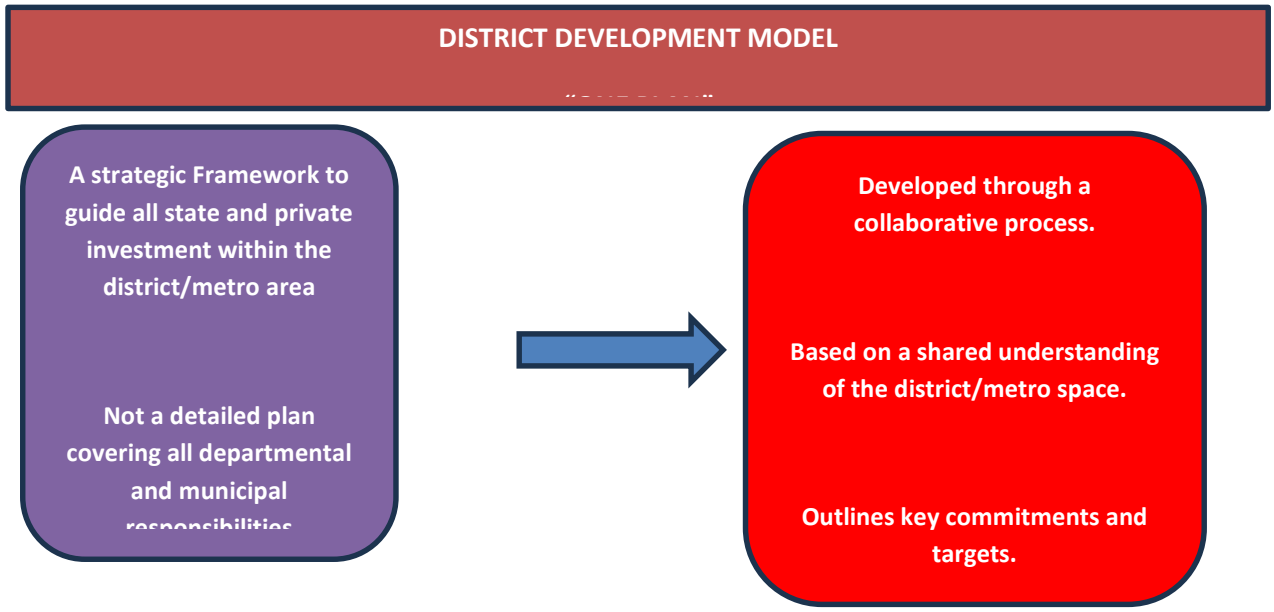
- Strengthen municipality-university and municipality-science council linkages
- Strengthen collaborations among various local actors and agents
- Strengthen capacities of relevant local actors and agents to undertake innovation mapping of local innovation systems
- Strengthen capacities of local actors and agents to promote innovation and techno-entrepreneurship
- Provide innovation infrastructure and innovation support programmes
- Enable municipalities to foster innovation driven LED

Source: National Framework for Local Economic Development (2018 – 2028)

5.1.2 District Development Model

The District Development Model (DDM) is a District/Metro impact-oriented planning, budgeting and implementation approach which was developed to address the silo's mentality 20 across all spheres of government and to further ensure alignment of budgets and plans. The DDM will focus on developing a "One Plan" "One Budget" for all (44) district municipalities and all (8) metropolitan municipalities where profiles of those 52 municipalities will be developed. The Primary objectives of the District Development Model are as follows:

1. Solve the Silos at a horizontal and vertical level.
2. Maximise impact and align plans and resources at our disposal through the development of "One District, One Plan and One Budget".
3. Narrow the distance between people and government by strengthening the coordination role and capacities at the District and City levels.
4. Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level.
5. Build government capacity to support to municipalities.
6. Strengthen monitoring and evaluation at district and local levels.
7. Implement a balanced approach towards development between urban and rural areas.
8. Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment, and equality.
9. Exercise oversight over budgets and projects in an accountable and transparent manner.



5.2 Provincial Legislation

a) The Northern Cape Provincial Growth and Development Strategy (NCPGDS)

The following sectorial documents have been developed in line with the PGDS:

a. Provincial LED
b. Provincial Tourism Strategy
c. Provincial Draft Enterprise Development strategy
d. Provincial Trade and Investment Strategy
e. Provincial Incubation Strategy
f. Provincial Agriculture Strategy
g. Provincial Transport Strategy
h. Provincial Spatial Development Framework

5.3 Municipal legislation

a. The White Paper on Local Government
b. The Municipal Structures (1998) & Municipal Systems Act (2000)
c. Back to Basics (B2B)
d. Integrated Development Plan (IDP)

a. Gross domestic product by region (GDP-R)

The gross domestic product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Gross domestic product by region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measure the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Table 6: Gross domestic product (GDP) - Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012-2022 [R billions, Current prices]

	Thembelihle	Pixley ka Seme	Northern Cape	National Total	Thembelihle as % of district municipality	Thembelihle as % of province	Thembelihle as % of national
2012	1.0	8.7	70.3	3,566.4	*10.9%*	*1.35%*	*0.03%*
2013	1.0	9.3	74.2	3,868.6	*10.7%*	*1.34%*	*0.03%*
2014	1.2	11.0	86.4	4,133.9	*10.6%*	*1.34%*	*0.03%*
2015	1.2	11.7	90.3	4,420.8	*10.5%*	*1.36%*	*0.03%*
2016	1.3	12.5	94.5	4,759.6	*10.3%*	*1.37%*	*0.03%*
2017	1.4	13.3	100.2	5,078.2	*10.2%*	*1.35%*	*0.03%*
2018	1.4	14.0	105.0	5,363.2	*10.0%*	*1.33%*	*0.03%*
2019	1.4	14.5	109.1	5,625.2	*9.7%*	*1.30%*	*0.03%*
2020	1.4	14.9	110.9	5,568.0	*9.6%*	*1.29%*	*0.03%*
2021	1.6	17.0	129.2	6,208.8	*9.4%*	*1.24%*	*0.03%*
2022	1.7	18.4	135.3	6,628.6	*9.3%*	*1.26%*	*0.03%*

Source: South Africa Regional eXplorer v2404.

With a GDP of R 1.7 billion in 2022 (up from R 951 million in 2012), the Thembelihle Local Municipality contributed 9.26% to the Pixley ka Seme District Municipality GDP of R 18.4 billion in 2022 increasing in the share of the Pixley ka Seme from 10.89% in 2012. The Thembelihle Local Municipality contributes 1.26% to the GDP of Northern Cape Province and 0.03% the GDP of South Africa which had a total GDP of R 6.63 trillion in 2022 (as measured in nominal or current prices). It is contribution to the national economy stayed similar in importance from 2012 when it contributed 0.03% to South Africa, but it is lower than the peak of 0.03% in 2014.

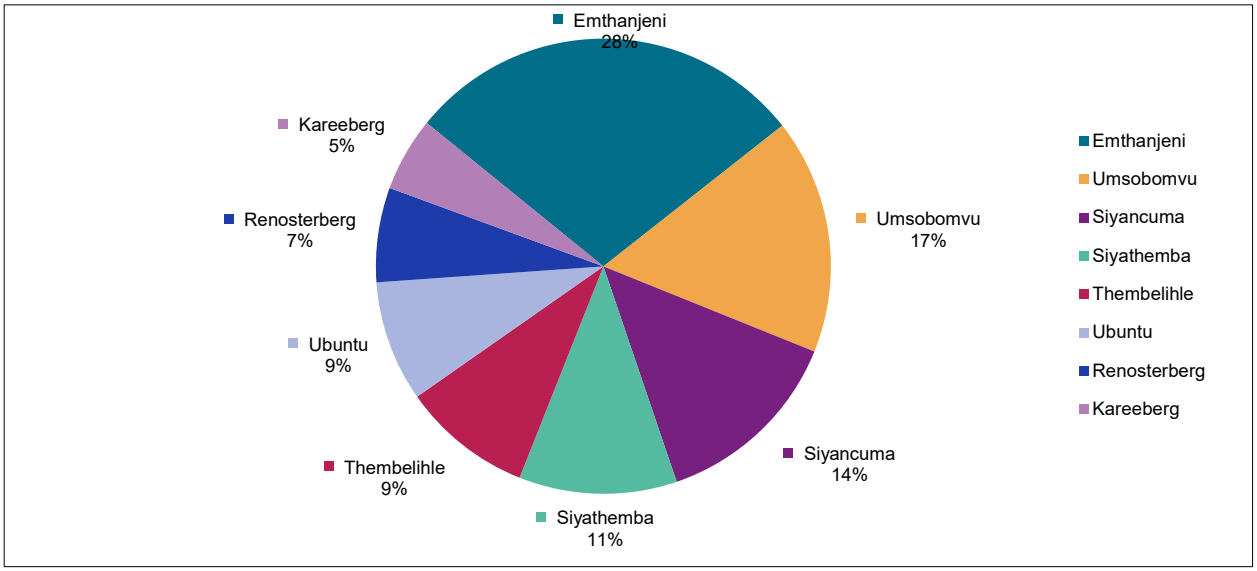
Table 7: Gross domestic product (GDP) - Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012-2022 [Annual percentage change, Constant 2010 prices]

	Thembelihle	Pixley ka Seme	Northern Cape	National Total
2012	2.7%	3.4%	3.2%	2.4%
2013	-0.3%	2.7%	2.2%	2.5%
2014	0.6%	1.1%	2.4%	1.4%
2015	-0.3%	1.1%	1.8%	1.3%
2016	0.3%	1.9%	-0.5%	0.7%
2017	1.6%	2.8%	1.9%	1.2%
2018	2.9%	3.5%	1.4%	1.6%
2019	-0.8%	1.0%	-0.3%	0.3%
2020	-3.0%	-1.7%	-6.7%	-6.0%
2021	6.4%	8.5%	6.3%	4.7%
2022	-1.1%	1.7%	0.5%	1.9%
Average Annual growth 2012-2022	***0.62%***	***2.23%***	***0.85%***	***0.92%***

Source: South Africa Regional eXplorer v2404.

In 2022, the Thembelihle Local Municipality achieved an annual growth rate of -1.11% which is a significantly lower GDP growth than the Northern Cape Province's 0.52%, but is lower than that of South Africa, where the 2022 GDP growth rate was 1.91%. Contrary to the short-term growth rate of 2022, the longer-term average growth rate for Thembelihle (0.62%) is slightly lower than that of South Africa (0.92%). The economic growth in Thembelihle peaked in 2021 at 6.42%.

Chart 1: Gross domestic product (GDP) - Thembelihle Local Municipality and the rest of Pixley ka Seme, 2022 [Percentage]



Source: South Africa Regional eXplorer v2404.

The Thembelihle Local Municipality had a total GDP of R 1.7 billion and in terms of total contribution towards Pixley ka Seme District Municipality the Thembelihle Local Municipality ranked fifth relative to all the regional economies to total Pixley ka Seme District Municipality GDP. This ranking in terms of size compared to other regions of Thembelihle remained the same since 2012. In terms of its share, it was in 2022 (9.3%) significantly smaller compared to what it was in 2012 (10.9%). For the period 2012 to 2022, the average annual growth rate of 0.6% of Thembelihle was the lowest relative to its peers in terms of growth in constant 2010 prices.

Table 5: Gross domestic product (GDP) - Regions within Pixley ka Seme District Municipality, 2012 to 2022, share and growth

	2022 (Current prices)	Share of district municipality	2012 (Constant prices)	2022 (Constant prices)	Average Annual growth
Thembelihle	1.70	*9.26%*	1.15	1.22	***0.62%***
Ubuntu	1.58	*8.58%*	0.99	1.16	***1.58%***
Umsobomvu	3.07	*16.71%*	1.40	2.17	***4.49%***
Emthanjeni	5.25	*28.57%*	2.91	3.77	***2.65%***
Kareeberg	0.97	*5.25%*	0.61	0.72	***1.60%***
Renosterberg	1.24	*6.72%*	0.65	0.93	***3.54%***
Siyathemba	2.06	*11.22%*	1.31	1.50	***1.36%***
Siyancuma	2.52	*13.68%*	1.65	1.84	***1.06%***

Source: South Africa Regional eXplorer v2404.

Umsobomvu had the highest average annual economic growth, averaging 4.49% between 2012 and 2022, when compared to the rest of the regions within Pixley ka Seme District Municipality. The Renosterberg Local Municipality had the second highest average annual growth rate of 3.54%. Thembelihle Local Municipality had the lowest average annual growth rate of 0.62% between 2012 and 2022.

b. *Gross value added by region (GVA-R)*

The Thembelihle Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Thembelihle Local Municipality.

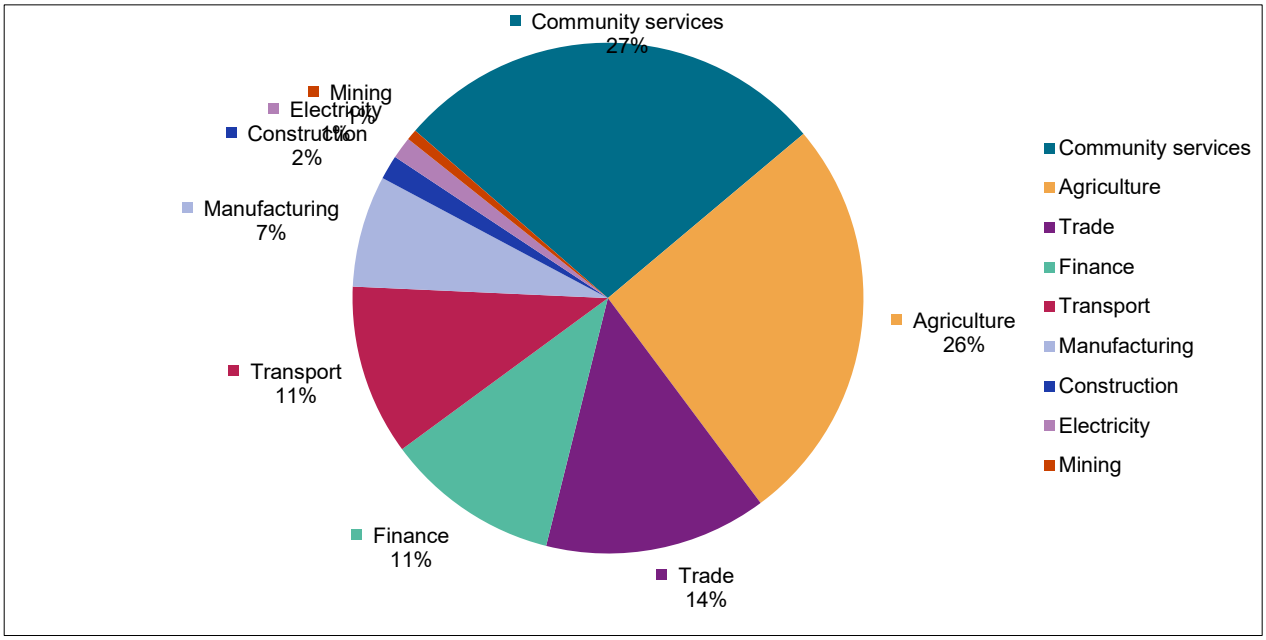
Table 6: Gross value added (GVA) by broad economic sector - Thembelihle Local Municipality, 2022 [R billions, current prices]

	Thembelihle	Pixley ka Seme	Northern Cape	National Total	Thembelihle as % of district municipality	Thembelihle as % of province	Thembelihle as % of national
Agriculture	0.4	2.8	10.4	187.6	*14.0%*	*3.8%*	*0.21%*
Mining	0.0	0.5	28.5	483.3	*2.2%*	*0.0%*	*0.00%*
Manufacturing	0.1	0.5	4.4	813.1	*21.3%*	*2.5%*	*0.01%*
Electricity	0.0	0.9	4.1	192.8	*2.4%*	*0.5%*	*0.01%*
Construction	0.0	0.3	2.1	146.6	*7.1%*	*1.1%*	*0.02%*
Trade	0.2	1.6	12.1	807.5	*13.2%*	*1.8%*	*0.03%*
Transport	0.2	2.0	11.2	451.4	*8.4%*	*1.5%*	*0.04%*
Finance	0.2	2.5	20.0	1,386.9	*6.7%*	*0.8%*	*0.01%*
Community services	0.4	5.4	31.0	1,483.6	*7.8%*	*1.4%*	*0.03%*
Total Industries	**1.5**	**16.6**	**123.8**	**5,952.7**	***9.2%***	***1.2%***	***0.03%***

Source: South Africa Regional eXplorer v2404..

In 2022, the community services sector is the largest within Thembelihle Local Municipality accounting for R 421 million or 27.5% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Thembelihle Local Municipality is the agriculture sector at 25.9%, followed by the trade sector with 14.1%. The sector that contributes the least to the economy of Thembelihle Local Municipality is the mining sector with a contribution of R 10.7 million or 0.69% of the total GVA.

Chart 2: Gross value added (GVA) by broad economic sector - Thembelihle Local Municipality, 2022 [percentage composition]



Source: South Africa Regional eXplorer v2404.

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Pixley ka Seme District Municipality, it is clear that the Emthanjeni contributes the most community services towards its own GVA, with 32.71%, relative to the other regions within Pixley ka Seme District Municipality. The Emthanjeni contributed R 4.74 billion or 28.57% to the GVA of Pixley ka Seme District Municipality. The Emthanjeni also contributes the most the overall GVA of Pixley ka Seme District Municipality.

1.1 Labour

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.

Table 7: Working age population in Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012 and 2022 [Number]

	Thembelihle		Pixley ka Seme		Northern Cape		National Total	
	2012	2022	2012	2022	2012	2022	2012	2022
15-19	1,590	1,480	18,300	17,600	110,000	113,000	5,010,000	5,100,000
20-24	1,660	1,590	17,500	16,600	110,000	103,000	5,410,000	4,580,000
25-29	1,470	1,540	16,700	18,100	105,000	111,000	5,220,000	5,210,000
30-34	1,200	1,400	13,700	16,600	87,400	110,000	4,220,000	5,600,000
35-39	997	1,230	11,600	15,500	72,000	105,000	3,470,000	5,220,000
40-44	987	1,160	10,900	14,200	63,600	86,500	2,950,000	4,060,000
45-49	903	994	10,300	11,700	58,400	70,000	2,590,000	3,240,000
50-54	880	1,030	9,210	10,300	52,500	60,500	2,240,000	2,710,000
55-59	658	773	8,180	10,100	44,700	54,500	1,850,000	2,340,000
60-64	581	726	6,790	8,900	36,200	47,800	1,490,000	1,970,000
Total	**10,900**	**11,900**	**123,000**	**140,000**	**740,000**	**862,000**	**34,500,000**	**40,000,000**

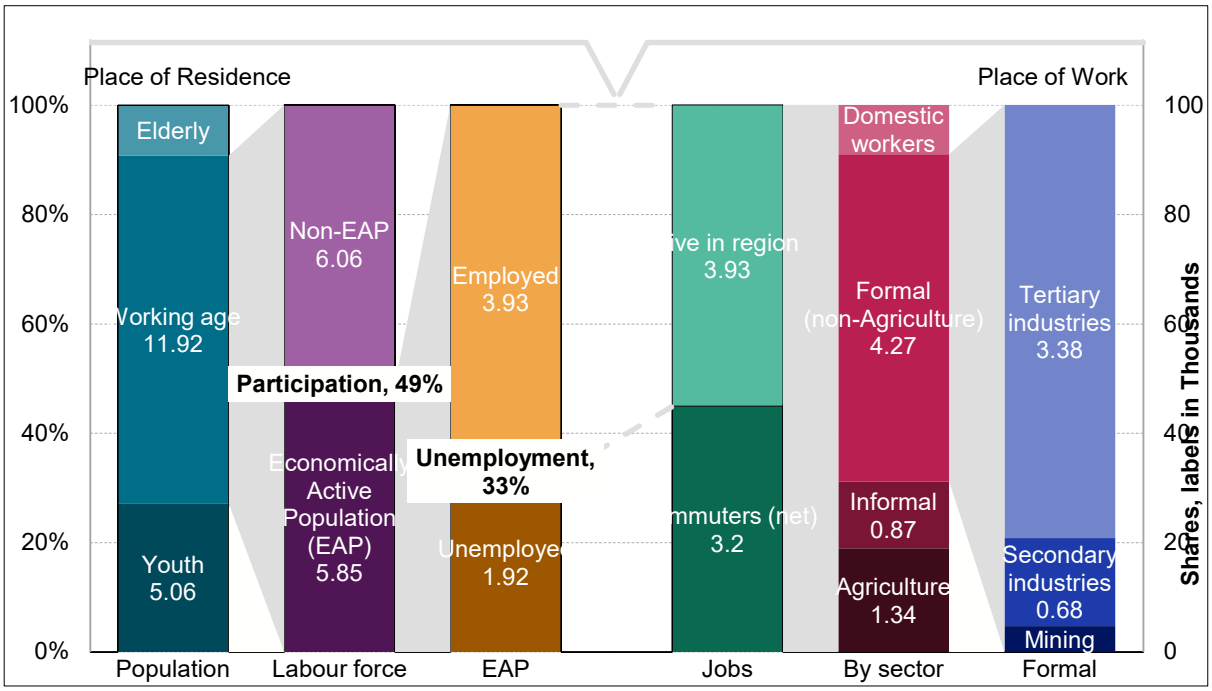
Source: South Africa Regional eXplorer v2404.

The working age population in Thembelihle in 2022 was 11 900, increasing at an average annual rate of 0.88% since 2012. For the same period the working age population for Pixley ka Seme District Municipality increased at 1.26% annually, while that of Northern Cape Province increased at 1.55% annually. South Africa's working age population has increased annually by 1.51% from 34.5 million in 2012 to 40 million in 2022.

The graph below combines all the facets of the labour force in the Thembelihle Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is

measured from the population side, and "place of work" on the right, which is measured from the business side.

Chart 3: Labour glimpse - Thembelihle Local Municipality, 2022



Source: South Africa Regional eXplorer v2404.

Reading the chart from the left-most bar, breaking down the total population of the Thembelihle Local Municipality (18 700) into working age and non-working age, the number of people that are of working age is about 11 900. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 49.1% are participating in the labour force, meaning 5 860 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 6 060 people. Out of the economically active population, there are 1 920 that are unemployed, or when expressed as a percentage, an unemployment rate of 32.8%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Thembelihle, broken down by the primary (mining), secondary and tertiary industries. Most of the formal employment lies in the Tertiary industry, with 3 390 jobs. When including the informal, agricultural, and domestic workers, we have a total number of 7 140 jobs in the area. Formal jobs make up 59.9% of all jobs

in the Thembelihle Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the local municipality.

1.2 Total employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

Table 8: Total employment - Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012-2022 [numbers]

	Thembelihle	Pixley ka Seme	Northern Cape	National Total
2012	7,210	44,400	285,000	14,000,000
2013	7,500	47,000	297,000	14,400,000
2014	7,480	48,000	308,000	15,000,000
2015	7,270	47,800	312,000	15,500,000
2016	7,360	48,900	313,000	15,800,000
2017	7,330	49,300	318,000	16,000,000
2018	7,540	51,100	326,000	16,200,000
2019	7,520	52,000	331,000	16,200,000
2020	7,010	49,900	317,000	15,400,000
2021	6,880	49,800	307,000	14,800,000
2022	7,140	52,400	324,000	15,300,000
Average Annual growth				
2012-2022	***-0.09***%	***1.67***%	***1.28***%	***0.88***%

Source: South Africa Regional eXplorer v2404.

In 2022, Thembelihle employed 7 140 people which is 13.62% of the total employment in Pixley ka Seme District Municipality (52 400), 2.21% of total employment in Northern Cape Province (324 000), and 0.05% of the total employment of 15.3 million in South Africa. Employment within Thembelihle decreased annually at an average rate of -0.09% from 2012 to 2022. The Thembelihle Local Municipality average annual employment growth rate of -0.09% exceeds the average annual labour force growth rate of -0.30% resulting in unemployment decreasing from 32.65% in 2012 to 32.83% in 2022 in the local municipality.

Table 9:Total employment per broad economic sector - Thembelihle and the rest of Pixley ka Seme, 2022 [Numbers]

	Thembelihle	Ubuntu	Umsobomvu	Emthanjeni	Kareeberg	Renosterberg	Siyathemba	Siyancuma	Total Pixley ka Seme
Agriculture	1,350	1,000	942	968	662	783	1,100	1,090	7,898
Mining	201	15	257	495	8	2	455	338	1,772
Manufacturing	332	132	99	430	74	93	166	161	1,488
Electricity	53	15	31	34	2	25	17	29	207
Construction	494	261	1,040	1,050	291	364	314	239	4,044
Trade	1,190	1,170	1,930	1,940	685	413	934	862	9,115
Transport	199	158	154	375	53	101	120	184	1,343
Finance	529	436	853	1,410	190	400	646	373	4,835

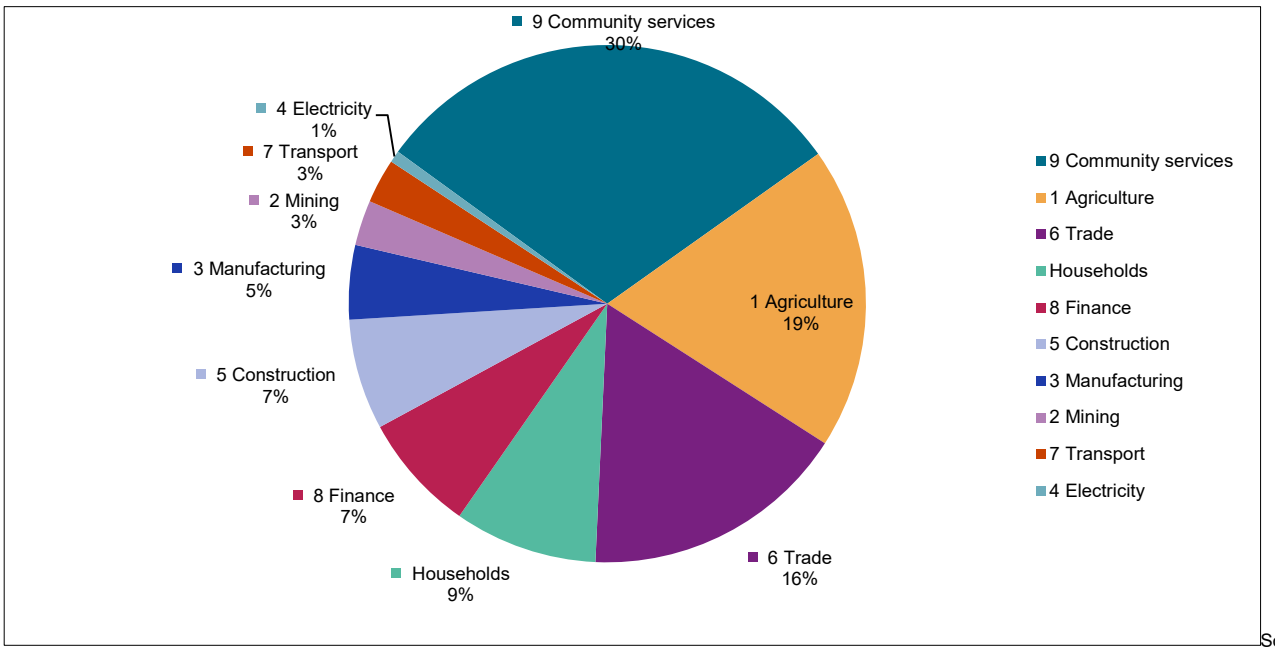
	Thembelihle	Ubuntu	Umsobomvu	Emthanjeni	Kareeberg	Renosterberg	Siyathemba	Siyancuma	Total Pixley ka Seme
Community services	2,150	1,570	3,020	5,340	1,040	831	1,900	1,430	17,280
Households	640	471	587	965	386	259	524	608	4,441
Total	**7,140**	**5,230**	**8,910**	**13,000**	**3,390**	**3,270**	**6,180**	**5,310**	**52,422**

Source: South Africa Regional eXplorer v2404.

Thembelihle Local Municipality employs a total number of 7 140 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Pixley ka Seme District Municipality is Emthanjeni local municipality with a total number of 13 000. The local municipality that employs the lowest number of people relative to the other regions within Pixley ka Seme District Municipality is Renosterberg local municipality with a total number of 3 270 employed people.

In Thembelihle Local Municipality the economic sectors that recorded the largest number of employment in 2022 were the community services sector with a total of 2 150 employed people or 30.2% of total employment in the local municipality. The agriculture sector with a total of 1 350 (18.9%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 53.2 (0.7%) is the sector that employs the least number of people in Thembelihle Local Municipality, followed by the transport sector with 199 (2.8%) people employed.

Chart 4: Total employment per broad economic sector - Thembelihle Local Municipality, 2022 [percentage]



Source: South Africa Regional eXplorer v2404.

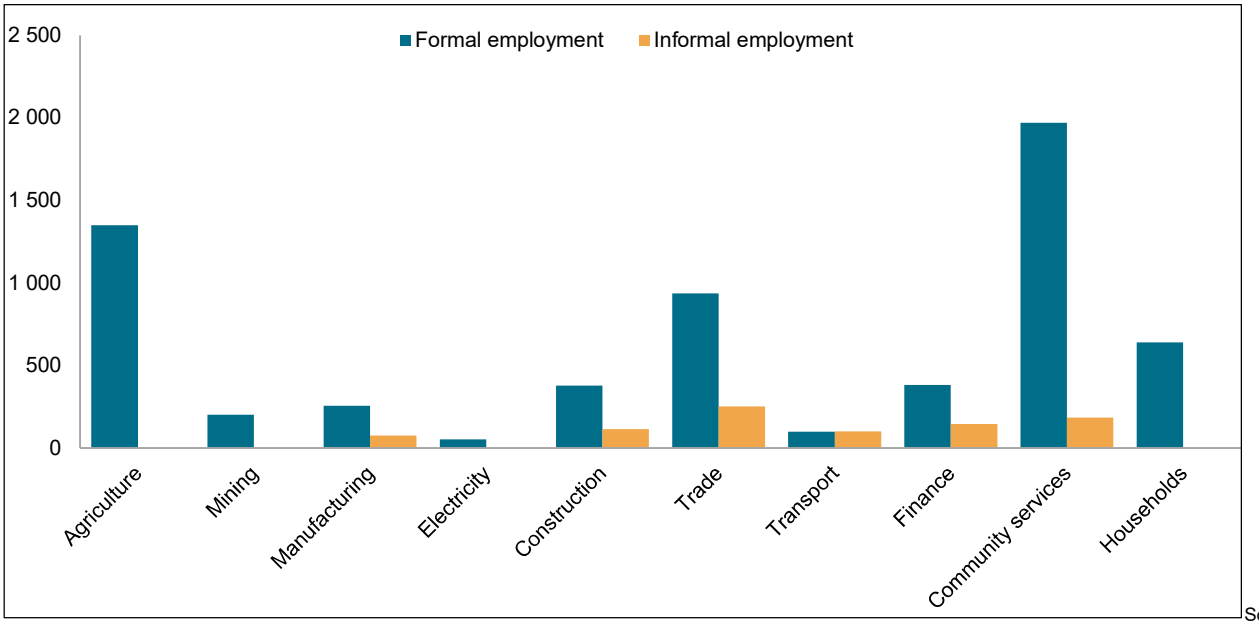
Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Thembelihle Local Municipality counted 6 260 in 2022, which is about 87.76% of total employment, while the number of people employed in the informal sector counted 874 or 12.24% of the total employment. Informal employment in Thembelihle decreased from 922 in 2012 to an estimated 874 in 2022.

Chart 5: Formal and informal employment by broad economic sector - Thembelihle Local Municipality, 2022 [numbers]



Source:South Africa Regional eXplorer v2404.

In 2022 the Trade sector recorded the highest number of informally employed, with a total of 252 employees or 28.79% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 75.9 and only contributes 8.68% to total informal employment.

Table 10: Formal and informal employment by broad economic sector - Thembelihle Local Municipality, 2022 [numbers]

	Formal employment	Informal employment
Agriculture	1,350	N/A
Mining	201	N/A
Manufacturing	256	76
Electricity	53	N/A
Construction	379	115
Trade	936	252
Transport	98	101
Finance	382	146
Community services	1,970	185
Households	640	N/A

Source: South Africa Regional eXplorer v2404.

1.3 Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

Table 11: Unemployment (official definition) - Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012-2022 [Number percentage]

	Thembelihle	Pixley ka Seme	Northern Cape	National Total	Thembelihle as % of district municipality	Thembelihle as % of province	Thembelihle as % of national
2012	1,970	20,200	113,000	4,700,000	*9.8%*	*1.74%*	*0.04%*
2013	2,080	21,200	122,000	4,850,000	*9.8%*	*1.71%*	*0.04%*
2014	2,290	22,800	130,000	5,060,000	*10.0%*	*1.76%*	*0.05%*
2015	2,440	23,900	134,000	5,300,000	*10.2%*	*1.83%*	*0.05%*
2016	2,380	23,200	134,000	5,670,000	*10.3%*	*1.78%*	*0.04%*
2017	2,370	23,000	132,000	5,990,000	*10.3%*	*1.80%*	*0.04%*
2018	2,240	21,600	127,000	6,100,000	*10.4%*	*1.77%*	*0.04%*
2019	2,220	21,000	124,000	6,450,000	*10.6%*	*1.80%*	*0.03%*
2020	2,090	19,100	114,000	6,710,000	*10.9%*	*1.84%*	*0.03%*
2021	1,950	17,700	112,000	7,470,000	*11.0%*	*1.74%*	*0.03%*
2022	1,920	17,500	110,000	7,810,000	*11.0%*	*1.74%*	*0.02%*
Average Annual growth							
2012-2022	***-0.25%***	***-1.42%***	***-0.26%***	***5.21%***			

Source: South Africa Regional eXplorer v2404.

In 2022, there were a total number of 1 920 people unemployed in Thembelihle, which is an decrease of -47.8 from 1 970 in 2012. The total number of unemployed people within Thembelihle constitutes 11.01% of the total number of unemployed people in Pixley ka Seme District Municipality. The Thembelihle Local Municipality experienced an average annual decrease of -0.25% in the number of unemployed people, which is worse than that of the Pixley ka Seme District Municipality which had an average annual decrease in unemployment of -1.42%.

Table 12: Unemployment rate (official definition) - Thembelihle, Pixley ka Seme, Northern Cape and National Total, 2012-2022 [Percentage]

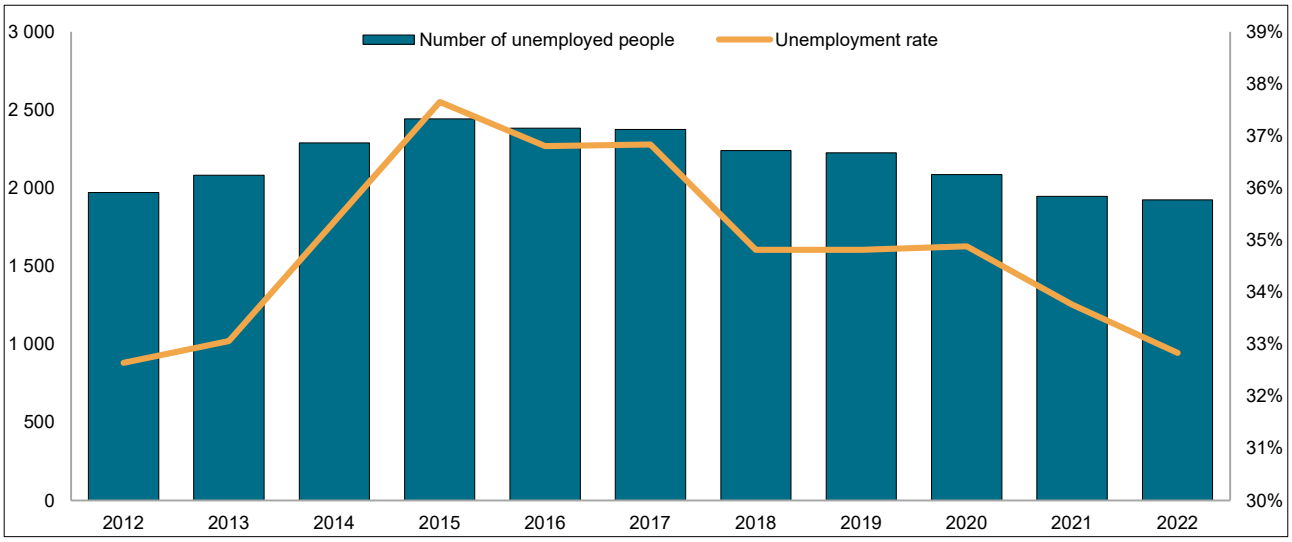
	Thembelihle	Pixley ka Seme	Northern Cape	National Total
2012	32.6%	31.0%	28.5%	25.1%
2013	33.1%	30.8%	29.1%	25.2%
2014	35.4%	32.0%	29.7%	25.2%
2015	37.7%	33.1%	30.1%	25.5%
2016	36.8%	32.0%	30.0%	26.4%
2017	36.8%	31.5%	29.5%	27.2%
2018	34.8%	29.5%	28.1%	27.4%
2019	34.8%	28.5%	27.3%	28.4%
2020	34.9%	27.4%	26.5%	30.3%
2021	33.8%	26.0%	26.8%	33.6%
2022	32.8%	24.7%	25.5%	33.8%

Source: South Africa Regional eXplorer v2404.

In 2022, the unemployment rate in Thembelihle Local Municipality (based on the official definition of unemployment) was 32.83%, which is an increase of 0.185 percentage points. The unemployment rate in Thembelihle Local Municipality is higher than that of Pixley ka Seme.

Comparing to the Northern Cape Province the unemployment rate for Thembelihle Local Municipality was higher than that of Northern Cape which was 25.50%. The unemployment rate for South Africa was 33.84% in 2022, which is a increase of -8.69 percentage points from 25.15% in 2012.

Chart 6: Unemployment and unemployment rate (official definition) - Thembelihle Local Municipality, 2012-2022 [number percentage]



Source: South Africa Regional eXplorer v2404.

OPPORTUNITY ANALYSIS

The purpose of this section is to evaluate some key economic activities and look at the opportunities for further development in those sectors that are already dominant or have a potential to grow in Thembelihle local municipality. Brief analysis of each of the sectors will be discussed according to its local context and then the Development opportunities and potential constraints will be discussed.

The potential of these economic sectors will be analysed based on the following factors:

- **Availability of raw materials/resources**

This refers to the local resources that are needed for production of commodities. If the resources are found locally that makes the whole process more economically viable as some of the potential costs and logistical considerations are already eliminated.

- **Economic linkages (backward and forward linkages)**

This element refers to the interaction of various economic activities with one another throughout the value chain. These could either be backward or forward linkages along the same value chain towards the production and delivery of the same product. In some cases, it is not possible for one economy to provide everything and there might be a need to interact with other neighbouring economies to have a viable local economy.

- **Market inclination**

This refers to the demand of the product or service in the market. There can either be an indication of a general decline in the demand for the product or a potential for an increase or just a stable demand.

- **Gap analysis/Agglomeration advantages**

In this case a gap is identified in the regional/local economy where there is an opportunity for a group of companies to collaborate with the purpose of addressing a particular shortcoming and increase their efficiency for the benefit of the whole economy.

- **Regional service delivery function**

In the case where the local economy is not strongly linked with the regional economy, an analysis is thus required to determine the economic comparative advantages. If these advantages can be exploited successfully, the area may become a regional service provider in terms of its competitive advantages.

- **Availability of labour**

Labour is a key factor of production and the economy cannot grow without the availability of this key factor. In addition to the availability of labour, the skills factor is also crucial depending on the economic activity in that region/locality. Therefore, both the quantity and quality of labour is a crucial factor in assessing the potential for a particular economic sector.

- **Technology change**

Technology is crucial in all the economic sectors as it continuously improve the production processes and assist increasing productivity. This might lead at the end to the stakeholders believing that there is a need to set up an incubator for example to assist existing and potential new entrants to become more efficient and sustainable in their economic activities.

- **Government policy and support instruments**

This refers to the policy position of government of the day towards a particular sector. For example, there is a strong push for beneficiation and processing of resources rather than extraction and exports of raw products.

ENVIRONMENTAL PROFILE

6. Biodiversity

a. *Biodiversity Aquatic environments*

i. Water Resources

To the North, the municipality is bordered by the perennial Orange River (South Africa's longest river) which flows from the Eastern corner of the municipality to the northern edge to its point of confluence with the Vaal River (it's biggest tributary). To the South this municipality is bordered by the non-perennial Brak river (see figure 4 below). The municipality of Thembelihle falls within the Orange River drainage area which covers the whole extent of the municipality area of 8 023 km². As can be seen in figure 4 below, there are several wetlands scattered across the municipal jurisdiction, with a significant number of these situated on the Southern half of the municipal area.

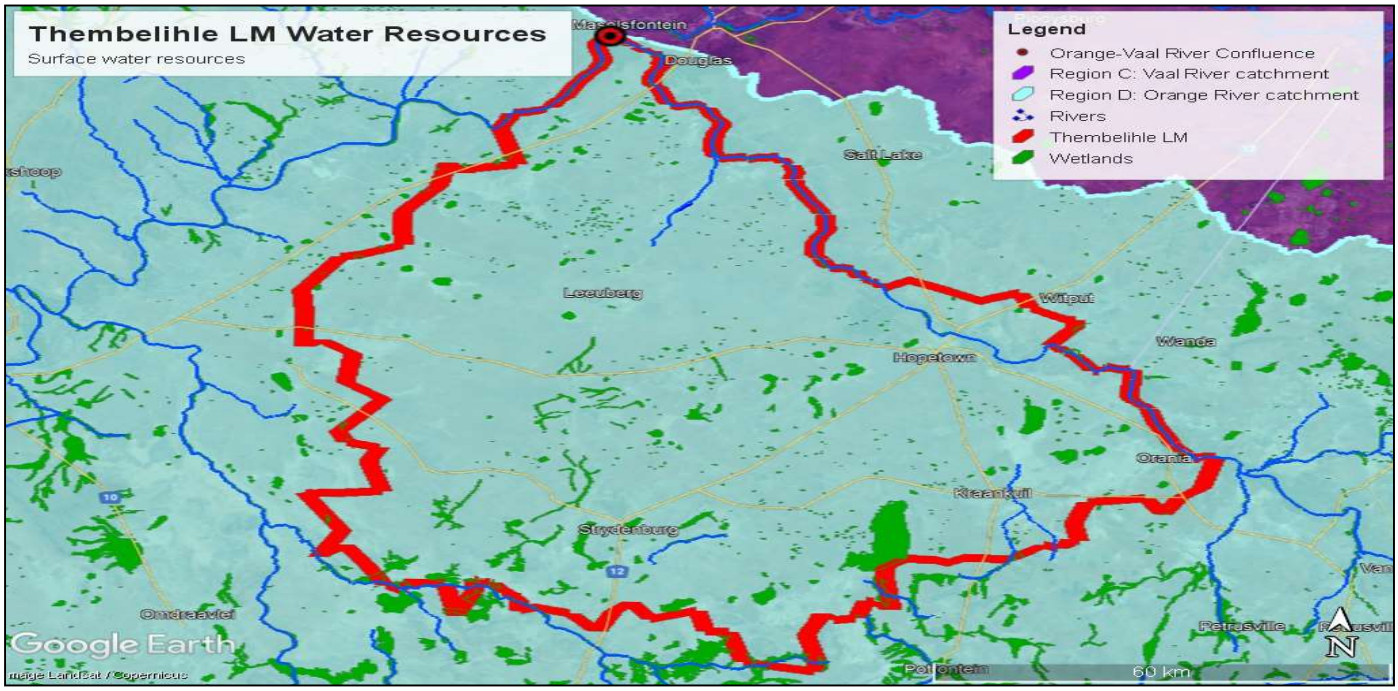


Figure 4: Surface hydrology of the Thembelihle LM

The Orange River is home to 16 species of fish and 8 of these are reported to be endemic to this river. These are: Rock-catfish (*Austroglanis sclateri*), Maloti Minnow (*Pseudobarbus quathlambae*), Namaqua Barb (*Barbus hospes*), River Sardine (*Mesobola brevianalis*), Smallmouth Yellowfish (*Labeobarbus aeneus*), Largemouth Yellowfish (*Labeobarbus kimberlyensis*), Orange River Mudfish (*Labeo capensis*), Smallmouth Yellowfish (*Labeobarbus aeneus*).[2]

Various bird species have also been identified along the Orange River, most common of which are: African Darter (snakebird); Fish Eagle; Kingfisher; Grey- and Goliath Heron; Red-eyed Bulbul; Hadeda-Ibis; Sacred Reed-, White-breasted- and Bank Cormorant; Yellow Finch (Geelvink); Great White- and Cattle Egret; Cape Robin; Pied- and Cape Wagtail; Blacksmith Plover (Kiewiet); Cape White-eye; Mousebird; Hamerkop; Olive Thrush; Karoo Thrush; Spoonbill; White-tipped starling; Diederick Cuckoo; Cardinal Woodpecker; Barn Owl; Acacia Pied Barbet; Freckled Nightjar; African Hoopoe; Orange River White-eye; Lanner- and Peregrine Falcon; Black-breasted Snake Eagle; Rock Kestrel; Booted and Verreaux's (Black) Eagle; Ludwig's Bustard; Dusky Sunbird; Ground Woodpecker; Southern Grey Tit.[2]

It is reported that Hippopotamuses once lived in this river but were hunted to extinction in the 1800s.[2]

b. *Biodiversity Terrestrial*

i. Protected areas

There are currently no declared protected areas within the Thembelihle LM jurisdiction. There is an opportunity to establish a protected area that will guarantee the conservation of certain ecosystems.

ii. Critical Biodiversity Areas

According to SANParks, CBAs are those areas that must be safeguarded in their natural or near-natural state because they are critical for conserving biodiversity and maintaining ecosystem functioning.[3] Closely associated with the CBAs are the Ecological Support Areas (ESAs), these areas act as supporting zones or areas which must be safeguarded as they are needed to prevent the degradation of CBAs.[3] The main purpose of a CBA map is to guide decision-making about where best to locate development within a municipality.[4] The South African National Biodiversity Institute (SANBI) has categorised areas into varying degrees of ecological importance as can be seen in table 2 below.

Table 2: South African CBA categories.[4]

CBA Map category	Description	Desired state	Examples of compatible land uses
Protected area	Areas that are formally protected in terms of the Protected Areas Act. Each protected area has a management plan.	As per each protected area's management plan.	• Conservation-related land uses
Critical Biodiversity Area 1 (CBA 1)	Areas that are irreplaceable for meeting biodiversity targets. There are no other options for conserving the ecosystems, species or ecological processes in these areas.	Maintain in natural or near natural ecological condition.	• Open space • Low impact ecotourism or recreation
Critical Biodiversity Area 2 (CBA 2)	Areas that are the best option for meeting biodiversity targets, in the smallest area, while avoiding conflict with other land uses.		
Ecological Support Area 1 (ESA 1)	Areas that support the ecological functioning of protected areas or CBAs or provide important ecological infrastructure.	Maintain in at least semi-natural ecological condition.	• Low impact ecotourism or recreation • Sustainably managed rangelands • Certain forms of low density housing
Ecological Support Area 2 (ESA 2)		No further intensification of land use.	• Intensive agriculture
Other natural area (ONA)	Natural or semi-natural areas that are not required to meet biodiversity targets or support natural ecological processes.	Best determined through multi sectoral planning processes.	From a biodiversity perspective, these areas can be used for a range of intensive land uses
No natural remaining (NNR)	Areas in which no natural habitat remains		

Figure 5 below shows the location and categories of CBAs found within the Thembelihle LM boundary.

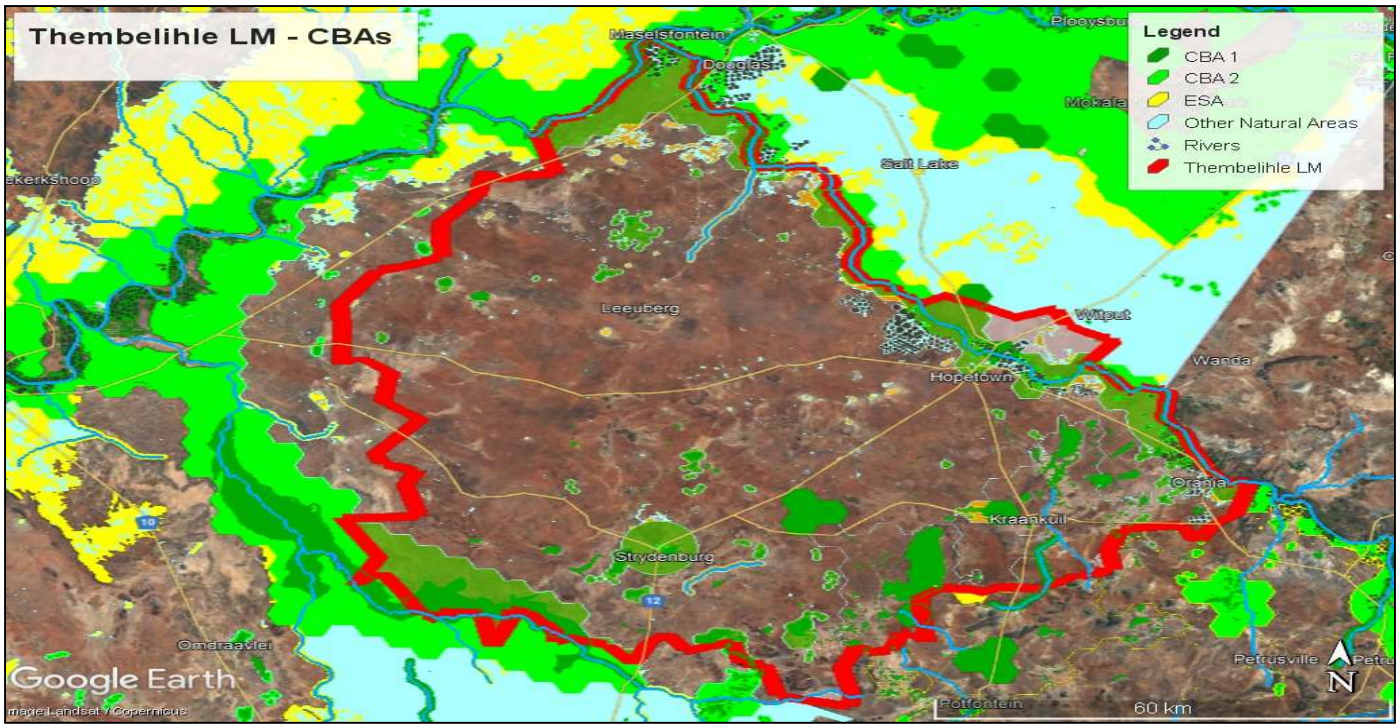


Figure 5: Thembelihle LM Critical Biodiversity Areas

As can be seen in figure 5 above, the Thembelihle LM has a significant number of CBAs of various categories which have implications on the types of activities that can take place within these areas. As can be expected, all the water resources have been classified as CBAs.

1.1.1. Terrestrial Vegetation

Thembelihle has 3 Biomes within its boundary and these are: the Nama-Karoo Biome which covers an area of 7 508 km^2 (≈ 93.4% of the municipal area); buffering the majority of the length of the Orange River the Savanna Biome covers a 513 km^2 area (≈6,4% of the municipal area); and the Grassland Biome which covers an insignificant area of 16,5 km^2 (≈0.2% of the municipal area) is located on the Southeast of Orania. The map shown in figure 6 below shows the spatial distribution of these biomes within the municipality.

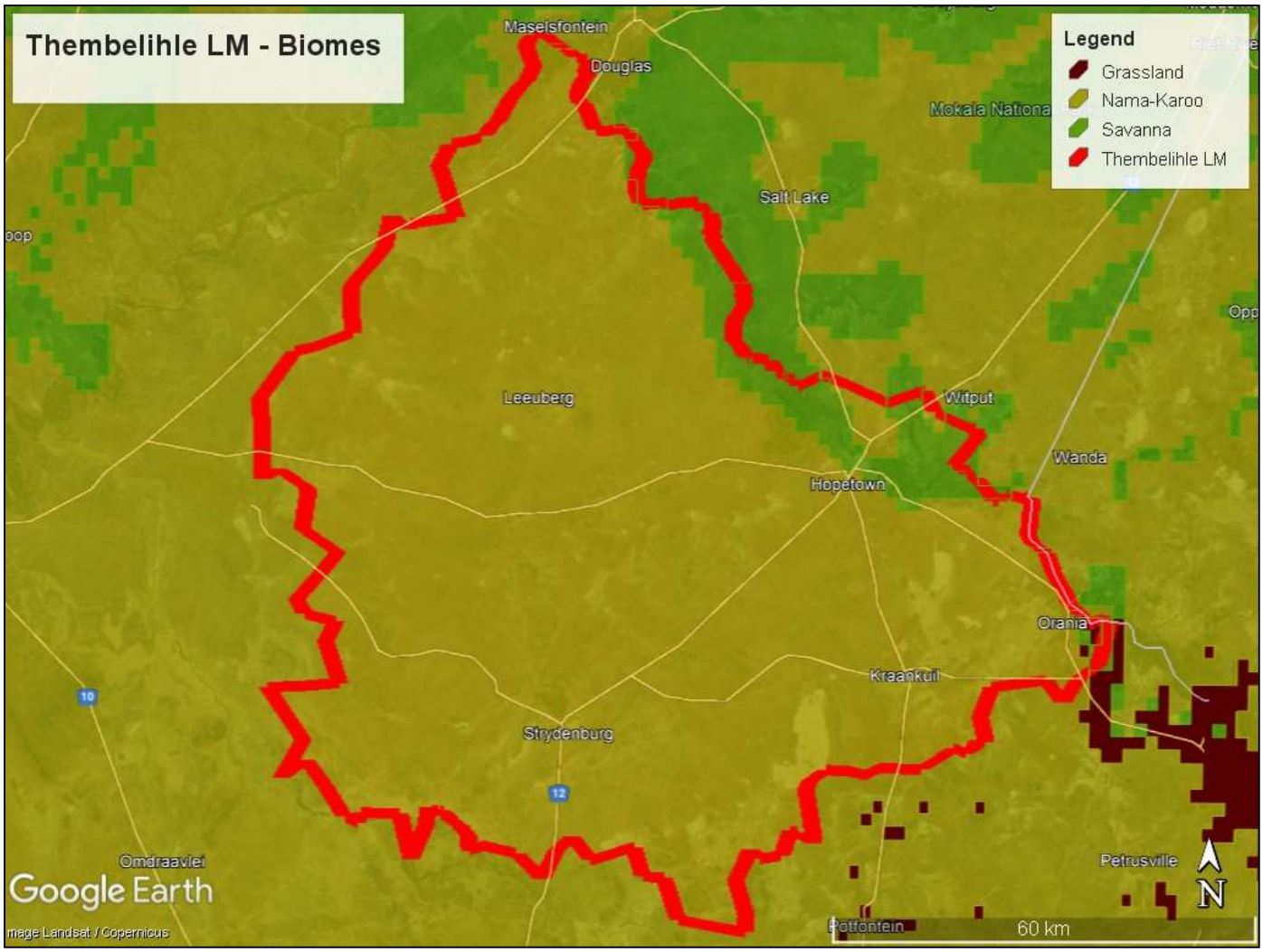
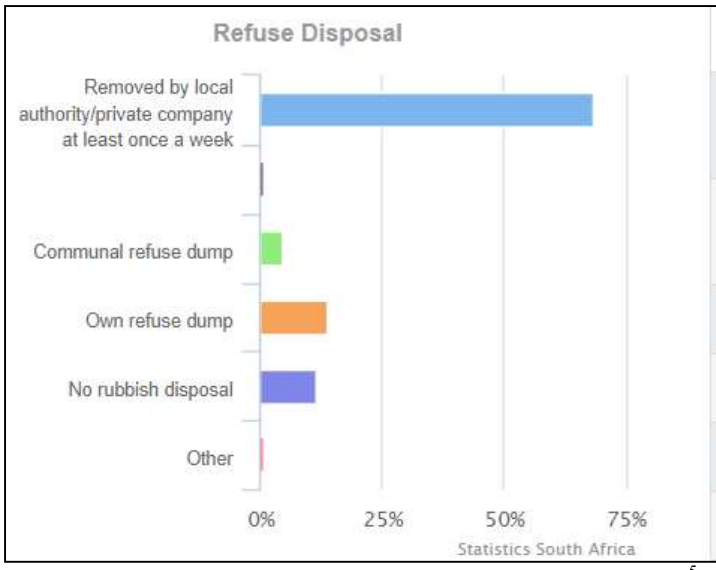


Figure 6: Biome distribution within the Thembelihle LM

Farming within the municipality is adapted to suit the prevailing biome hence it is mainly centred around small livestock farming.

2. Waste Management

From the review of the IDP it is not clear whether the municipality has an adopted Integrated Waste Management Plan (IWMP) or a designated Waste Management Officer (WMO). Notwithstanding, refuse removal is being conducted by the municipality. The information (figure 7) from Statssa, 2011 show the refuse collection rates within the municipal area.



Refuse Disposal	Percentage
Removed by local authority/private company at least once a week	68,4%
Removed by local authority/private company less often	0,8%
Communal refuse dump	4,6%
Own refuse dump	13,7%
No rubbish disposal	11,6%
Other	0,9%

Figure 7: Refuse removal rate at Thembelihle households.[5]

The Constitution of the Republic (see figure 2) mandates local government to provide refuse removal services to its citizens. The process of Waste Management at local municipality level entails activities as shown in figure 8 below.



Figure 8: General waste management process at local municipality level

The status of waste management at Thembelihle LM will be briefly described according to the general waste management process shown in figure 8 above.

2.1. *Waste Generation*

Knowing the locations where waste is generated within a municipality as well as the waste types and quantities is the first step in waste management. Typically, points of waste generation are residential areas, commercial areas, retail areas, administrative areas, as well as industrial areas. The waste types and quantities generated in these different areas give rise to the generation of varying types and quantities of waste. In the Thembelihle LM, the most likely places to generate waste will be the main areas of human settlement i.e., Hopetown (with a population of 10 259) and Strydenburg (with a population of 2 987).[5] From the data above it can be deduced that a significant amount of waste is generated in Hopetown when compared to Strydenburg. The following places of significant waste

generation will be based on economic activities of the municipality. Figure 9 below shows the contributions to the Gross Value Added proportions per economic sector within the Thembelihle LM.

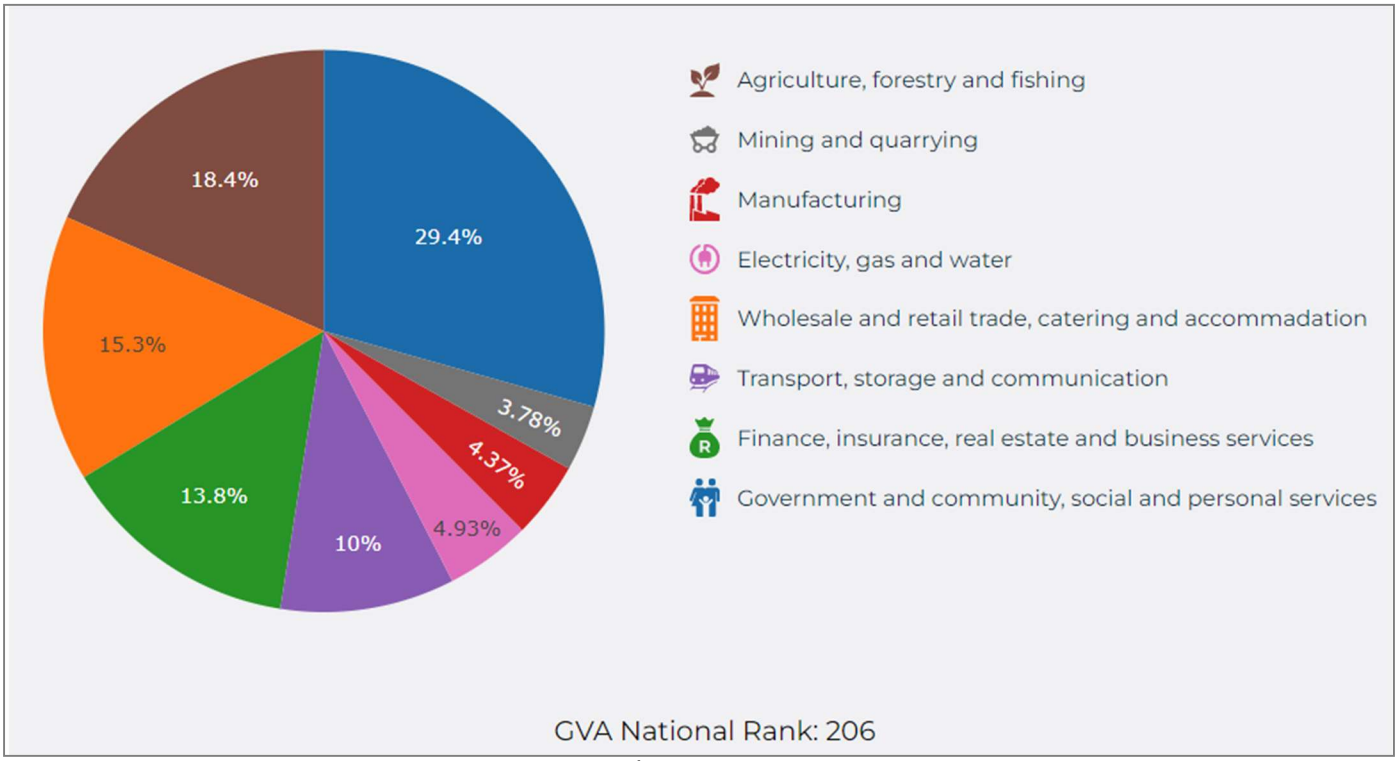


Figure 9: Thembelihle LM GVA per economic sector.[6]

Deducing from the information shown in figure 9 above, the Government and Community services, Agriculture, Retail and Accommodation and Business services section will be the significant generators of waste. It can be predicted that most of this waste will be general waste as well.

2.2. *Collection and Transportation*

At an average waste removal rate of 68,4% on a weekly basis, the Thembelihle LM is relatively doing well with waste collection and transportation. The collection rates per settlement can be seen in table 3 below.

Table 3: Refuse collection per settlement within the Thembelihle LM.[5]

Refuse collection	Hopetown	Strydenburg	Orania	Thembelihle NU	Thembelihle LM
Removed by local authority/private company at least once a week	78,7%	67%	92,7%	3,6%	68,4%
Removed by local authority/private company less often	0,3%	1%	0%	3,6%	0,8%

Refuse collection	Hopetown	Strydenburg	Orania	Thembelihle NU	Thembelihle LM
Communal refuse dump	4,4%	9,6%	0%	1,5%	4,6%
Own refuse dump	1,4%	8,3%	4,4%	86,7%	13,7%
No rubbish disposal	14%	14%	0,6%	4,2%	11,6%
Other	1,1%	0,1%	2,3%	0,4%	0,9%

2.3. Final Waste Management

After the refuse has been collected from communities it must be delivered to a certain place for final management which can either be sent for disposal at a landfill site or collected for recycling. Recently, there has been initiatives aimed at diverting waste away from landfill sites to comply with the prescripts of the National Waste Management Strategy, 2020. Even though there is recycling within the municipality, it is not conducted at an optimum level. Most waste generated within this municipality is still disposed of in landfill sites and illegal dumps.

3. Air Quality Management

According to the National Environmental Management: Air Quality Act (NEMAQA), Act 39 of 2004, local municipalities have the following obligations listed in Table 4 below:

Table 4: Local Municipality obligations as per the NEMAQA 39 of 2004

No	Municipal Power/ Responsibility
1	Designate a Municipal Air Quality Officer (AQO) from its administration.
2	Develop an Air Quality Management Plan (AQMP) and include it in the IDP.
3	Prepare an annual progress and compliance report regarding the implementation of the AQMP.
4	Enforce and ensure compliance with the requirements of the relevant NEMAQA regulations.
5	Establishment of Air Quality Stations

According to the 2017 National Framework for Air Quality Management, the responsibilities and/or powers listed above are exclusive to municipalities. The District Municipalities also have responsibilities and/or powers exclusive to them according to NEMAQA, these are listed in Table 5 below:

Table 5: District Municipality obligations as per NEMAQA 39 of 2004

No	Municipal Power/ Responsibility
1	Implement the atmospheric emission licensing (AEL) system
2	Perform the functions of the licensing authority as set out in Chapter 5 of the NEMAQA.

According to section 36(2) of the NEMAQA the District Municipality may, however, delegate its power to license to the Provincial Department of Agriculture, Environmental Affairs, Rural Development and Land Reform (DAERL). There are currently no active Air Quality Monitoring Stations within the whole Pixley ka Seme District Municipality.

3.1. Potential Sources of Air Pollution

The potential Air Pollutants can, to some extent, be determined by establishing the types of economic activities within the municipality. Figure 9 above can also help shed light on this issue. Some of the potential sources of air pollution at the Thembelihle LM are discussed below.

3.1.1. Vehicle emissions

Vehicle emissions contribute significant amounts of Carbon Monoxide (CO) and Nitrogen Oxides (NO_x) into the atmosphere.[8] Emissions from vehicles also contribute to photochemical smog, especially in areas that experience high traffic density.[8] The national road N12 which connects the southern parts of the Pixley ka Seme as well as Western Cape and Eastern Cape provinces to Kimberley passes through the major settlements of the Thembelihle municipality (i.e. Strydenburg and Hopetown. This route carries large amounts of traffic daily and with the demise of rail transport, these routes have begun carrying a lot of 34 ton side tipper trucks which transport minerals such as Iron Ore and Manganese from the Postmasburg-Kathu-Kuruman region to the Gqeberha harbour for export. This increase in heavy vehicle movement in this region has a potential of contributing greatly to vehicle emissions pollution.

3.1.2. Domestic fuel burning

The domestic burning of fuels such as paraffin, wood, coal etc. leads to an emission of air pollutants such as Sulphur Dioxide (SO_2), Carbon Monoxide (CO), Volatile Organic Compounds (VOCs) and particulates.[8] Low-income households and informal settlements that are dependent on these domestic fuels are the potential sources for these types of pollutants.[8] As can be seen in Table 6 below, after Electricity, Gas, Paraffin, Coal, Wood, and Candles are some of the considerable energy sources used for cooking, heating and lighting purposes in the Thembelihle LM households.

Table 6: Energy sources for household activities at the Thembelihle LM (StatsSA, 2011)

Energy Source	Cooking	Heating	Lighting
Electricity	63,2%	43,9%	75,2%
Gas	16,5%	2,9%	0,2%
Paraffin	9,1%	2,3%	2,4%
Solar	0,2%	0,6%	1,1%
Candles	0%	0%	20,8%

Energy Source	Cooking	Heating	Lighting
Wood	10,5%	32,9%	0%
Coal	0,1%	0,2%	0%
Animal Dung	0%	0%	0%
Other	0%	0%	0%
None	0,5%	17,1%	0,3%

From this data it can be deduced that there exists a potential problem of indoor air pollution within the Thembelihle LM households.

3.1.3. Industrial and Mining emissions

There are no significant industrial areas within the Thembelihle LM hence this cannot be a significant source of air pollution in this municipality. Within the municipal jurisdiction, there is, however, a significant number of mining operations that have a potential of emitting vehicle emissions as well as particulate matter (specifically dust). From the analysis of satellite images these mining operations are mainly located along the Orange River, are small-scale diamond digging operations (with associated tailings dams) and construction material mining areas (Sand, Gravel etc.). The location of these mining operations can be seen in Figure 10 below.

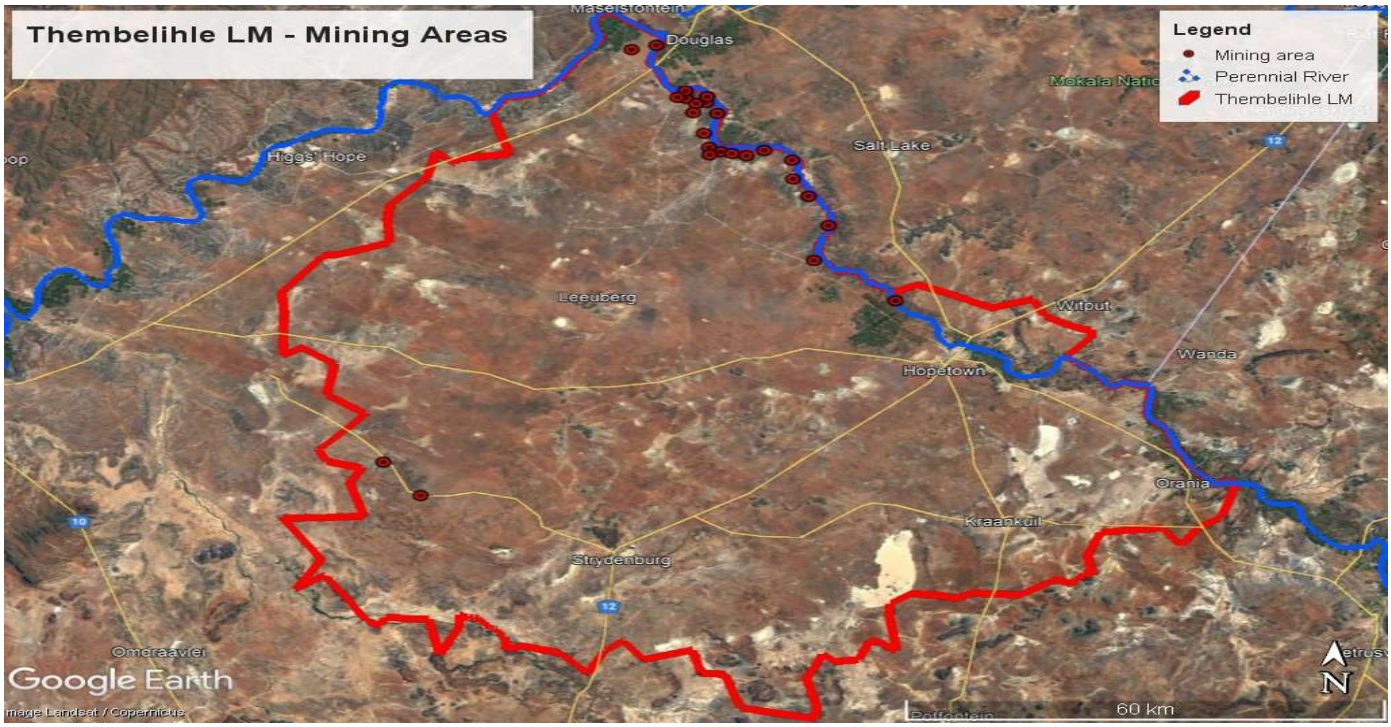


Figure 10: Mining areas within the Thembelihle LM

These mining areas relatively far from the densely populated residential areas of Strydenburg and Hopetown and are therefore the less likely to have their air quality polluted by the emissions from these operations. This, however, does not mean that there is no potential risk to the residents and the general environment hence mitigation

measures must still be taken to reduce fugitive emissions from these operations. Atmospheric Dispersion modelling coupled with Ambient air quality monitoring would help confirm the major sources of air pollution within this municipality.

3.1.4. Biomass and Waste burning

Burning living and/or dead vegetation as well as domestic waste found in illegal dumps and uncontrolled landfill sites all contributes to this type of air pollution and includes human-initiated burning and natural lightning-induced burning.[9] The following air pollutants are emitted when biomass and domestic waste are burnt: Carbon Dioxide (CO_2), Methane (CH_4) and Nitrous Oxide (N_2O), Carbon Monoxide (CO), and Volatile Organic Compounds (VOCs).[9] Any areas within the Thembelihle LM that undertake burning of Biomass such as farms and areas where the burning of illegal dumps is widely practiced will have a significant number of the above-mentioned air pollutants than the areas that do not practice such activities.

3.1.5. Landfill site gas emissions

Landfill site gases are generated during the decomposition of the landfilled waste and are related to the composition of the wastes undergoing decomposition.[9] Typical gases emitted during this process of decomposition are: Methane (CH_4), Carbon Dioxide (CO_2), Hydrogen Sulphide (H_2S) and mercaptans (CH_4S), Phenols (C_6H_6O), Chlorobenzene (C_6H_5Cl), Benzene (C_6H_6), and Methylene chloride (CH_2Cl_2).[9] The Major settlements within the Thembelihle LM i.e. Strydenburg, Hopetown and Orania have landfill sites that will emit an array of the above mentioned gases at various rates. If these sites are poorly managed and nearby households, the air pollution may pose a danger to the health of the communities.

3.1.6. Agricultural emissions

Air pollutants in agricultural areas are mostly generated through the following activities: tilling of the soil, fertiliser, and pesticide application as well as harvesting activities.[9] Particulate is a significant pollutant from agricultural activities. The other pollutants are related to the types of fertilisers and pesticides used in certain farms. Figure 11 below shows the areas where extensive crop cultivation takes place within the Thembelihle LM. This crop cultivation is supported mostly by pivot irrigation and is centred mostly along the Orange River.

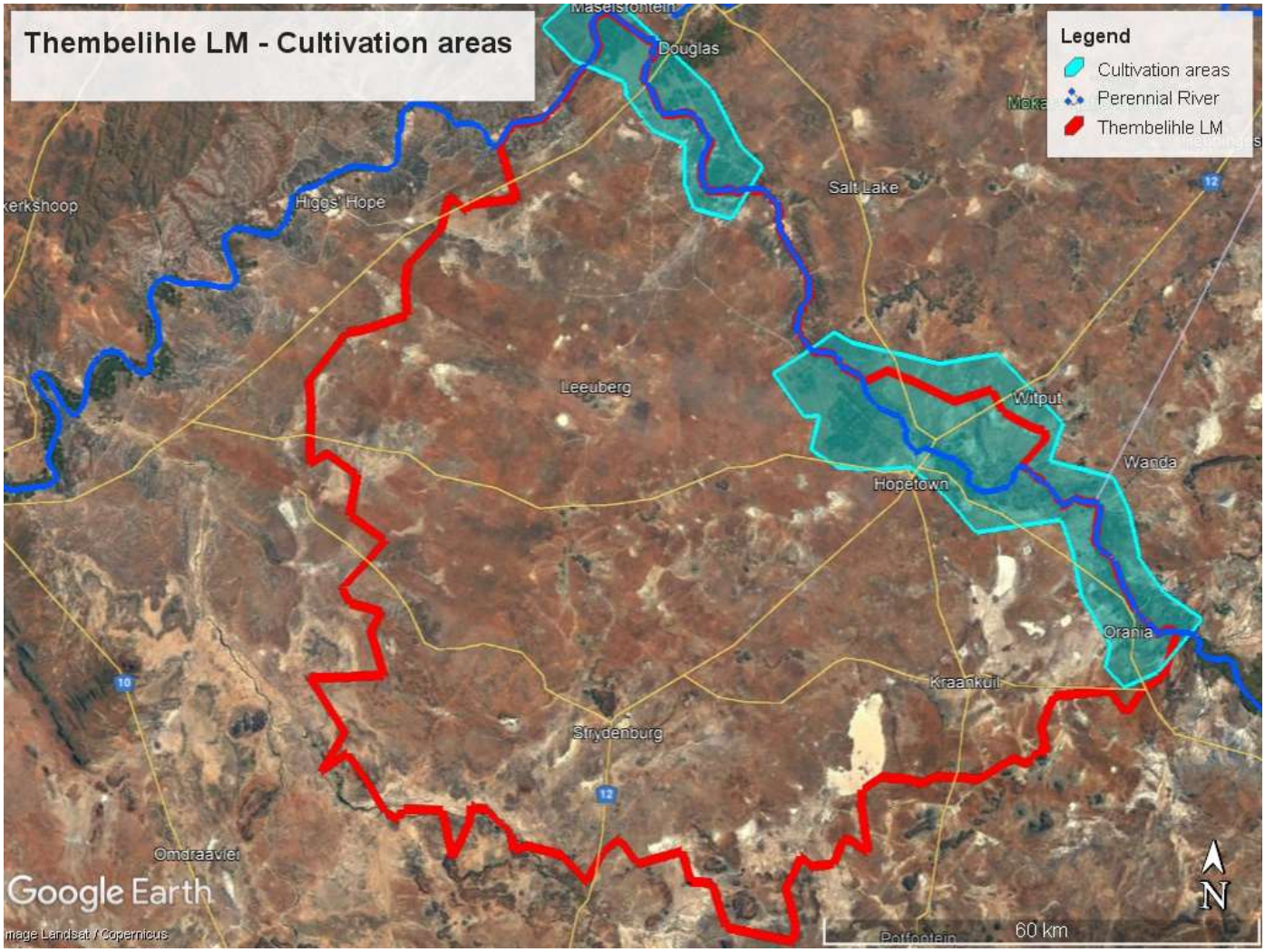


Figure 11: Extensive cultivation areas within the Thembelihle LM

4. Environmental Impact Assessment

In developmental matters local municipalities have the potential of playing two roles i.e., a regulator or a proponent/ applicant. As a regulator, a local municipality assesses developmental applications within its jurisdiction and provides comments during the consultation phase of the EIA process. The role of a local municipality at this stage is to ensure that all the key local spatial and environmental tools/ guides are considered during the period of assessment. Tools such as Spatial Development Frameworks (SDF), Critical Biodiversity Areas (CBAs), Environmental Management Framework (EMF), Waste Management By-laws etc., are used to ensure that the proposed development will be compliant with local environmental statutes.

When acting as a Proponent/ Applicant, a local municipality seeks to implement its service delivery obligations and thus acts in favour of the proposed development. When acting on this role, the municipality then is required to appoint an Environmental Assessment Practitioner (EAP) which facilitates the environmental authorisation process on behalf of the local municipality.

A local municipality is not legally empowered to authorise environmental authorisation applications the organs of state empowered to approve or reject environmental authorisation

applications is either the Provincial or National departments of Environmental Affairs. In cases of mines, the Competent Authority is the Department of Mineral Resources and Energy and in cases of Water related projects the Department of Water and Sanitation would authorise Water Uses. The NEMA EIA listing notices 1, 2, and 3 of 2014 (Amended 2017) specify which authority is competent to handle applications for which listed activities. The commencement of a listed activity by any person would result in legal prosecution or a section 24G application which would delay projects and add to project costs as there are fines attached to these contraventions.

The Northern Cape's Department of Agriculture, Environmental Affairs, Rural Development and Land Reform (DAERL) is the provincial competent authority in the province. There is a DAERL official stationed in De Aar to handle all EIA applications within the Pixley ka Seme District Municipality. Municipalities are advised to consult with this official to help them assess the potential of their service delivery projects triggering the listed activities. This would assist in ensuring that service delivery projects are not properly planned, and environmental protection is guaranteed.

5. Environmental Compliance and Enforcement

Various organs of state have Environmental Management Inspectors (EMIs) that audit compliance with relevant environmental legislation and authorisations. If the EMIs are of the opinion that a certain entity did not comply with the provisions of environmental legislation or an environmental authorisation they can then litigate against the offending entity. Sanctions range from halting of the illegal activities, payment of fines and the imprisonment of the responsible individuals. Non-compliance with environmental licenses such as Waste Management Licenses (WML), Atmospheric Emissions Licenses (AEL), Environmental Authorisation (EA) etc., is a serious offense that should be avoided by the holders of the licenses. The Thembelihle LM can help ensure environmental compliance to various legislation by reporting non-compliance to the DAERL's Environmental Compliance and Enforcement section for further investigations.

6. Climate Vulnerability, Mitigation and Adaptation

Climate is important because it determines both how and where we live and how we organise our societies and economic activities. Climate change refers to alterations to prevailing climatic conditions, which persist for long periods (decades to millennia). Increasingly, the phrase "climate change" is used to refer to changes in global and regional climate in response to human influences. Human activities result in emissions of four principal greenhouse gases (GHG): Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxides (NO_x) and the Fluorinated Gases. These gases accumulate in the atmosphere, causing concentrations to increase overtime. Significant increases in all these gases have occurred and intensified throughout the various stages and globalisation of the industrial revolution.

A Climate Change Vulnerability Assessment and Response Plan (2016) was drafted for the Pixley Ka Seme District Municipality through the Local Government Climate Change Support Programme (LGCCS), a DFFE initiative. According to this study, climate change impacts will result in increased summer temperatures and reduced rainfall during the traditional rainy

seasons resulting in extreme dry years becoming more frequent. This implies that the PKSDM will experience frequent and severe droughts whilst at the same also experiencing significant amounts of precipitation falling in shorter periods of time thus leading to flooding and soil erosion.

7. Conclusion

This environmental profile is a result of an analysis conducted in the 2022/2023 financial year by the Department of Agriculture, Environmental Affairs, Rural Development and Land Reform (DAERL) on the Thembelihle LM's IDP. The purpose of this analysis was to assess the IDP for environmental issues which are at most legal obligations. During this period of assessment, the Thembelihle LM scored 56.5% in environmental performance. As a support to the municipality the DAERL has developed this environmental profile to assist the municipality by availing environmental information to be included into the IDP thus help improve its environmental performance. This environmental profile contains the information on the status of the municipality's Environmental governance, Environmental Programmes, as well as the status on Biodiversity Management, Waste Management, and Air Quality Management. The municipality's vulnerability to climate change was also highlighted and actions to respond to these vulnerabilities were briefly mentioned. Throughout the document, proposed interventions to the identified gaps and are further listed in section 9 below. The municipality will utilise this document as a road map to giving effect to section 24 of the Constitution which guarantees every South African a right "*to an environment that is not harmful to their health or well-being*".

8. Proposed Interventions

The actions below are proposed with an aim of improving environmental management within the Thembelihle LM. Implementing these actions will help ensure that service delivery within this municipality is considerate of environmental issues some of which are legal requirements whilst others are best practices that help institutions achieve their goals in cost effective and efficient ways.

8.1. Incorporate the provision of a safe and healthy environment in the Vision and Mission statements of the municipality as stipulated in section 152(d) of the Constitution.
8.2. Update the organisational structure in the IDP to comprehensively show which posts are vacant and which ones have been filled.
8.3. Review the REFUSE REMOVAL BY-LAW (By-law No. 12), 2008 by-laws at the municipality and establish potential areas of improvement.
8.4. Map all the waste management infrastructure within the municipality and show the status of licensing of these waste management structures.
8.5. Develop an "Economic activities inventory" for the Thembelihle LM. This will help ascertain potential and actual threats to the municipality's air quality which would then, in turn, enable proper management.
8.6. Develop a local Climate Change Mitigation and Adaptation strategy for the municipality to be capable of addressing the negative impacts of climate change whilst exploiting the positive impacts of climate change.

. CHAPTER 3. DEVELOPMENT PLAN

3.1 INTRODUCTION

This Chapter focuses on the development plan of the Thembelihle Municipality and its alignment to the budget, as well as the new five year Spatial Development Framework. The development plan has framework of five Key Performance Areas (KPAs), the nine (9) Pre-determined Objectives (PDOs) and the respective key initiatives, key programmes as well as capital projects formulated to achieve the developmental goals and vision of the Municipality.

3.2 ELEMENTS OF THE PLAN

3.2.1 Thembelihle Municipality Vision

At its strategic planning session comprising of Councillors and Senior Officials the Municipality has set its vision to be

"Providing quality services through good relations and sound management"

From this vision the following mission has been set out in order to conform to the vision.

3.2.2 Thembelihle Municipal Mission

During the term of office of the current council the municipality will focus on the following as their mission statement.

- Develop and build a skilled knowledgeable workforce
- Increase Financial viability
- Optimizing and sustaining infrastructure investment and services
- Increased Investment in the Thembelihle Economy
- Responsive, accountable, effective and efficient local government

3.2.3 Thembelihle Municipal Mission

Stemming from the mission that the municipality will be embarking on the following values have been identified and need to be subscribed to.

VALUES	
Integrity	We will communicate realness in our dealings with colleagues and clients and shall be upstanding at all times
Accountability	We will be accountable for all our actions, good or bad and deal with the consequences thereof
Professionalism	We are here to serve our stakeholders with the highest standards and beyond their expectations
Excellence	We are never satisfied with yesterday's way of doing things and are always looking for new ways to do our work better, faster, smarter and we do it best always
Empowerment	We will always seek to create an environment where our community may learn, grow and be fulfilled and reach their full potential
Honesty	We shall at all times ensure that we handle all matters like they are, without creating unrealistic expectations and at all times communicating the truth
Commitment	We shall be devoted with faithfulness to all our stakeholders and in particular the vision for the development of our organisation
Efficiency	We shall make the most of our resources within the shortest possible time and shall reach our targets thus converting our plans into action
Discipline	We shall at all times focus ourselves on the main goal and be willing to achieve that goal at the expense of our own comfort

3.3 STRATEGIC ANALYSIS

An analysis have been conducted and the following strengths and weakness were identified that would need to be addressed during the current term of office:

STRENGHTS	**WEAKNESSES**
- Provide basic services delivery to the community - Good quality of drink water (Blue drop & Green drop) - Commitment of senior management - Expanded Public Works Programme - Implementation of MIG Funds - Agricultural Sector - Basic Municipal By-Laws exist - Availability of Land - Basic Public facilities available in the municipality.	- Inability to 93 utilize the strategic and economic 93utilization of municipal owned land and property - Ageing infrastructure and limited resources available for effective maintenance programmes - High level of inequality (wide gap between rich and poor) - High cost of water purchases - Loadshedding - Seasonality of the economy and employment - Limited progress with BBBEE at a local level - Limited support to SMME's - Scarce skills shortages in planning and development - Skills gap in basic business techniques - High cost of land and property - High rate of unemployment - High rate of poverty - Inconsistent understanding of economic development objectives - Increasing levels of drug related crime - Increasing levels of poverty induced crime - Increasing levels of violence against women and children - Increasing incidence of TB and HIV/Aids - High level of alcohol and substance abuse - Increase in substance and alcohol abuse amongst youth - Relatively high wage bill inside the municipality

The following opportunities and threats have also been identified.

OPPORTUNITIES	THREATS
- Growth in both domestic and international tourism markets - Improved coherence amongst established and emerging businesses - Development oriented political and administrative leadership - Sound financial management and leadership - Optimal utilisation of municipal owned land properties - Commitment to strengthening local government sphere - Established effective intergovernmental relations - Effective communication platforms with the community - Good work ethics amongst staff and councillors	- Dilapidated infrastructure - Decaying of council's assets i.e. public facilities, buildings - High level of inequality - Steep increase in land value - Fluctuations in the tourism, construction and fishing industry - High property and - Limited access to adequate resources to achieve strategic objectives - High levels of poverty and unemployment - Increase in alcohol and substance abuse

3.4 KEY STRATEGIC ISSUES

The Council has identified the following strategic issues that would be addressed during the term of office.

Issue	**Implication if not addressed**	**Strategy to address issue**
Lack of discipline among staff	No work ethic	Develop a policy to address staff discipline
	Decrease in staff morale	Initiate wellness programme for staff
	Negative image of the municipality	Monitor policy implementation and wellness programme through LLF
	No service delivery	
Low Skilled Staff	Poor quality of reports to government departments	Development of a Workplace Skills Plan (WSP)
	Poor quality of work	Implementing the WSP
	General non-compliance with norms and standards	Quality Control and Monitoring of WSP
Unfilled critical posts	Staff do work not in their job description	Develop recruitment policy
	Overtime and disputes	Review Organogram (in process)
		Employ staff in the vacant posts
High redundant staff	Increased salary cost	Review all employee contracts
	Municipality not getting value for money	Proper Placement of staff
	Employment of unskilled people	Initiate job evaluation process

	Increase in labour cost	
Poor alignment of key programmes	Non-compliance of government grants	Improving the capacity of officials to develop plans
	No clear plan to develop municipality	Training of councillors on IDP, PMS etc for better oversight
	Lack of efficiency in municipal operations	Annual Review of plans
Consequence Management	Fruitless and irregular expenditure will continue	Establish Financial Misconduct Committee
	Impression of a corrupt municipality will persist	Develop procedural manual
	Employees will continue to do as they wish	Quarterly and regular reporting on the activities of the Misconduct Committee
Communication with key stakeholders	Lack of trust	Develop a communications policy/strategy
	Wasteful expenditure	Appoint a communications officer
	Not addressing the needs of the community	Establish and train ward committees (done)
Ageing infrastructure	Increase in overtime	Develop an operations and maintenance plan
	Slow service delivery	Implement the O and M Plan
	Increase in maintenance cost	
Decrease in economic growth	Increase in the number of indigents	Develop an economic development strategy
	Decrease in revenue for the municipality	Design economic development projects (done)

	Increase in poverty	
Supply Chain Non-compliance	Increase in corruption	Training of staff on SCM
	Disadvantage local businesses	CSD and registration of SMME on database
	Negative audit report	Training of councillors on SCM
Revenue Enhancement	Cannot pay creditors	review and implement Credit Control Policy
	Cannot manage projects	Create a community awareness on the policy
	Create a culture of non-payment	Install Smart Metering

3.4.1 Strategies for development

Thembelihle Municipality engaged in the process of the development of its strategic plan. In the strategic plan, it identified critical strategies related to its development over the current term of council and by default the IDP term. In so doing the municipality identified the following strategic objectives which will need to be aligned to projects eventually

1. To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced
2. To improve the Operations and Maintenance capacity of the municipality and its infrastructure through planning and implementation by ensuring 100% alignment of O & M Budgeting and implementation
3. To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality
4. To improve low staff performance and the misalignment of the organisational structure with the strategic objectives through a wholesale organisational redesign process.
5. To improve poor performance and compromised service delivery thereby targeting low skills base within the municipality by developing and implementing a vibrant Workplace Skills Plan.
6. To create an economically conducive environment by implementing the LED Strategy of the municipality
7. To strengthen the service delivery budget by sourcing extra funds

8. To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.
9. Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality

The following components need to be addressed:

3.4.1.1 **Rural roads**

PROPOSED SOLUTIONS TO PROBLEMS

- Improved maintenance on the storm water drainage and surface to travel on;
- Control of speed on roads;
- Control the weight of large vehicles;
- Privatise maintenance on roads.

ROLE PLAYERS IN PROCESS

- Department of Transport;
- Local Authority;
- District Municipality;
- Farm owners;
- Farmers union;
- Ward committees.

3.4.1.2 **Sanitation**

PROPOSED SOLUTIONS TO THE PROBLEM

- Planning for 750 new sites
- Awareness campaign to be launched;
- Alternative methods to be investigated;
- Apply for funding.

ROLE PLAYERS IN THE PROCESS

- Department of Water Affairs;
- Farmers unions;
- Farm workers;
- District municipality
- Local Authority.

3.4.1.3 **Electricity**

PROPOSED SOLUTIONS TO THE PROBLEM

- Alternative methods/source:
  - sun panels;
  - windmills.
- Training of farm workers;
- Pre-paid meters to be tried out;
- Upgrading of present facilities in a phased fashion (1& 2).

ROLE PLAYERS IN THE PROCESS

- Eskom;
- DME;
- District Municipality;
- Local Authority;
- Local co-operation;
- Farmers unions.

3.4.1.4 **Housing**

PROPOSED SOLUTIONS TO THE PROCESS

- Planning of 750 new sites
- Apply for and provision of housing subsidies;
- Provision of formal housing structures;
- Upgrading of present structures

ROLE PLAYERS IN THE PROCESS

- COGHSTA;
- Local Authority;
- District Municipality;
- Farm workers;
- Farmers unions;
- NGO ’s

3.4.1.5 **Health**

PROPOSED SOLUTIONS TO THE PROBLEM

- Upgrading of hospital
- Health awareness programmes with farm workers;
- Provision of mobile clinics more regular and better equipped;
- Better training of medical personnel;
- Improved management control.

ROLE PLAYERS IN THE PROCESS

- Department of Health;
- Department of Water Affairs;
- Farmers unions;
- District municipality;
- Local Authority;
- Health Committee.

3.4.1.6 **Safety and security**

PROPOSED SOLUTIONS TO THE PROBLEM

- Improved SAPS and SAPS forums activities;
- More intensified policing in the open;
- Mobile police stations to be provided;
- Fencing around residential area;
- Disaster management/action plan;
- Radio and communication plan;
- Training of farmers and workers.

ROLE PLAYERS IN THE PROCESS

- SAPS ;
- CPF
- Youth Against Crime
- Correctional services;
- SANDF;
- Farmers unions;
- Farm watch systems;
- Farm workers;
- Local authority
- District municipality;
- Private companies.

3.4.1.7 **Water**

PROPOSED SOLUTIONS TO THE PROBLEM

- Provision of boreholes/reservoirs;
- Upgrading of Purification plant;
- Bulk water supply to Stydenburg.
- Water points at houses
- Provision of clean water

ROLE PLAYERS IN THE PROCESS

- Farmers unions;
- Department of Water Affairs;
- Local Authority;
- District Municipality

3.4.1.8 **Recreation**

PROPOSED SOLUTIONS TO THE PROBLEM

- Upgrade existing facilities;
- Promote organised sports
- Construction of a swimming pool, cricket pitch;
- Central located upgrade higher quality facility;
- Affiliation to Sports Bodies

ROLE PLAYERS IN THE PROCESS

- Department of Sport, Arts & Culture ;
- Establishment of sport forum;
- District Municipality
- Farmers unions;
- Churches;
- Private funding.

3.4.1.9 Safety and Wellbeing of the Residents and Travellers

PROPOSED SOLUTIONS TO THE PROBLEM

- Reduce the speed on the road at critical areas;
- Upgrading & widening of bridges/low water bridges;
- Provide applicable road signs;
- Provide travelling surface for “karretjies” next to the road;
- Improved law enforcement;
- 4-way stops and pedestrian crossing;
- Speed bumps;
- Provision of street lights for the section that goes through the urban areas;
- Provide fencing on the road reserve boundary.
- Keeping roadsides clean and environment friendly

ROLE PLAYERS IN THE PROCESS

- Department of Transport;
- SANRAL;
- Local Authority;
- District municipality;
- Farmers unions

3.4.1.10 Local Economic Development

PROPOSED SOLUTIONS TO THE PROBLEM

- To establish and activate local business chambers;
- Establishment of a local economic development forum to be driven by the council;
- Develop a LED Strategy and Tourism plan
- Support and marketing of local business;
- Stimulation of the informal sector;
- Value to be added to local products and then the marketing thereof;
- Appointment of a consultant to conduct a detailed study in this regard.
- Development of land for irrigation
- Formulation of Business plans

ROLE PLAYERS IN THE PROCESS

- Local authority;
- Development forum;
- Business chambers;
- Consultant;
- Farmers unions;
- Informal and upcoming farmers;
- District municipality;
- LED.

3.5 IDENTIFICATION OF PROJECTS

According to the guidelines project task teams should be appointed to identify certain projects within their field(s) of speciality.

A different approach for the identification of projects was followed because of the small size of the municipality and the limited staff available to assist with the process.

The projects were identified in the following way:

- the **identification of projects** by the IDP representative Forum and the IDP Steering Committee during engagement sessions.

- the **technical preparation** and formulation of the project during discussion sessions with certain professional people in their specific fields:

    - civil engineer and technical representative of the city council;
    - electrical engineer and technical representative of the council;
    - IDP Manager;
    - AIDS expert;
    - CFO; plus
    - Facilitator.

During the identification of the projects, the following basic guidelines/directives were applied to every project:

- objectives of each project and indicators to achieve these objectives;
- project outputs to be achieved related to target groups and locations;
- major activities, people responsible and timing;
- costing, budgets and services of funding.

Other Programmes that also assist in Skills Development & Job Creating.

Nr	Programme	Activity	Place
1.	**Learnership**	**Plumbing**	**Hopetown**
2.	**Learnership**	**Plumbing**	**Strydenburg**
3.	**Learnership**	**Civil Building & Construction**	**Hopetown**
4.	**Learnership**	**Building & Construction (2)**	**Hopetown**
5.	**Apprenteship**	**Civil (Water)**	**Hopetown**
6.	**Environmental Youth Corps**	**Environmental Awareness**	**Hopetown & Strydenburg**
7.	**EPWP**	**Cleaning & Paving**	**Hopetown**
8.	**CWP**	**Cleaning & Greening**	**Hopetwon & Strydenburg**

3.5 **Summary list of identified projects**

3.5.3 Infrastructure Projects over the next five years

The following projects have been ear marked for implementation during the term of office of the existing council.

Programme	Project
Sanitation(flush toilets)	✓ Removal of bucket system across the municipality ✓ Removal of pit latrine system across the municipality
Housing(housing list)	✓ Development of (erven) ✓ Building of houses in the area (all wards)
Roads and storm-water	✓ Upgrading of roads across all wards (Strydenburg and Steynville priority for 23/26) ✓ Paving of roads ✓ Erection of speed humps ✓ Improvement of traffic services ✓ Development of taxi rank ✓ Closure of furrows
Water	✓ Treatment of Dam ✓ Groundwater provision (Strydenburg Priority for 24/25)
Health care	✓ Improvement of medication in clinic ✓ Shortage of staff in clinic ✓ Provision of extra ambulances ✓ Building of a decent waiting area for ambulance
Public Facilities	✓ Development of a skills development centre ✓ Development of ECD Centres across all wards ✓ Building of a school in Strydenburg

Infrastructure Priorities for 2024/2025

Project Type	Project Name	Amount
PMU	PMU Office Running	**R 511 000.00**
Electricity	Thembelihle EEDSM for Hopetown	**R 2, 000 000.00**
Sanitation	MIG Phase 2: Refurbishment of Hopetown Waste Water Treatment Works	**R 9, 697,000.00**
EPWP	Upgrading of Wiid Road: Cleaning of Towns: Solar	**R 1, 200, 000.00**
Capital Projects	Drought Relief Projects	**R 12, 500,000.00 (Unfunded)**
Traffic	Vehicle Testing Station	**R 35, 000,000.00 (Unfunded)**

PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(b)

<table>
<tr><td>OBJECTIVES

To provide new houses in 7de Laan</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• 50 houses build

• Funding for the construction of 200 houses.</td></tr>
<tr><td>PROJECT OUTPUT

50 new houses in Sewende Laan, Steynville

Town register

Job creation and skills development</td><td>TARGET AND TARGET GROUPS

Homeless individuals within the wider municipal area.</td><td>LOCATION

As under “costing”.</td></tr>
<tr><td>MAJOR ACTIVITIES

Town planning layout.

Land survey & S.G. plan

Design civil services & houses.

Tender procedure.

Construction</td><td>RESPONSIBLE AGENCIES

Town planner;

Land surveyor; Civil engineer;

Contractor appointed.

DH&LG

Thembelihle Municipality</td><td>NOTES

Primary objective</td></tr>
<tr><td>COSTING

R 12 000 000.00</td><td>BUDGET:

Budget year (2024/2025)</td><td>SOURCES OF FUNDING

COGHSTA (NC)</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(c)

<table>
<tr><td>OBJECTIVES

To provide new houses in Deetlifsville</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• 58 houses build

• Funding for the construction of 63 houses.</td></tr>
<tr><td>PROJECT OUTPUT

58 new houses in Deetlifsville to be build

Town register

Job creation and skills development</td><td>TARGET AND TARGET GROUPS

Homeless individuals within the wider municipal area.</td><td>LOCATION

As under “costing”.</td></tr>
<tr><td>MAJOR ACTIVITIES

Town planning layout.

Land survey & S.G. plan

Design civil services & houses.

Tender procedure.

Construction</td><td>RESPONSIBLE AGENCIES

Town planner;

Land surveyor; Civil engineer;

Contractor appointed.

DH&LG

Thembelihle Municipality</td><td>NOTES

Primary objective</td></tr>
<tr><td>COSTING

R 13 920 000.00</td><td>BUDGET:

Budget year (2024/2025)</td><td>SOURCES OF FUNDING

COGHSTA (NC)</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – Electrical Services in Hillside: Project E1.2(a)

<table>
<tr><td>OBJECTIVES

Provision of electricity to 60 residential sites in Hillside.</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• 60 sites electrified;
• 60 electricity pre paid meters installed</td></tr>
<tr><td>PROJECT OUTPUT

60 household with electricity services;

Job creation</td><td>TARGET AND TARGET GROUPS

Previously marginalized homeless people in Thembelihle municipal area.</td><td>LOCATION

As stipulated under “costing”.</td></tr>
<tr><td>MAJOR ACTIVITIES

Design and costing of project.

Apply for funding.

Put out on tender.

Approve tender.

Start construction.</td><td>RESPONSIBLE AGENCIES

Electrical engineer;

Eskom

Local authority;

Contractor.</td><td>NOTES

Primary objective.</td></tr>
<tr><td>COSTING

Hopetown R2, 500 000,00</td><td>BUDGET:

Budget year (2023/2024)</td><td>SOURCES OF FUNDING

INEP</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – Provision of Pour Flush Toilets: Project: S.1.

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Refurbishment of Waste Water Treatment Plant WWTW Phase 2	• Healthier environment; • Cut in management cost.	
PROJECT OUTPUT	**TARGET AND TARGET GROUPS**	**LOCATION**
Improve the lifestyle of the residents.	Ward 1 & Ward 2	Thembelihle Area
MAJOR ACTIVITIES	**RESPONSIBLE AGENCIES**	**NOTES**
• Design and costing; • Tender procedure; • Construction.	• Civil engineer; • Local authority; • Contractor. • District Municipality	• Primary objective
COSTING	**BUDGET**	**SOURCES OF FUNDING**
R 9 235 500.00	Year (2022/2023/2024)	MIG

PROJECT LOGICAL FRAMEWORK APPROACH: INSTITUTIONAL FACILITY (VUKASIZWE SCHOOL) Project I.1

<table>
<tr><td>OBJECTIVES

Provision of a Multi Purpose Community Centre for government services and information</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• Improved service provision;
• Championed by Municipal Manager
• Improved service delivery</td></tr>
<tr><td>PROJECT OUTPUT

• Effective communication between community and government
• A One stop government service centre that is accessible to the community</td><td>TARGET AND TARGET GROUPS

• Community
• Government departments</td><td>LOCATION

Thembelihle municipal area.</td></tr>
<tr><td>MAJOR ACTIVITIES

• Establish local inter sectorial committee.
• Formal application to GCIS
• Identification of suitable building.</td><td>RESPONSIBLE AGENCIES

• Municipal manager.
• Technical Manager
• CFO</td><td>NOTES

Secondary objective.</td></tr>
<tr><td>COSTING

R10,000,000.00</td><td>BUDGET YEAR

2024/2025</td><td>SOURCES OF FUNDING

District Stakeholders

Premier’s Office

Investors</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – EPWP Maintenance: Project EP 1.3.

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Cleaning Solar Paving & Maintenance in Thembelihle.	• Use of local labour;	
PROJECT OUTPUT ➢ Upgrading of roads ➢ Installation of Solar ➢ Job creation and skills development	**TARGET AND TARGET GROUPS** All Residents	**LOCATION** Thembelihle Area
MAJOR ACTIVITIES - Construction	**RESPONSIBLE AGENCIES** - District Municipality - Thembelihle Municipality	**NOTES** - Primary objective - Identification of Cleaning area - Identification of Street
COSTING R 1. 200, 000. 00	**BUDGET:** Budget year (2024/25)	**SOURCES OF FUNDING** Thembelihle Municipality (EPWP)

PROJECT LOGICAL FRAMEWORK APPROACH: INSTITUTIONAL FACILITIES: Provision of a Drivers License Test Centre: Project L.1

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Upgrading of offices and implementation of a Drivers License Test Centre & inspection bay for vehicles.	• Effective service to surrounding towns • Increase in municipal revenue	
PROJECT OUTPUT Survey, costing and planning. Financial income for municipality Traffic control officers appointed	**TARGET AND TARGET GROUPS** All residents within the municipal area.	**LOCATION** • Hopetown.
MAJOR ACTIVITIES • Negotiate with the necessary authorities; • Relocating of Vehicle Registration Department; • If viable, decide on: - locality; - costing; - planning. • Apply for funds; • Construction.	**RESPONSIBLE AGENCIES** • Local Authority; • Provincial Department of Transport • Civil Engineers	**NOTES** Primary objective.
COSTING R35,000 000.00	**BUDGET** Year (2024/2025) (2025/2026)	**SOURCES OF FUNDING** - Department Safety and Liason - Pixley Ka Seme District Municipality - Thembelihle Municipality - Private Sector

PROJECT LOGICAL FRAMEWORK APPROACH – Refurbishment of Hopetown Waste Water Treatment Works: Project WW1.1.

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Refurbishment of Hopetown Waste Water Treatment Works.	• Use of local labour; • Skilled workers	
PROJECT OUTPUT ➢ Refurbishment Waste Water Treatment Plant ➢ Construction ➢ Job creation and skills development	**TARGET AND TARGET GROUPS** All Residents	**LOCATION** Hopetown
MAJOR ACTIVITIES - Design civil services - Tender procedure. - Construction	**RESPONSIBLE AGENCIES** - Contractor appointed. - Thembelihle Municipality	**NOTES** - Primary objective - Project Registration
COSTING Hopetown & Strydenburg - R9,697 000.00	**BUDGET:** Budget year (2023/2024)	**SOURCES OF FUNDING** MIG

PROJECT LOGICAL FRAMEWORK APPROACH – Replacement of AC Pipes, Steel, Water Reservoirs & Installation in Strydenburg : Project WSIG 1.1.

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Replacement of AC Pipes, Steel, Water Reservoir & Installation in Strydenburg.	• Use of local labour; • Skilled workers	
PROJECT OUTPUT ➢ Replacement of AC Pipes, Steel & installations ➢ Construction ➢ Job creation and skills development	**TARGET AND TARGET GROUPS** All Residents	**LOCATION** Hopetown
MAJOR ACTIVITIES - Tender procedure. - Construction	**RESPONSIBLE AGENCIES** - Contractor appointed. - Thembelihle Municipality	**NOTES** - Primary objective - Project Registration
COSTING Hopetown - R12,059 000.00	**BUDGET:** Budget year (2024/2025)	**SOURCES OF FUNDING** WSIG

PROJECT LOGICAL FRAMEWORK APPROACH – Renewable Energy Projects: Projects Ec.1.2

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Create an enable environment and improve the living conditions of the community.	• Increase permanent employment • Stimulate the economy in the area.	
PROJECT OUTPUT	**TARGET AND TARGET GROUPS**	**LOCATION**
Generating Power for the area. Energy cost reduction Improve the lifestyle of the residents. Attract Local & Foreign investors	Hopetown & Strydenburg.	Thembelihle Area
MAJOR ACTIVITIES	**RESPONSIBLE AGENCIES**	**NOTES**
• Apply for funds; • Tender procedure; • Construction.	• Local authority; • Contractor. • District Municipality	• Primary objective
COSTING	**BUDGET**	**SOURCES OF FUNDING**
Phase 1 - R25 000 000. 00	Year (2024/2025)	Private Sectors

PROJECT LOGICAL FRAMEWORK APPROACH – Green Energy Projects: Projects G.E.1.2

OBJECTIVES	**INDICATORS FOR ACHIEVEMENT**	
Create an enable environment and improve the working conditions of employees.	• Increase permanent employment • Stimulate the economy in the area.	
PROJECT OUTPUT	**TARGET AND TARGET GROUPS**	**LOCATION**
Generating Power for office use. Energy cost reduction Improve the lifestyle of employees.	Hopetown & Strydenburg.	Thembelihle Area
MAJOR ACTIVITIES	**RESPONSIBLE AGENCIES**	**NOTES**
• Apply for funds; • Tender procedure; • Construction.	• Local authority; • Contractor. • District Municipality	• Primary objective
COSTING	**BUDGET**	**SOURCES OF FUNDING**
Phase 1 - R650 000. 00	Year (2024/2025)	Private Sectors Departments

PROJECT LOGICAL FRAMEWORK APPROACH: SOCIAL UPLIFTMENT (HIV/AIDS) Project S.2

<table>
<tr><td>OBJECTIVES

Reduce HIV/AIDS infection.</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• To reduce the infection rates of adults with 2% by 2026;
• Reduce unborn babies with 5% by 2026;</td></tr>
<tr><td>PROJECT OUTPUT

• Awareness campaign;
• Establish support groups on all levels;
• Contact Provincial AIDS Council.
• Revive Local AIDS Council
• Ensure the implementation ARV treatment</td><td>TARGET AND TARGET GROUPS

• Holistic approach;
• Local community:
- churches, schools, NGO’s, parents;
• Department of Social Services;
• Department of Health;
• Private institutions;
• District municipality</td><td>LOCATION

Wider municipal area (including the rural area).</td></tr>
<tr><td>MAJOR ACTIVITIES

• Establish co-ordinating committee and councillor to chair;
• Prepare an manual based on local experience;
• Approach on two levels: - prevention & assistance to AIDS victims;
• Monthly monitor of process;
• Change mindset of people.
• Revive Local AIDS Council
• Ensure the implementation ARV treatment</td><td>RESPONSIBLE AGENCIES

• Mayor to chair Local AIDS Council ;
• AIDS council to monitor implementation of ARV treatment
• Nurses welfare people on voluntary base;
• Council.</td><td>NOTES

Primary objective.</td></tr>
<tr><td>COSTING

• To be prepared by Co-ordination Committee;
• Submit to relevant sources.</td><td>BUDGET

R100,000.00</td><td>SOURCES OF FUNDING

• Government Depts.
• District municipality;
• Thembelihle municipality</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 3:

<table>
<tr><td>OBJECTIVES

To develop 800 hectares of land for irrigation purposes.</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• 800 hectares of irrigation land
• Job creation for the unemployed
• Agriculture development.
• Economic growth</td></tr>
<tr><td>PROJECT OUTPUT

• Empowerment of 40 families.
• Infrastructure development
• Job creation
• Building of skills
• 4000 hectares of water rights</td><td>TARGET AND TARGET GROUPS

Unemployed youth and women.

Poorest of the poor</td><td>LOCATION

Wider municipal area</td></tr>
<tr><td>MAJOR ACTIVITIES

• Design layout of new infrastructure
• Building of new pump station and of pipes for irrigation system
• Setting up of pivots
• Growing of crops</td><td>RESPONSIBLE AGENCIES

BVi Civil Engineers

Department Land Affairs

Thembelihle Municipality

DWAF

Local Cooperatives</td><td>NOTES

Primary objective.</td></tr>
<tr><td>COSTING

R164,000,M

R200,000,M</td><td>BUDGET

Budget year (2024/2025).</td><td>SOURCES OF FUNDING

DWAF

Dept Agriculture Land Reform

Thembelihle Municipality</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 4:

<table>
<tr><td>OBJECTIVES

To create an enable environment for tourism initiatives</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• Tourism development plan
• Increase permanent employment</td></tr>
<tr><td>PROJECT OUTPUT

• Investment opportunities
• Backpackers Hostel & Conference Facility
• Job creation
• Building of skills
• Business opportunities for SMME’s
• Tourist attraction
• Heritage protection
• Nature reservoir with chalets
• Picnic facilities on Orange River
• Fishing facilities on Orange River</td><td>TARGET AND TARGET GROUPS

Unemployed youth and women.

Poorest of the poor

SMME’s</td><td>LOCATION

Wider municipal area</td></tr>
<tr><td>MAJOR ACTIVITIES

• Source funding
• Conduct tourism strategy
• Local Tourism Indaba</td><td>RESPONSIBLE AGENCIES

Department Environmental Affairs & Tourism

Thembelihle Municipality

SMME’s</td><td>NOTES

Primary objective.</td></tr>
<tr><td>COSTING

R3, 000 000.00</td><td>BUDGET

Year (2024/2025)</td><td>SOURCES OF FUNDING

Thembelihle Municipality

Dept Economic Development & Tourism</td></tr>
</table>

PROJECT LOGICAL FRAMEWORK APPROACH: Study on the impact of the N12 on the municipal area: Other Project 1 (N12)

<table>
<tr><td>OBJECTIVES

To determine the impact of the N12.</td><td colspan="2">INDICATORS FOR ACHIEVEMENT

• Economic benefits of N12 to be developed;
• Lesser accidents.</td></tr>
<tr><td>PROJECT OUTPUT

N12 development project.</td><td>TARGET AND TARGET GROUPS

All residents and through traffic.</td><td>LOCATION

• Hopetown;
• Strydenburg.</td></tr>
<tr><td>MAJOR ACTIVITIES

• Address tourism potential;
• Width of bridges and quality of safety paint on Orange River bridge;
• Fencing along the reserve;
• Speed control;
• Sign posting;
• Economic/financial potential of through traffic.</td><td>RESPONSIBLE AGENCIES

• Local Authority;
• Department of Transport;
• Assistance from civil engineer and town planner.</td><td>NOTES

• Primary objective</td></tr>
<tr><td>COSTING

Nil (to be done by officials and relevant Provincial Department.)</td><td>BUDGET

Year 1 (2024/2025)</td><td>SOURCES OF FUNDING

• District municipality;
• Local authority;
• Dept. of Transport.
• Investors</td></tr>
</table>

FUNDED PROJECTS FOR THE FINANCIAL YEAR 2024/2025

PMU	PMU Office Running	**R 511 000.00**
Sanitation	MIG Phase 2: Refurbishment of Hopetown Waste Water Treatment Works	**R 9,697,000.00**
Water	WSIG: Replacement of AC Pipes Steel Water Reservoirs & installation of sectional bulk water meters of Strydenburg	**R 12, 059 000.00**
Electrical	Thembelihle EEDSM for Hopetown	**R 2,000 000.00**
EPWP	Cleaning, Solar	**R 1,200,000.00**
COGHSTA	Thembelihle Strydenburg 58 Housing	**R 13, 920 000.00**
COGHSTA	Thembelihle Hopetown 50 Housing	**R 12, 000 000.00**
Dept. Safety & Liaison	Community Safety Forum	**R 20, 000.00**
Dept. Safety & Liaison	Youth Crime Prevention	**R 5, 000.00**
Dept. Education	Completion of Hall: High School Steynville (EIG)	**R 163, 640.00**

UNFUNDED PROJECTS FOR THE FINANCIAL YEAR 2024/2025

Roads	Upgrading of roads and Stormwater in Dettlesville: Phase 2	**R 0**
EPWP	Upgrading of roads: Cleaning of Towns: Refurbishment of Hopetown Water Treatment Works Building	**R 1. 07 Mill**

Capital Projects	Drought Relief Projects	**R 12, 500,000.00**
Traffic	Vehicle Testing Station	**R 35, 000,000.00**
Solar	Solar System for Municipal Buildings	**R 650 000.00**
Sanitation	Outfall Sewer Phase 2 (MIG 1367)	**R 4 000 000.00**
Plots	Residential & Business	**R 0**

4. CHAPTER 4. LONG-TERM FINANCIAL PLAN

4.1 INTRODUCTION

The purpose of this chapter is to outline a comprehensive multi-year financial plan that will ensure long-term financial sustainability for Thembelihle Municipality. The Financial Plan is essential to ensure that the Municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

This plan will also focus on the expansion of Thembelihle's revenue sources in relation to its costs to ensure that the Municipality stays a financially viable and sustainable going concern. Thembelihle must utilize available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes as set out in Chapter 5 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

Budgets in terms of National Treasury's Municipal Budget and Reporting Regulations only need to cover a planning period of the next financial year and the two outer financial years thereafter. However, the MTREF and the multi-year sustainable financial plan will cover key budget focus areas over the next five years and the LTREF (Long term revenue and expenditure framework) even longer. It will also cover the current financial year's information as well as the previous three financial years' audited information.

A discussion will now follow on Pre-Determined Objectives consisting of a financial framework, financial strategies, financial policies, budget assumptions, operating revenue, operating expenditure, capital expenditure, capital expenditure funding, the Prioritization Model for Capital Asset Investment, long-term financial sustainability ratios and a concluding statement.

4.2 KEY INFLUENCES AND RISKS

This Long-Term Financial Plan (LTFP) generates information which is used to guide decisions about Council operations into the future. However, as with any long-term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into two main categories:

4.2.1 External Influences – items outside of the Municipality's control:

Unforeseen political and economic changes or circumstances such as:

- **Interest rates fluctuations;**
- **Localized economic growth through residential development and new business;**
- **Consumer Price Index;**
- **Changes in levels of grant funding;**
- **Changes to tariffs and levies and their conditions (e.g. Eskom bulk tariff increases);**
- **Availability of essential resources such as fuel, electricity and water;**
- **Community needs and expectations;**
- **A change in the level of legislative compliance; and**
- **Economic changes due to health disasters.**

Variable climatic conditions such as:

- Flooding;
- Fires; and
- Drought.

4.2.2 Internal Influences – items that the Municipality can control:

Agreed service level review outcomes;

- Infrastructure asset management;
- Rates and other tariff increases;
- Performance management;
- Efficiencies in service delivery and administrative support; and
- Salaries and wages (vacancy rate).

4.3. FINANCIAL FRAMEWORK

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health and financial sustainability benchmarks for a municipality. A municipality can be categorized into a developed or a developing municipality. Thembelihle can be categorized as a developing or growing municipality.

Developing municipalities will require significant additional resources and funding to conduct the growth that is expected of them. With the demands for growth come risks that need to be managed. The priority from a financial risk perspective is the viability and sustainability of the Municipality. This financial plan and related strategies will need to address a number of Pre-Determined Objectives in order to achieve this goal. The areas which have been identified are discussed below.

4.3.1 Revenue adequacy and certainty

It is essential that Thembelihle as access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to the source, amount and timing of revenue. The latest DoRA has laid out the level of funding from National Government that will be received for the 2023/2024 to 2024/2025 financial years.

It is important to track the respective sources of revenue received by the Municipality as they can be quite different and can vary substantially depending upon the development phase that the Municipality is in. Knowledge of the sources of funding will illustrate the Municipality's position more accurately, its ability to secure loans relative to its income and its borrowing capacity.

4.3.2 Sustainability

Thembelihle needs to ensure that its operating budget is balanced and cash-funded through realistically anticipated revenue to be received/collected to cover operating expenditure. As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable; and, that the full costs of service delivery are recovered. However, to ensure that households, which are too poor to pay for even a portion of their basic services; there is a need for the subsidization of these households through an indigent support subsidy. The operating budget should also generate reasonable and sustainable cash surpluses to assist with the financing of capital budget expenditure since Thembelihle infinitely cannot continue to finance capital projects with external borrowings. Net financial liabilities (total liabilities less current assets) as a percentage of total operating revenue (capital items excluded) should be below acceptable target levels to ensure long-term financial sustainability. Current assets should be maintained and renewed or replaced in time to ensure that services are rendered at the desired quality levels over the long-term. For this purpose, a Long-Term Financial Sustainability Policy with three critical financial sustainability ratios must be developed.

4.3.3 Effective and efficient use of resources

In an environment of limited resources, it is essential that the Municipality make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services. It is therefore imperative for the operating budget to be compiled on the zero-base budget approach to eliminate any "fat" usually built in a budget with an incremental approach.

4.3.4 Accountability, transparency, and good governance

The Municipality is accountable to the people who provide the resources, for what they do with these resources. The budgeting process and other financial decisions should be open to public scrutiny and public participation. In addition, the accounting and financial reporting procedures must minimize opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

4.3.5 Equity and redistribution

The Municipality must treat people fairly and justly when it comes to the provision of services. In the same way the Municipality should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The “equitable share” from national government will be used primarily for targeted subsidies to poorer households. In addition, the Municipality will continue to cross-subsidize between high- and low-income consumers within a specific service or between services. Unfunded and underfunded mandates remain a financial burden to Thembelihle’s customer base due to national and provincial transfers not following the functions that Thembelihle perform on behalf of national and provincial government.

4.4 FINANCIAL STRATEGIES

With the above framework as a background, strategies and programmes have been identified and form part of this Long-Term Financial Plan to achieve the desired objective and that is the financial viability and sustainability of the Municipality.

The Municipality has introduced a revenue management, expenditure management and cost containment programme under the leadership of the Municipal Manager to raise and collect all revenue due to the municipality. Included in this programme is a focus on expenditure management and cost containment to ensure that available resources are optimized for quality service delivery.

4.4.1 Revenue raising strategies

The following are some of the more significant strategies that should be investigated for implementation during the lifespan of the IDP.

- The implementation of a new Credit Control and Debt Collection Policy and Indigent Support Policy. These policies and the relevant procedures detail all areas of customer care, credit control, indigent support and debt collection of the amounts billed to customers, including procedures for non-payment, etcetera. These policies also define the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
- The implementation of the reviewed Tariff Policy. This policy will ensure that fair tariffs are charged in a uniform manner throughout the municipal area.
- The implementation of the reviewed Property Rates Policy. This policy ensures that fair deferential rates and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the Municipality's records. Furthermore, the policy will ensure that valuations are systematically carried out on a regular basis for all properties.
- The implementation of the reviewed Writing-Off of Irrecoverable Debt Policy with special incentives to encourage outstanding debtors to pay a certain percentage of their outstanding debt and the Municipality to write-off a certain percentage of outstanding debt in terms of the approved policy.

- The review and implementation of an improved Payment Strategy. This strategy aims at implementing innovative cost-effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems. It includes a revenue protection unit that implement and see to it that credit control actions in terms of Council's policies are enforced vigorously to improve payment percentage levels.
- The implementation of revenue enhancement strategies to ensure that all the properties in Thembelihle Municipality are levied all the required services. These strategies will ensure that revenue gaps are closed and that the municipality bills consumers for all services rendered.

In addition to the above, the revenue management programme under the leadership of the Municipal Manager aims to raise and collect all revenue due to the municipality and has the following as focus areas:

- **Property rates:** Monitoring the compilation of the 2021/2022 - 2024/2025 general and supplementary valuation rolls, by the appointed independent valuer.
- **Electricity revenue:** Investigate the impact of illegal connections and develop ways to curb these losses.
- **Water revenue:** Investigate what measures can be implemented to curb water wastage in informal settlements as well as to reduce the high kilolitres consumed by indigent households.
- **Sanitation revenue:** Investigate the tariff structure, as the base on which the tariff is calculated (i.e. number of toilets/urinals) are open to error due to a lack of credible information (i.e. human error, building plans outdated/non-existent, illegal toilets installed).
- **Refuse removal revenue:** Investigate the tariff structure of multiple removals per week – revenue versus cost of providing service.
- **Housing rental:** Review of the base on which rentals are calculated, as unequal rent is currently levied.
- **Integration of GIS**: Report on the integration of GIS and spatial planning.
- **Traffic fines:** Monthly report on the monetary value of budgeted traffic fines revenue, actual traffic fines issued and actual cash received. Report of municipal officials and councillors with outstanding traffic fines. Report on officials driving municipal vehicles with outstanding traffic fines.
- **Funding options (Grants):** Investigate the possibility to obtain grants/funds from Provincial Government and other sources.
- **Utilization/alienation of land and buildings:** Identify sites not required for basic services to be sold.

- ## 4.4.2 Expenditure management and cost containment

The expenditure management and cost containment programme under the leadership of the Municipal Manager focuses on the following expenditure and cost containment aspects to ensure that available resources are optimized for quality service delivery:

a) **Fleet management/vehicle hire:** Actions include:
- Monthly monitoring and reporting on the vehicles undergoing repairs per department/ division;
- Monthly monitoring and reporting on driver behaviour offences and discussion of driver behaviour with applicable drivers where required.
- Monthly reporting on driver accidents per department for the last twelve months;
- Identification of vehicles that are uneconomical to repair to be auctioned.

b) Fuel and tyre management: Actions include:
- Monitoring of the monthly expenditure report on petrol/diesel/tyres;

c) **Office furniture and equipment:** This includes monitoring that no additional furniture will be purchased, but rather that broken furniture should is repaired and re-used.
d) **Telephone expenditure**: This includes reporting on a detailed level on telephone expenditure per department and per employee.
e) **Photocopy expenditure:** Actions include:
- Monthly monitoring and reporting of budgeted and actual photocopy expenditure; and
- Placing of a moratorium on the leasing of photocopier machines.

f) **Security services**: Actions include:
- Monthly monitoring and reporting on budgeted and actual security services expenditure;
- Implementation of alarm systems versus the reduction of warm bodies (security guards); and
- Extra security measures includes beams, panic buttons etcetera.

g) **Overtime**: This includes monthly monitoring and reporting on overtime.
h) **Standby allowances**: This includes monthly monitoring and reporting on standby allowances.
i) **Catering/refreshments:** This includes the review of budgeted funds for catering and refreshments.
j) **Events:** This includes reducing event expenditure and rather providing in-kind support to events.
k) **Consultants:** This includes monthly monitoring and reporting on budgeted and actual consultants' expenditure.

l) **Rehabilitation/development of landfill sites:** This includes an investigation into the rehabilitation of landfill sites through development initiatives.

4.5 FINANCIAL POLICIES

4.5.1 General financial philosophy

It is the goal of the Municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the Municipality's infrastructure; to manage the Municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth.

Based on the financial framework, financial strategies and the general financial philosophy statement, the Municipality have to develop financial policies that support the above. Thembelihle financial policies shall also address the following fiscal goals:

a) To keep the Municipality in a fiscally sound position in both the long- and short-term;
b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
c) To apply credit control policies which maximize collection while providing relief to the indigent;
d) To implement credit control policies that recognise the basic policy of customer care and convenience;
e) To operate utilities in a responsive and fiscally sound manner;
f) To maintain and protect existing infrastructure and capital assets;
g) To provide a framework for the prudent use of debt financing; and
h) To direct the Municipality's financial resources toward meeting the goals of the Municipality's Integrated Development Plan (IDP).

4.5.2 Budget- related policies

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result, if needed, in a Revised Budget.

The **Virement Policy** allows the Municipal Manager and his administration to transfer funds from one program to another program within policy directives to improve effective and efficient service delivery.

Adequate maintenance and replacement of the Municipality's assets (property, plant and equipment) will be provided for in the annual budget as far as funding us available. It will be informed by Council's **Asset Management Policies**.

The budget shall balance recurring operating expenses to recurring operating revenues. The budget will have revenue plans based on realistically anticipated revenue to be collected and expenditure figures. Plans will be included to achieve maximum revenue collection percentages. More about this when the revenue raising policies are discussed below.

4.5.3 Capital infrastructure investment policies

The Municipality has established and implemented a comprehensive Capital Expenditure Framework (CEF). The CEF will be updated annually to ensure that bulk infrastructure services and internal infrastructure services together with the foreseen funding sources are planned in an integrated and coordinated manner.

This will include bulk and internal services for human settlement programmes. A comprehensive CEF will be compiled for the 2024/2025 financial year to be approved by Council. An annual capital investment budget will be developed and adopted by the Thembelihle Municipality as part of the annual budget.

The Municipality make all capital improvements in accordance with the CEF and IDP. This is done based on the developed Prioritization Model for Capital Assets Investment Policy.

The Municipality will maintain all assets at a level adequate to protect the Municipality's capital investment and to minimize future maintenance and replacement costs.

4.5.4 Revenue policies

The Municipality will estimate annual revenues through a conservative, objective and analytical process based on realistically anticipated revenue to be collected. The Municipality will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges.

Thembelihle will set fees and user charges at a level that fully supports the total direct (primary) and indirect (secondary) costs of operations. Tariffs will be set to reflect the developmental and social policies of Council. These principles are embedded in the reviewed **Tariff Policy.**

Thembelihle will implement and maintain a property valuation system based on market values of all properties within its boundaries as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. Fees will be adjusted where appropriate to reflect these increases. These principles and the raising of property rates are contained in the **Property Rates Policy**.

The Municipality will continue to identify and pursue grants and appropriations from province, central government and other agencies that are consistent with the Municipality's goals and strategic plan and to eradicate unfunded and underfunded mandates.

4.5.5 Credit control policies and procedures

Thembelihle will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose, **the Credit Control and Debt Collection Policy** and the Indigent Support Policy was developed and reviewed

The **Writing-off of Irrecoverable Debt Policy** with incentives need to be developed to reduce the outstanding debt with the aim to get households and other consumers out of their spiral of debt over the next three financial years.

4.5.6 Supply Chain Management

The **Supply Chain Management Policy** will ensure that goods and services are procured compliant with legislative requirements in a fair, equitable, transparent, competitive and cost-effective way. It includes the disposal of goods or assets not needed anymore for basic service delivery and it must be read in conjunction with Council's **Assets Transfer Policy**.

Contract management should become a focus area of the municipality and a policy should be developed on how contracts will be managed in future to ensure that contracts awarded to service providers to render services are managed and monitored appropriately.

4.5.7 Investment policies

In terms of Section 13(2) of the Municipal Finance Management Act each Municipality must establish an appropriate and effective Cash Management and Investment Policy. Investments of the Municipality shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the Municipality to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds.

The preservation of principal is the foremost objective of the investment program. Thembelihle Municipality will continue the current cash management and investment practices, which are designed to emphasize safety of first, sufficient liquidity to meet obligations second, and the highest possible yield third. These principles are embedded in the **Cash Management and Investment Policy** of Council.

4.5.8 Debt management policies

Thembelihle shall issue debt only when necessary to meet a public need and when funding for such projects is not available from current revenues or other sources. Long-term borrowing will be used to finance capital improvements as approved in the Municipality's CEF. Capital projects financed through the issuance of debt shall be financed for a period not to exceed the expected useful life of the project. The Municipality will not incur debt to finance current operations. Lease-purchase obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialized types of equipment, or other capital improvements. All these principles are embedded in the **Borrowing Policy** of Council.

4.5.9 Asset management policies

The objective of the Asset Management Policies is to define the asset management intent of Thembelihle, including the life-cycle management, accounting and administrative policies and procedures relating to physical assets (immoveable and movable assets) and computer software (intangible assets) of Thembelihle Municipality. The principles and policy statements are embedded in the **Asset Management Policy (AMP).**

4.5.10 Long-term financial sustainability policy

The Municipality need to embark on the development of the Long-term financial sustainability policy.

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programs, both operating and capital, to ensure program sustainability and desired quality of services to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programs. Fair sharing in the distribution of council resources and the attendant taxation between current and future ratepayers (intergenerational equity) must also be promoted to ensure that the current generation are not over-burdened for the use of infrastructure by future generations – in other words sound long-term financial management. Based on the above three elements financial sustainability by Thembelihle should be defined as follows:

"Thembelihle's **long-term financial performance** and **financial position** is **sustainable** where **long-term planning** and **budgeting** as well as **infrastructure levels** and **standards** are met **without any substantial unplanned increases** in **property rates** and **service charges** or **inconvenient disruptive cuts to services**"

Three key financial indictors or ratios must be developed to influence long-term financial sustainability planning and budgeting. They are:

- An **operating surplus ratio** to influence financial performance planning and budgeting;
- A **net financial liabilities ratio** to influence financial position planning and budgeting; and
- An **asset sustainability ratio** to influence asset management performance planning and budgeting.

The entire above-mentioned should be embedded in the developed Long-Term Financial Sustainability Policy to be approved by Council.

4.5.11 Cost Containment Policy

The object of the Cost Containment Policy, in line with the MFMA and the Cost Containment Regulations, is to ensure that resources of Thembelihle Municipality are used effectively, efficiently and economically by implementing cost containment measures.

The Policy provides for the application of principles, as defined in the Cost Containment Regulations, to Thembelihle Municipality and is applicable to all officials and political office bearers. Included in the **Cost Containment Policy** are guidelines with regards to:

- Use of consultants
- Vehicles used for political office bearers;
- Travel and subsistence; Domestic accommodation;
- Sponsorships, events and catering;
- Communication;
- Conferences, meetings and study tours; and
- Other related expenditure items.

4.5.12 Accounting policies

The principles on which Thembelihle operate with regard to the presentation, treatment and disclosure of financial information forms part of the Accounting Policy adopted in the compiled yearly annual financial statements.

4.6 BUDGET ASSUMPTIONS

4.6.1 Introduction

Thembelihle Municipality has prepared its financial plans and forecast on the basis of sound historical income and expenditure trends, and based upon latest forecasts and knowledge to date. Future years forecasts are neither worst case scenario, or overly optimistic, and as such it is seen as little value to artificially revise these estimates to create a significant negative or positive variance that is not anticipated, as this could simply be misleading to the reader of this LTFP.

Below the LTREF budget projection issues are depicted for the current financial year.

4.6.2 Budget Highlights

The 2023/2024 MTREF budget has been developed with an overall planning framework and includes programmes and projects to achieve the municipality's strategic objectives. Municipal revenues and cash flows are expected to remain under pressure in 2023/24 due to the state of the economy; hence a conservative approach has been adopted when projecting expected revenues and receipts.

The challenge to produce a sustainable, affordable budget necessitated reductions to certain budgetary provisions. National Treasury MFMA Budget related Circulars and related correspondence clearly prescribe that a budget must be realistic, sustainable and relevant; and must be fully funded. To comply with these prescribes, it is a requirement that the municipality

must produce a positive cash flow budget for the 2024/2025 financial year. This was no mean feat to achieve which resulted in having to apply a very conservative approach during the budget process.

The MTREF is a financial plan that enables the municipality to achieve its vision and mission through the IDP Strategy which is informed by the development agenda and community/stakeholder inputs.

The budget serves to bring to light the current council developmental priorities as outlined below:

- Poverty reduction, job-creation, rural and economic development
- Financial sustainability
- Spatial development and the built environment
- Human settlements
- Social and community services
- Good governance

National Treasury's MFMA Circular No. 93 was used to guide the compilation of the 2023/24 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following budgeting PRINCIPLES were applied in formulating the medium term budget:

- Sustainable, affordable, realistic and balanced budget
- Budget to contribute to achieving strategic objectives of the IDP
- Tariffs to be cost reflective, realistic and affordable
- Income/ Revenue driven budget: affordability i.e. if funds do not materialize review expenditure
- Realistic and achievable collection rates

The main CHALLENGES experienced during the compilation of the 2023/24 MTREF can be summarized as follows:

- The growing debt to Eskom;
- Limited resources and minimal growth in the rates base;
- Major strain on capital budget due to increased demand and eradication of backlogs.
- Unemployment: sustaining existing collection rates.

The MFREF-based revenue and expenditure projections assumed inflation-linked annual adjustments between 7% and 7,2% respectively for the 3-year budget period of 2022/2023, 2023/2024 and 2024/2025.

Further key parameters applied to the Municipality's financial framework included the following for the 2024/2025 financial year:

Revenue / tariff increases

- Rates 0%
- Electricity 15.7%
- Water 4.9%
- Sanitation 4.9%
- Refuse 4.9%
- Salaries and Wages adjustments 5.4%
- General Expenses 4.9%

Our major cost drivers reflect as follows:

- Employee Cost: R 44 million
- Remuneration of councillors: R 5.1 million
- Operating Cost: R 43.4 million (Estimated)
- Capital Cost: R 24.2 million
- Depreciation: R 17 million

Our Major Revenue Sources that we anticipate:

- Unconditional Grant

✓ Equitable Share R 38 097 million

- Conditional Grants

✓ Financial Management Grant R 3 million
✓ Library Provincial Grant R 1.090 million
✓ Municipal Infrastructure Grant (5%) R 511 thousand
✓ EPWP R 1.2 Million

Transfers and subsidies (Operational) amounts to R 43 898 million

Conditional Capital Grants:

✓ Municipal Infrastructure Grant (95%) R 9 705 million
✓ Water Services Infrastructure Grant R 12 059 million
✓ Energy Efficiency & Demand Side Management Grant R 2 million

Transfer and subsidies (Capital) amounts to R 23 764 million

4.6.3 Budget Process Overview (including consultation process and outcomes)

In terms of Section 24 of the MFMA, Council must at least 30 days before the start of the financial year consider approval of the annual budget. Section 53, requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazette on 17 April 2009, states that the mayor of the municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

The Municipal System Act (Act 32 of 2000) and the Municipal Finance Management Act (Act 56 of 2003) require all municipalities to adopt a process plan for the integrated development plan and budget that will harness the development process. It is within this context that this first process plan of the newly constituted council was annulled to particularly enable the municipality to meet the requirements spelled-out in section 27 (2) of the Municipal Systems Act (Act 32 0f 2000). The next sub-sections highlight the legislative frameworks to be complied with.

In Circular 85 Municipal Budget Circular for the 2023/24 MTREF, National Treasury encouraged municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation has however breached the upper limit of the 3 to 6 per cent target band; therefore, municipalities are now required to justify all increases in excess of the 6.1 per cent projected inflation target in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

National Treasury has released Version 6.3 of Schedule A1 (the Excel Formats) which is aligned to version 6.3 of the mSCOA classification framework which must be used when compiling the 2023/2024 MTREF budget. This version incorporates major changes (see Annexure A). Therefore, Thembelihle made use of this version for the preparation of their 2023/24 MTREF budget.

The process plan focusing on the IDP, PMS and Budget for 2024-2025 was tabled by the Mayor to Council during a Special Council meeting on 31 August 2023.

1.1 *Municipal Systems Act*

In terms of the Municipal System Act of 2000, all municipalities have to undertake an IDP process to produce the IDP. The Act further mandates municipalities to have a Performance Management System in place. These planning tools together with other planning instruments i.e. a municipal budget are designed to assist Municipalities to be developmentally oriented and to contribute meaningfully in improving the lives of their communities. As the aforementioned plans are the legislative requirements they have legal status and supersede all other plans that guide development at local government level. Thembelihle Municipality has completed its 5 year IDP cycle. This was done in terms of chapter 5 and 6, of the Municipal System Act and of the Municipal

Finance Management Act of 2003. In terms of Section 34 of the Municipal Systems Act:

Thembelihle Municipality is currently embarking on revising the IDP, the first one of the newly elected council, which will reflect the new planning. This plan will address, amongst others, the following:

(a) Comments received from various role-players in the IDP process, especially the community, the IDP Representative Forum the IDP Hearings and the Engagement sessions.
(b) Areas requiring additional attention in terms of legislation requirements;
(c) Areas identified through self-assessment;
(d) The review of KPI's (PMS) and alignment of budget;
(e) The update of the 5 years' financial plan as well as the list of projects;
(f) Identification of new projects,

(g) The continuation of the Sector Plans to be completed
(h) Implementation of existing projects
(i) The update of the Spatial Development Framework (SDF); and
(j) The preparation and update to the Sector Plans.

1.2 *Municipal Finance Management Act*

Chapter 4, section 16 (1) and (2) of the Municipal Finance Management Act states that-

1) *The Council of the municipality must of each financial year approve an annual budget for the municipality before the start of the financial year.*
2) In order for the municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at the council meeting at least 90 days before the start of the budget year.

The above section must be read in conjunction with section 24 (1) which states that Council must at least 30 days before the start of the new financial year approve the annual budget. It is clear that this Act provides very strict time frames within the budget process must be completed.

Adding to the above the Act states in section 21 (1) (b) that-

The Mayor of a Municipal must-

(a) At least 10 months before the starts of the budget year, table in the municipal council a time schedule outlining key deadlines for-

(b) The preparation, tabling and approval of the annual budget;

(ii) the annual review of-

(aa) the integrated development plan in terms of section 34 of the municipal Systems Act and

(bb) the budget related policies;

(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) Any consultative processed forming part of the referred to in subparagraphs (i), (ii) and (iii).

Considering this, it implies that the Mayor must table the budget process before Council, 10 months before the start of the new financial year.

4.6.4 MTRF Budget 2022 – 2025

Description	Current Year 2021/22						
R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance							
Property rates	12 136	12 136	12 136	12 136	12 621	13 104	13 104
Service charges	29 621	30 188	30 188	30 188	31 523	33 284	33 284
Investment revenue	2 447	447	447	447	2 549	2 549	2 549
Transfers recognized – operational	33 446	33 446	33 446	33 446	39 633	34 708	35 515
Other own revenue	13 560	13 560	13 560	13 560	12 676	13 286	13 286
Total Revenue (excluding capital transfers and contributions)	91 209	89 777	89 777	89 777	99 002	96 931	97 739
Employee costs	35 985	35 986	35 986	35 986	39 033	40 560	40 560
Remuneration of councilors	4 046	4 046	4 046	4 046	4 248	4 450	4 450
Depreciation & asset impairment	9 670	9 670	9 670	9 670	10 124	10 530	10 530
Finance charges	1 976	2 052	2 052	2 052	2 059	2 150	2 150
Materials and bulk purchases	14 409	14 350	14 350	14 350	15 418	15 945	15 945
Transfers and grants	11	11	11	11	11	12	12
Other expenditure	17 891	19 328	19 328	19 328	16 000	16 687	16 687
Total Expenditure	83 988	85 443	85 443	85 443	86 893	90 334	90 334
Surplus/(Deficit)	(7 221)	(4 334)	(4 334)	4 334	(12 109)	(6 597)	7 405

Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16 236	13 736	13 736	13 736	20 627	28 401	28 401
Contributions recognized - capital & contributed assets	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	23 457	18 070	18 070	18 070	32 736	34 998	35 806
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	23 457	18 070	18 070	18 070	32 736	34 998	35 806
Capital expenditure & funds sources							
Capital expenditure	18 736	16 236	16 236	16 236	20 627	28 401	28 401
Transfers recognized – capital	16 236	13 736	13 736	13 736	20 627	28 401	28 401
Public contributions & donations							
Borrowing	–	–	–	–	–	–	–
Internally generated funds	2 500	2 500	2 500	2 500	–	–	–
Total sources of capital funds	18 736	16 236	16 236	16 236	20 627	28 401	28 401
Financial position							
Total current assets	19 211	20 685	20 685	20 685	4 843	10 991	10 991
Total non-current assets	294 999	292 499	292 499	292 499	279 739	300 469	314 072
Total current liabilities	158 499	158 499	158 499	158 499	183 550	193 352	201 769
Total non-current liabilities	12 833	12 833	12 833	12 833	9 461	9 902	10 365
Community wealth/Equity	142 946	141 586	141 586	141 586	81 885	86 224	90 948
Cash flows							

Net cash from (used) operating	47 719	32 459	32 459	32 459	(21 930)	(27 226)	29 497
Net cash from (used) investing	(15 186)	(12 686)	(12 686)	(12 686)	(20 696)	(28 401)	(28 401)
Net cash from (used) financing	(1 585)	(1 585)	(1 585)	(1 585)	(1 435)	(1 286)	(1 286)
Cash/cash equivalents at the year end	34 977	22 217	22 217	22 217	(5 302)	(2 841)	2 651
Cash backing/surplus reconciliation							
Cash and investments available	4 097	5 571	5 571	5 571	(8 599)	(14 748)	(14 748)
Application of cash and investments	104 796	107 307	107 307	107 307	163 271	171 965	179 373
Balance - surplus (shortfall)	(100 699)	(101 736)	(101 736)	(101 736)	(171 871)	(186 713)	(194 121)
Asset management							
Asset register summary (WDV)	294 930	292 430	292 430	292 430	240 293	259 050	270 583
Depreciation	9 670	9 670	9 670	9 670	10 124	10 530	10530
Renewal of Existing Assets	–	–	–	–	–	–	–
Repairs and Maintenance	3 473	3 451	3 451	3 451	3 406	2 863	2 863
Free services							
Cost of Free Basic Services provided	7 747	7 747	7 747	8 325	8 325	8 741	9 178
Revenue cost of free services provided	202 037	202 037	202 037	201 476	201 476	211 550	222 127
Households below minimum service level							
Water:	1	6	6	6	6	6	6
Sanitation/sewerage:	1	6	6	6	6	6	6
Energy:	1	6	6	6	6	6	6

Refuse:	1	6	6	6	6	6	6

Reconciliation of IDP Strategic Objectives and Budget (Expenditure)

Strategic Objective	Goal	Goal Code	Current Year 2022/23			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
- To support local SMME's - Under take the Tourism Development Plan - Seek support from Department for human capital	LED Strategy		–	–	–	–	–	0
01. Spatial Integration	To provide spatial framework for future developmental purposes.		174	183	183	191	193	193
01. Spatial integration:	1. To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced		30	30	30	31	31	31
01. Spatial integration:	To improve and provide basic services of good quality to the residents		–	–	–	–	–	–
1. To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced	Planning & Development		7,485	7,591	7,591	7,926	7,933	7,933
	Disaster management		–	–	–	–	–	0
Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To improve electrical infrastructure and related services of the municipality		16,982	19,177	19,177	18,268	18,268	18,268
Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To improve road infrastructure and related facilities to support the economic and social requirement of the municipality		3,380	3,371	3,371	3,521	3,521	3,521

Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To improve sanitation quality and continuity of services to residents							
Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To improve water quality and continuity of water services to residents		5,549	5,545	5,545	5,817	5,817	5,817
Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To provide Town Planning and Township Development		12,360	12,377	12,377	12,943	12,949	12,949
Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Public Participation		–	–	–	–	–	–
Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Compilation of a Spatial Development Framework		5,973	6,349	6,349	6,576	6,618	6,618
Spatial Framework Development	To provide Town Planning and Township Development		106	106	106	112	112	112
Spatial Framework Development	Budget and Financial Reporting		5,182	10,655	10,655	5,407	5,407	5,407
The municipality to ensure accurate and professional reports as prescribed by the MFMA are submitted monthly (Section 71,72 and 46) and see to the implementation of MFMA.	Administration and Auxiliary services		–	–	–	–	–	–
	Asset management		–	–	–	–	–	–
To effectively and efficiently manage transformation and institutional development in the municipality To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and	Budget Control & monitoring		2,894	2,802	2,802	2,232	2,232	2,232

recruitment and selection strategy of the municipality	Monitoring and Reporting		31	1	1	33	33	33
To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Administration and Auxiliary services							
To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget and Financial Reporting		15,078	18,893	18,893	17,935	18,104	18,104
To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Fleet management		12,289	14,550	14,550	13,414	13,521	13,521
To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Health/Emergency Service		564	422	422	590	590	590
To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	LED Strategy		42	72	72	44	44	44
To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Planning & Development		54	14	14	57	57	57
To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	To provide spatial framework for future developmental purposes.		–	–	–	–	–	–
To improve and provide basic services of good quality to the residents			–	–	–	–	–	–
			1,774	1,774	1,774	1,798	1,798	1,798

To improve and provide basic services of good quality to the residents To improve and provide basic services of good quality to the residents To provide spatial framework for future developmental purposes.								
			89,948	**103,913**	**103,913**	**96,896**	**97,228**	**97,228**

4.6.4 Alignment Process

The Municipal Systems Act states that development strategies must be aligned with National and Provincial sector plans as well as planning requirements. It also establishes that a single inclusive and strategic plan must be adopted which links, integrates and coordinates plans.

The municipality realized early into the first round of IDPs that good effective alignment would result in successful implementation whilst a failure to align might result in a total collapse of the implementation of the IDP. The municipality tries to ensure alignment with the assistance of the PIMS-Centre, located at the Pixley ka Seme District Municipality and the involvement of the sector departments in the IDP Representative Forum.

Although alignment was not always reached fully in the previous IDP cycle the municipality takes the following documents into account in the IDP process:

- Integrated Sustainable Rural Development Programme (ISRDP)
- Northern Cape Provincial Growth and Development Strategy (PGDS)
- District Growth and Development (DGDS)
- National Spatial Development Programme (NSDP)
- IDP Hearings Comments

Besides the alignment with National, Provincial and district programmes and policies, internal alignment is also reached in the process plan, aligning the budget, the PMS and the IDP.

5. CHAPTER 5. PERFORMANCE MANAGEMENT

5.1 INTRODUCTION

The Thembelihle Municipality's Performance Management System (PMS) is the primary mechanism to monitor, review and improve the implementation of its Integrated Development Plan (IDP) and to measure the progress made in achieving the objectives as set out in the IDP.

Implementation of The Service Delivery and Budget Implementation Plan (SDBIP) in the IDP ensures that the Municipality implements programmes and projects based on the IDP targets and the approved budget. The performance of the Municipality is reported on in the Quarterly and Mid-yearly Performance Assessment Reports as well as in the Annual Report.

Two key internal combined assurance tools are internal performance audit and risk management. This ensure that all activities undertaken adequately address significant risks and put in place control mechanisms to mitigate said risks in order to attain set performance targets.

In addition to performance management legislation and regulations, the Performance Management Policy seeks to promote a culture of performance management within the Municipality. A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

The Performance Management Policy of the Municipality was reviewed in January 2021 in an effort to streamline performance management processes to ensure that the new five-year IDP (2021-2026) becomes an implementable plan with measurable performance objectives and furthermore is in line with the secondary objective of Monitoring and Evaluation as well as Employee Efficiency.

The Performance Management Policy includes the following objectives that the Municipality's PMS should fulfil:

- ✓ The PMS should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team;
- ✓ The PMS should facilitate learning in order to enable the Municipality to improve service delivery;
- ✓ It is important that the PMS ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary; and
- ✓ The PMS should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

As a result of the preceding, the Performance Management Policy clarifies the roles and responsibilities of each of the stakeholders involved in the PMS of the Municipality. This negates any confusion that might arise in the Municipality's pursuit to speed up delivery and to enhance the quality of services to its local constituents.

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved Integrated Development Plan (IDP) and Medium-Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.

The format of the Service Delivery Budget Implementation Plan (SDBIP) is prescribed by MFMA Circular Number 13 issued by National Treasury. In terms of the said Circular Number 13 the Service Delivery Budget Implementation Plan (SDBIP) must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation.

MFMA Circular No. 13:

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP provides the vital link between the mayor, council (executive) and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

5.2 HIGH LEVEL SDBIP TARGETS AND INDICATORS

Quarterly projections of service delivery targets and performance indicators for each vote, is one of the five components of the top-layer SDBIP that must be made public as detailed in MFMA Circular 13. The top level of the SDBIP includes measurable performance objectives in the form of service delivery targets and performance indicators that are provided to the community, that is, what impacts it seeks to achieve. These are drawn from the IDP programmes, services and activities that are relevant to each specific directorate as well as the statutory plans that the Directorate are responsible for. The SDBIPs therefore are the key mechanisms for monitoring the different responsibilities and targets that each Directorate must fulfil in meeting service delivery needs provided to the community.

5.3 REPORTING ON THE SDBIP

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports required by the MFMA. The report then allows the Council to monitor the implementation of service delivery programs and initiatives across the Municipality's boundaries.

5.3.1 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month.

5.3.2 Quarterly Reporting

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

5.3.3 Mid-year Reporting

Section 72 of the Local Government: Municipal Finance Management Act, Act No. 5 of 2003, determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

5.4 MONITORING AND THE ADJUSTMENT BUDGET PROCESS

The section 71 and 72 budget monitoring reports required under the MFMA should provide a consolidated analysis of the Municipality's financial position including year-end projections. The Executive Mayor must consider these reports under s54 of the MFMA and then make a decision as to whether the SDBIP should be amended. The Adjustments Budget concept is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the municipality's finances. In simple terms, funds can be transferred within a vote but any movements between votes can only be agreed by an adjustments budget.

5.5 IMPLEMENTATION MONITORING AND REVIEW – ONE YEAR PLAN

The Municipal Finance Management Act No 56 of 2003 (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives is contained in the IDP.

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Indicators developed for the Thembelihle Municipality addresses the Strategic Focus Areas of the Municipality. The Municipality utilises the one-year TL SDBIP to ensure that it delivers of its service delivery mandate by indicating clear indicators and targets.

Note: This Chapter, the one-year Municipal Scorecard, will be updated in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2024/2025 during June 2024. The TL SDBIP 2024/25 must be approved by the Mayor within 28 days after the adoption of the Municipal Budget to be tabled in Council in June 2024.