

**XHARIEP DISTRICT MUNICIPALITY**

**INTEGRATED  
DEVELOPMENT PLAN  
(FIRST DRAFT)**



**2017/2018**

**20 LOUW STREET TROMPSBURG 9913**

## **INTEGRATED DEVELOPMENT PLAN FOR 2017-2018**

The Integrated Development Plan is the Municipality's principal five year strategic plan that deals with the most critical development needs of the municipal area (external focus) as well as the most critical governance needs of the organization (internal focus).

The Integrated Development Plan –

- is adopted by the council within one year after a municipal election and remains in force for the council's elected term (a period of five years);
- is drafted and reviewed annually in consultation with the local community as well as interested organs of state and other role players;
- guides and informs all planning and development, and all decisions with regard to planning, management and development;
- forms the framework and basis for the municipality's medium term expenditure framework, annual budgets and performance management system; and
- Seeks to promote integration by balancing the economic, ecological and social pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

### **THE INTEGRATED DEVELOPMENT PLAN ON CD**

Included with this document is a CD that contains an electronic version of the IDP. The electronic version is in a format that can be viewed by any internet browser such as Internet Explorer, Google Chrome or Firefox. The CD should run automatically and open a menu. If not, look for the file named Contents.htm in the root folder of the CD. Double click on this file and the menu will open.

All documents referred to in the IDP and available in electronic format are included on the CD. The references to these documents in the electronic version of the IDP are hyperlinked to the actual documents, which mean that the documents can also be viewed by simply clicking on the hyperlink. The idea behind the interactive CD is to provide readers with an all-inclusive library of IDP-related documents because we believe that the IDP is more than just this one document.

We want to encourage you to look at the referenced documents on the CD – it will provide you with the bigger picture and help you to understand the full context of the IDP.

# TABLE OF CONTENTS

MUNICIPAL VISION AND MISSION

EXECUTIVE SUMMARY

PAGE

<b>CHAPTER: 1 SITUATIONAL ANALYSIS AND SPATIAL OVERVIEW</b>	<b>5-</b>
INTRODUCTION	5
DEMOGRAPHIC PROFILE OF THE MUNICIPALITY	5
EDUCATION PROFILE	10
HEALTH PROFILE	12
ENERGY	18
ECONOMY PROFILE	20
POVERTY PROFILE	24
WATER SUPPLY	25
ROADS, STREET AND STORMWATER	29
NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE	50
ENVIRONMENTAL PROFILE	51
DISASTER MANAGEMENT PROFILE	58
<b>CHAPTER: 2 POWERS AND FUNCTIONS OF XHARIEP DISTRICT MUNICIPALITY</b>	<b>61</b>
<b>CHAPTER: 3 LEGAL AND POLICY FRAMEWORK</b>	<b>65</b>
PREPARATION OF THE IDP DOCUMENT	65
THE PURPOSE OF THE IDP	65
LEGISLATIVE FRAMEWORK AND CONTEXT	70
<b>CHAPTER: 4 STRATEGIC POLICY ALIGNMENT</b>	<b>75</b>
STRATEGIC OVERVIEW	75
XHARIEP DEVELOPMENT STRATEGY	77
NATIONAL DEVELOPMENT PLAN	79
PROVINCIAL GROWTH AND DEVELOPMENT PLAN	80
<b>CHAPTER: 5 THE PLANNING PROCESS</b>	<b>103</b>
ROLES AND RESPONSIBILITIES	
THE PROCESS PLAN	115
ACTION PROGRAMME AND RESOURCE PLAN	120
<b>CHAPTER: 6 THE ORGANISATION</b>	<b>123</b>
SECTION 53 ROLE CLARIFICATIONS	125
HUMAN RESOURCE DEVELOPMENT	131
ORGANISATIONAL STRUCTURE	133
<b>CHAPTER: 7 PROGRAMMES AND PROJECTS FOR 2017/2018</b>	<b>140</b>
MUNICIPAL PROJECTS	140
SECTOR PRIORITIES FOR PROVINCIAL GOVERNMENT INVESTMENT	147
<b>CHAPTER: 8 MUNICIPAL FINANCIAL PLAN AND BUDGET</b>	<b>151</b>
<b>CHAPTER: 9 SECTOR PLANS</b>	<b>178</b>
<b>CHAPTER: 10 CONCLUDING REMARKS</b>	<b>191</b>

## MUNICIPAL VISION AND MISSION

**VISION:** An idealized view of where or what an organisation would like to be in the future - “where we are going”

A community-oriented municipality characterized by a sound political and administrative capacity with sustainable and enabling business environment.

The key words and phrases in the vision must be interpreted as follows:

- **Municipality:** A municipality consists of the political structures, the administration and the community (Systems Act Section 2).
- **Community:** A social group of any size whose members reside in a specific locality, share government, and often have a common cultural and historical heritage.
- **Sustainable:** That "meets the needs of the present without compromising the ability of future generations to meet their own needs". It rests on three “pillars” i.e. economic development, social development and environmental protection.
- **Enabling:** To make possible or easy. Enabling environments are those where participants feel safe enough to develop relationships and to share experiences ...

**MISSION:** An organization’s present business scope and purpose - “who we are, what we do and why we are here”

To facilitate and support local municipalities in rendering effective services to the communities. To create value and make a difference, everywhere we engage. To better the lives of the Xhariep District community and promote Public Private Partnership. Create a safe healthy environment proactive of disaster risk management

**VALUES:** Is that quality of anything which renders it desirable or useful

Leadership	Innovation and continuous learning	Passion
Mutual Trust	Honesty	Respect
Confidentiality	Inclusiveness	Transparency
Anti-fraud and corruption	Responsiveness	Accountability
Integrity		

# **EXECUTIVE SUMMARY**

## **Introduction**

The Municipal Systems Act (No.32) of 2000 (MSA) requires that local government structures prepare Integrated Development Plans (IDPs). The IDP serves as a tool for transforming local governments towards facilitation and management of development within their areas of jurisdiction. The MSA identifies the IDP as the vehicle to be used in the achievement of these goals. In conforming to the Act's requirements the Xhariep District Municipal Council has delegated the authority to the Municipal Manager to prepare the IDP.

The Municipal Finance Management Act (Act no. 56 of 2003) secures sound and sustainable management of the financial affairs of the municipality and other institutions in the local spheres of government. It does this by ensuring that its developmental programmes are aligned to its budget, and in so doing Xhariep District Municipality, through its integrated development planning process, therefore delivers in accordance with the community needs and priorities, whilst committing to the budgetary programmes as enacted by the Auditor- General.

Xhariep District Municipality's commitment to developing a "caring and livable municipality" will be the focal point of the 2017/21 IDP, with a specific emphasis on the alignment of the Municipal Vision, strategy and implementation. The focus of the 2017/18 IDP is on building a more inclusive developmental local government that would translate the Municipality's vision into action.

## **Xhariep Municipal Area at a glance**

Xhariep district is located in the southern sector of the Free State Province and is a semi-arid region with a dispersed settlement pattern. It is a typical rural district with upwards of 20 small towns and 3 remote towns. The phrase towns are used here within the context of Xhariep. The distinct features of the towns and their size in terms of population and services rendered do not provide normal town status to any of these rural nodes. They do however perform an important role as service centres for the population within their catchment areas.

Xhariep consists of three local municipal areas, with Letsemeng forming the south-western section, Kopanong the middle section, Mohokare the south eastern section.

The district is the smallest compared to the others within Free State Province with about 5.2% share of the total provincial population. The population of the District stands at 146, 259 with a negative growth rate of 1.07. Sixty (60%) of the population is in the working age cohort of 15-64 years.

Approximately 74 % of the District comprises of Extensive Agriculture that is used for livestock farming, especially sheep and cattle which, respectively, produce wool and meat. Intensive Agriculture in the Xhariep District makes up 21% of the main land uses. The areas adjacent to the Orange River in the south mainly consist of irrigated land where maize, wheat and Lucerne are produced. About 15% of the cultivated fields (45 223 ha) is indicated as irrigated

## **CHAPTER 1: SITUATIONAL ANALYSIS AND SPATIAL OVERVIEW**

### **Introduction**

The situational analysis and statistics presented in this chapter indicate the developmental challenges facing Xhariep District Municipality, such as poverty, unemployment and service delivery backlogs. The programmes and projects in this IDP are informed by this scenario. The first step in the IDP process was to look at the existing situation of the Municipality.

During the Analysis Phase the process focused only on the relevant aspects of issues influencing the development of the municipality. The purpose of this phase was also then to ensure that the selection of strategies and projects will be based on:

- The qualitative priority needs and challenges on local residents.
- Proper quantitative information on all those priority issues.
- Clear knowledge of the availability of local resources, and
- A holistic understanding of the dynamics or key issues determining the various development priorities within the municipality.

### **DEMOGRAPHIC PROFILE OF THE MUNICIPALITY**

This summary provides a brief outline of the context, content, process outcomes and impact of the Xhariep District Municipality's IDP.

#### **Overview Statistics**

Population	: 146 742 ( <i>To be corrected with STATSSA</i> )
Number of households	: 45 368
Formal	: 39 571
Informal	: 5 446
Backyard shacks	: 351

#### ***Population by Age Distribution***

DC16: Xhariep			
	Male	Female	Grand Total
0 – 4	8211	8073	16284
5 – 9	7593	7591	15185
10 – 14	6930	6586	13515
15 – 19	6915	6877	13792
20 – 24	7146	6675	13821
25 – 29	6458	5957	12415
30 – 34	5404	5004	10408
35 – 39	4457	4835	9292
40 – 44	4031	4360	8390
45 – 49	3400	3917	7317
50 – 54	2919	3413	6331
55 – 59	2532	3075	5607
60 – 64	2049	2579	4628
65 – 69	1368	1736	3105
70 – 74	1057	1585	2641
75 – 79	608	1118	1727
80 – 84	321	624	945

85 +	261	595	855
<b>Grand Total</b>	<b>71658</b>	<b>74600</b>	<b>146259</b>

Data Source: Statssa (This figures also include NLM)

### Brief Summary

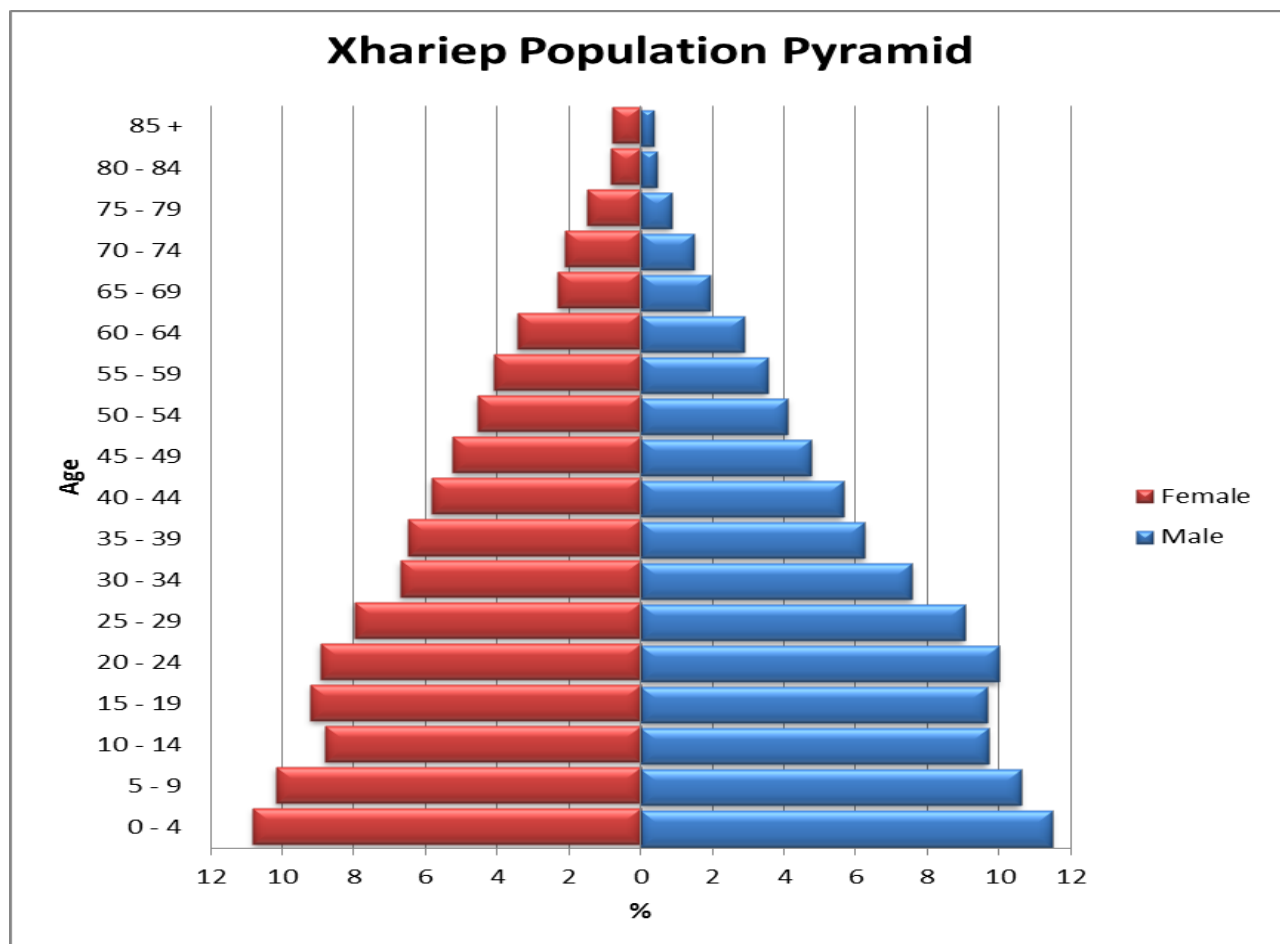
Xhariep District forms the southern part of the Free State Province and is one of four district municipalities in the Free State. The municipality measures 34289 km sq.

It is bordered by Tokologo Municipality in Lejweleputswa District to the north, Mangaung Metro and Mantsopa Municipality in Thabo Mofutsanyana District to the north-east. Other borders are with the Kingdom of Lesotho to the east, Ukhahlamba Municipality in Eastern Cape Province to the south, Pixley ka Seme Municipality in Northern Cape Province to the west and Frances Baard Municipality in Northern Cape Province to the north-west.

Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrological the district is located between the Vaal River to the north, and Orange River to the south, with rivers within the district draining towards these rivers.

Xhariep consists of three local municipal areas, with Letsemeng forming the north western section, Kopanong the middle section, Mohokare the south eastern section of the district.

### Population Pyramid



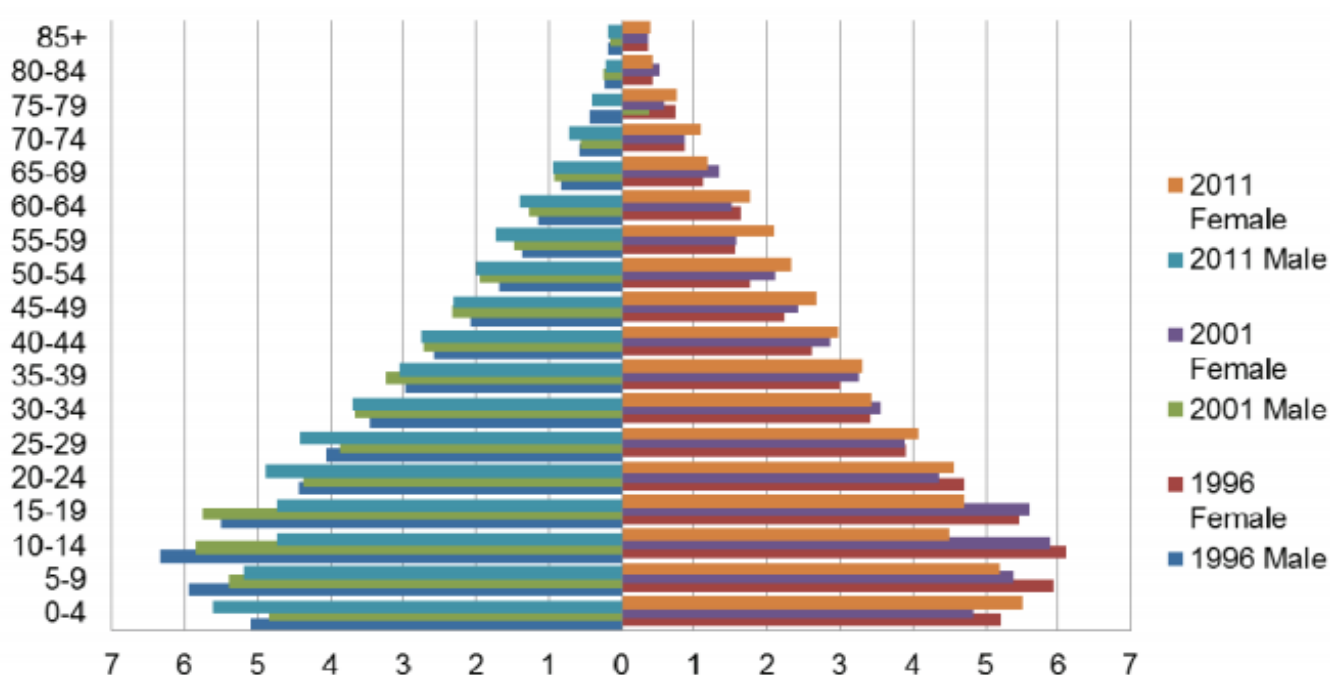
Xhariep District was estimated at a population of approximately 164 000 people in 2007. According to the 2011 Census statistics, its population size has declined with a lesser average of 2.21% per annum since 2007 to 2011. The current district's population is at 145 742 people as per the 2011 census survey statistics

The table below gives a breakdown of the population distribution per local municipality. The table and graph depicts population distribution as per the Community Survey conducted in 2011 which clearly shows a decline in population.

### *Population per Gender*

<i>Geography by Gender for Person weighted</i>			
	Male	Female	Grand Total
FS161: Letsemeng	19852	18777	38629
FS162: Kopanong	24083	25087	49171
FS163: Mohokare	16314	17831	34146
<b>Grand Total</b>	<b>60249</b>	<b>61695</b>	<b>121946</b>

### *The 1996, 2001 and 2011 Population Comparison Pyramid*



### **Key developmental challenges**

- High poverty and unemployment – 46.03% (STATSSA 2011).
- Inadequate access to basic services (water, sanitation, refuse collection, electricity, and housing and primary health care).
- Infrastructure, maintenance and service backlogs.
- HIV and AIDS – 30.8% prevalence rate (Antenatal Care Statistics) and TB.
- Substance abuse.



- Illegal dumping.
- Lack of integrated planning between the three spheres of government.
- Unfunded mandates.
- Housing shortage and rectification of incomplete houses.
- Lack of integrated and sustainable human settlements.

## Spatial Overview

The table below identifies 20 urban centres for the Xhariep District, grouped per its respective local municipality

### Urban centers located within Xhariep District

Letsemeng Local Municipality	Kopanong Local Municipality	Mohokare Local Municipality
Jacobsdal	Reddersburg	Smithfield
Petrusburg	Edenburg	<b>Zastron</b>
<b>Koffiefontein</b>	Jagersfontein	Rouxville
Oppermansgronde	Springfontein	
Luckhoff	Philippolis	
	Bethulie	
	Waterkloof	
	Fauresmith	
	<b>Trompsburg</b>	
	Gariëpdam	

Jacobsdal, Koffiefontein, Gariëpdam, Trompsburg and Zastron constitute the main economic centres within the district. The above identified urban centres also serve the surrounding rural areas.

Xhariep District Municipality enjoys high levels of connectivity to other Free State districts, provinces within South Africa, as well as to airports and harbours.

The N1 road that links the Gauteng Province with the Western Cape Province passes Edenburg, Trompsburg and Springfontein in the central part of the district.

The N6 road represents a major transport axis in the south-eastern part of the district linking Bloemfontein with Aliwal North via Reddersburg, Smithfield and Rouxville. Likewise, for the N8 road, constituting a major road link in the north-western section of the district linking Kimberley with Bloemfontein via Petrusburg, and ultimately with the Lesotho Kingdom.

The R26/R711/R712 primary roads that constitute a major road link on the eastern border of the Free State Province originate in the south-eastern part of the Xhariep District at Rouxville, linking the said town with Harrismith in Thabo Mofutsanyane District via Van Stadensrus, Wepener, Hobhouse, Ladybrand, Clocolan, Ficksburg, Fouriesburg, Clarens and Phuthaditjhaba.

An airfield is located at Gariëp Dam town. Railway connections within and to the outside of the district are established. In this regard, the interprovincial rail freight arterial line (diesel, single railway track) from Noupoort to Springfontein, as well as Dreunberg to Springfontein (electric, single railway track) has reference.

The main line from Springfontein to Bloemfontein via Trompsburg and Edenburg (single track and diesel operated) is another major rail freight arterial line servicing the district. Rail freight branch lines located in the district are Springfontein – Koffiefontein and Aliwal-North – Bloemfontein, the latter being located in the eastern most part of the district.

Border posts at Zastron (Makhaleng), Wepener (Van Rooiensek) and Sephapis connect the district with the Kingdom of Lesotho.

Land use in the district is primarily agricultural in nature. The district is also a tourism destination due to spectacular scenic beauty of the Drakensberg and Maluti mountain ranges in the east, as well as the Gariep Dam and tourism routes. Due to its regional characteristics, the main industries the district thus focuses on are agric-beneficiation and tourism development.

### **Geographic Areas per need**

An investigation of Real Gross Value Added by Region (Real GVA-R) and Real Gross Domestic Product by Region (Real GDP-R) took place on district and local municipal levels, indicated in relation with Xhariep District Municipality and its local municipalities:

#### ***Real GVA-R and Real GDP-R per local municipality***

Municipality	Gross Value Added by Region (GVA-R)		Gross Domestic Product by Region (GDP-R)	
	(R1 000) 2010 Total GVA Constant 2005 prices	Percentage (%) of Free State total	GDP-R Constant 2005 prices (R1 000) 2010	Percentage (%) of Free State total
Kopanong	95365	1.17	1067893	1.16
Letsemeng	828331	1.01	959731	1.05
Mohokare	523720	0.64	593992	0.63
DC16: Xhariep	2 612 436	3.19	2 933 594	3.20

### **Concluded Analysis**

Xhariep District Municipality respectively contributed 2 612 346 (000) and 2 933 594 (000) of the total GVA-R and GDP-R and was the lowest contributor of the GVA-R and GDP-R in relation with other district municipalities in 2011. The Real Economic Growth Rate of the district (1996 – 2010) with an average of +2.09% was also the third highest average in relation with other district and metro municipalities.

Kopanong Local Municipality respectively contributed R953 635(000) GVA-R and R1 067 893(000) GDP-R in 2010. It was the highest contributor of the GVA-R and GDP-R in the district followed by Letsemeng, Mohokare. Kopanong also had +1.91% average Real Economic Growth Rate (1996 – 2011) and was the second highest Real Economic Growth Rate in the district after Letsemeng Local Municipality.

## EDUCATION PROFILE

**Definition:** Functional literacy is defined as the number of persons aged 20 and above that has completed grade 7.

For an investigation on no schooling and limited schooling (grade 5) global insight utilized population with age 15 and above in their count of no schooling and limited education (grade 5), as this is the legal school-leaving age.

### Social enabler 3: ensure an appropriate skills base for growth and development

#### Indicator:

- Grade 12 pass rate
- Ten year target: 80%
- Twenty year target: 90%

An investigation of level of education identified the following specific geographic areas (district and local municipalities) with highest need, indicated in relation with Xhariep District Municipality and its local municipalities:

The number of persons aged 20 and above that has completed grade 7 in Xhariep in 2011 was 68 887, representing a percentage of 58.33% people (Global insight, 2011) and had less number in relation with other district and Mangaung Metro Municipality.

Locally, Kopanong topped the other two local municipalities (Letsemeng and Mohokare) with 26 017 (61.29%) of functional literate people. Letsemeng was the second highest with 18 683(55.42%), followed by Mohokare with 13 323 (55.07%) functional literate people.

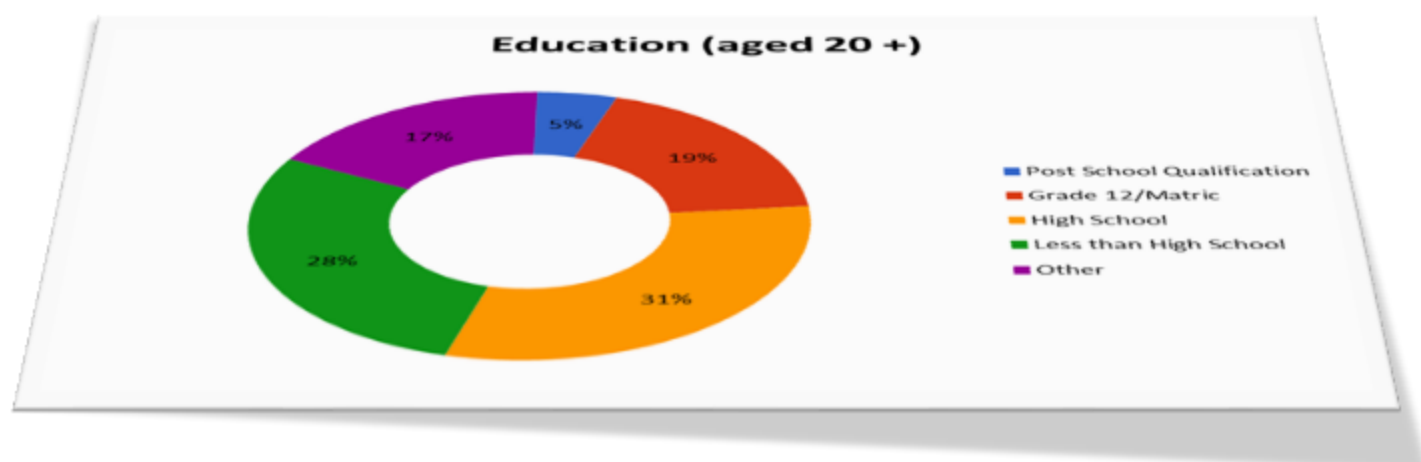
In an account of people with no schooling and limited education, the district had 14 707 (10.81%) people aged 15 or more with no schooling and 22 523 (16.56%) people with limited education in 2011. It had less number in relation with other district and metro municipalities with people that have no schooling and limited education.

Locally Kopanong had 14 707 (10.81%) people with no schooling and 7 273 (14.89%) people with limited education. Positions of the other two local municipalities in both no schooling and limited schooling categories have also being indicated.

	<i>Letsemeng</i>	<i>Kopanong</i>	<i>Mohokare</i>	<i>Naledi</i>	<i>Total</i>
Pre-school including day care; crèche; Grade R and Pre-Grade R in an ECD centre	91	122	149	87	450
Ordinary school including Grade R learners who attend a formal school; Grade 1-12 learners & learners in special class	8847	12013	9372	7208	37440
Special school	25	42	17	63	147
Further Education and Training College FET	92	127	82	46	347

Other College	30	64	15	17	127
Higher Educational Institution University/University of Technology	147	289	184	98	719
Adult Basic Education and Training Centre ABET Centre	150	190	114	177	631
Literacy classes e.g. Kha Ri Gude; SANLI	63	36	33	61	193

Data Source: STATSSA (Census 2011 Survey)



The education statistics of the District Municipal Area show that 4.79% of the population have a post school qualification, compared to the national average of 9.94% (Statistics South Africa 2012). However, 18.51% have a Grade 12/Matric education, 30.91% have some high school education and 28.50% have less than a high school education.

The following trends can be highlighted:

- Shortage of institutions for higher learning and sectoral schools (Technical and agricultural schools)
- High level of illiteracy (Abet)
- Lack of community participation (forums, SGB)
- Transport network for farm schools.
- Poor secondary pass rate.
- Higher learner / Educator ratio

## HEALTH PROFILE

	<i>Letsemeng</i>	<i>Kopanong</i>	<i>Mohokare</i>
Fixed Clinics	5	10	4
Mobile Clinics (weekly range)	6	6	6
Vehicles	13 + 5 subsidised	11 + 8 subsidised	21 + 11 subsidised
Ambulances	4	9	6
Commuter Services	2	3	4
Radio-graphic Services	1 X-Ray, 1 Sonar	2 X-ray, Radiographer, Supplementary	1 2 X – Rays, 1 Community Service Radiographer

		Radiographer, 1 Community service Radiographer	
District Hospitals (laundry, mortuary & theatre services)	0	Diamond hospital (Jagers-fontein) with 32 bed Trompsburg District Hospital with 300 beds	Stoffer Coetzee Hospital (Smithfield) with 23 beds Embekweni Hospital (Zastron) with 25 beds
Community Health care	1	1	0

Data Source: Department of Health

### Major causes of death

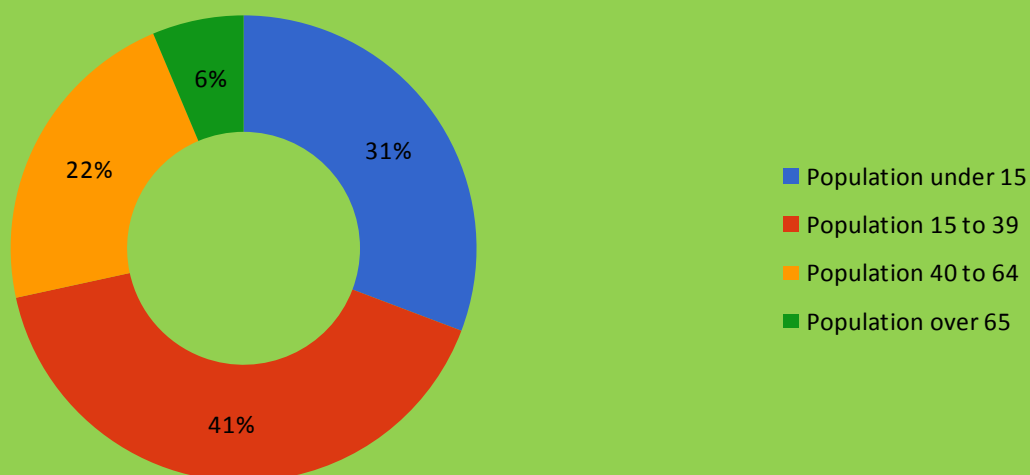
1	Influenza and Pneumonia	17.6%
2	Tuberculosis	14.2%
3	Intestinal Infectious diseases	6.8%
4	Certain disorders involving Immune mech.	5.6%
5	Cerebrovasc disease	4.8%
6	Other forms of heart disease	4.8%
7	Chronic lower respiratory disease	3.2%
8	Hypertensive disease	2.4%
9	Diabetes mellitus	2.0%
10	Ischemic Heart Disease	1.5%

The population is youthful, with children under the age of 15 making up 30.76% of the population and those aged between 15 and 39 accounting for a further 40.48%. The 40 to 64 age group makes up 22.07% of the population and the 65 and older age group makes up the remaining 6.34% of the population (Statistics South Africa 2012).

Malaria is not currently a health concern within the District Municipal Area. There were only 41 cases of Malaria recorded in the Free State Province in 2015, which resulted in one death. All of these cases were contracted outside of the Province (Department of Health 2016).

The child under 5 years severe acute malnutrition (SAM) case fatality rate (CFR) for the District Municipal Area was 9.3% during 2014/15 (Health Systems Trust 2015). The District Municipal Area's CFR is lower than the national average CFR of 11.6% but higher than the national target of 8% (Health Systems Trust 2015).

## Age Structure



The Xhariep district is served by three hospitals, located in Jagersfontein, Smithfield and Zaaron. There is currently no hospital serving Letsemeng area. A Regional Hospital in Trompsburg is complete and will operate from 2017.

The following trends can be highlighted:

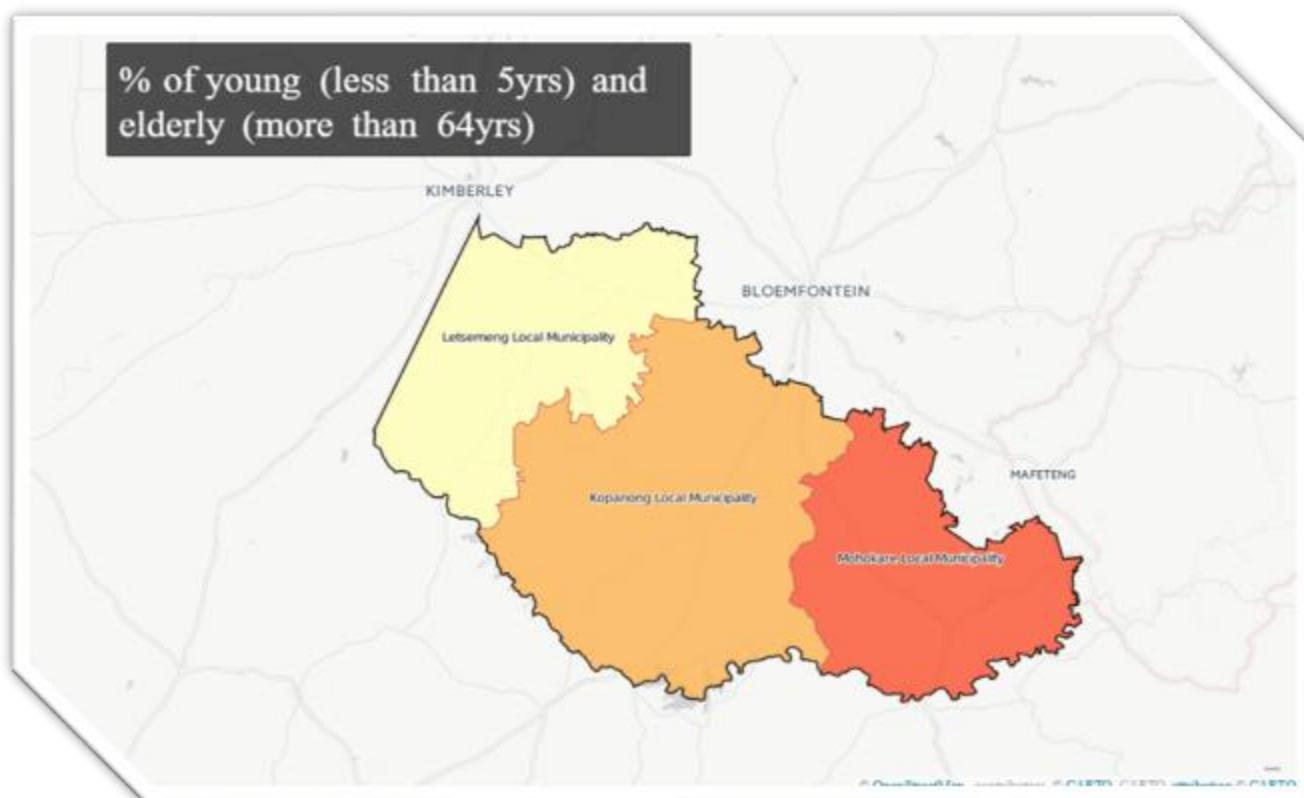
- Availability of professional medical staff and related accommodation.
- Public transport of patients (ambulances/commuter system)
- Care of terminally ill persons.
- Teenage pregnancy occurrence.
- Extended hours of clinics.
- Provision of step down facilities.

### Social Grant per population group

<i>Municipality</i>	<i>Type of grant</i>	<i>Black</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>
Letsemeng Local Municipality	Old age pension	1 227	715	-	168
	Disability grant	1 763	589	-	84
	Child support grant	4 418	1 293	-	-
	Care dependency grant	-	150	-	-
	Foster care grant	20	-	-	-
	Grant in aid	155	-	-	-
	Social relief	-	-	-	-
	Multiple social grants	-	125	-	-
Kopanong Local Municipality	Old age pension	3 322	392	-	534
	Disability grant	2 624	850	-	-
	Child support grant	6 027	1 551	-	-
	Care dependency grant	168	-	-	-
	Foster care grant	55	-	-	-
	Grant in aid	227	99	-	-
	Social relief	107	-	-	-

	Multiple social grants	-	-	-	-
Mohokare Local Municipality	Old age pension	2 282	91	-	136
	Disability grant	1 376	-	-	-
	Child support grant	7 841	225	-	-
	Care dependency grant	226	-	-	-
	Foster care grant	32	-	-	-
	Grant in aid	162	-	-	-
	Social relief	-	-	-	-
	Multiple social grants	68	-	-	-

As mentioned above, the population is youthful, with children under the age of 15 making up 30.76% of the population and those aged between 15 and 39 accounting for a further 40.48%. The 40 to 64 age group makes up 22.07% of the population and the 65 and older age group makes up the remaining 6.34% of the population (Statistics South Africa 2012).



Percentage of young (under 5 years) and elderly (over 65 years) across the District Municipal Area (Statistics South Africa 2012)

<b><i>Geography and Population Group by Enumeration area type /Dwelling for Person weighted</i></b>										
		<b><i>Formal residential</i></b>	<b><i>Informal residential</i></b>	<b><i>Farms</i></b>	<b><i>Parks and recreation</i></b>	<b><i>Collective living quarters</i></b>	<b><i>Industrial</i></b>	<b><i>Small holdings</i></b>	<b><i>Vacant</i></b>	<b><i>Commercial</i></b>
FS161: Letsemeng	Black African	20538	263	3841	-	100	110	472	781	75
	Coloured	6508	115	1516	-	67	12	307	500	20
	Indian or Asian	113	3	9	-	-	1	-	1	3
	White	1500	-	1082	-	127	108	247	-	57
FS162: Kopanong	Black African	30522	82	4235	61	-	32	26	184	-
	Coloured	6873	28	1889	9	-	4	9	146	-
	Indian or Asian	196	-	15	1	-	-	-	-	-
	White	2967	-	1540	60	-	12	30	20	-
FS163: Mohokare	Black African	25932	-	4728	-	-	-	-	358	-
	Coloured	564	-	192	-	-	-	-	12	-
	Indian or Asian	86	-	7	-	-	-	-	-	-
	White	1217	-	979	-	-	-	-	9	-

Data Source: Statssa

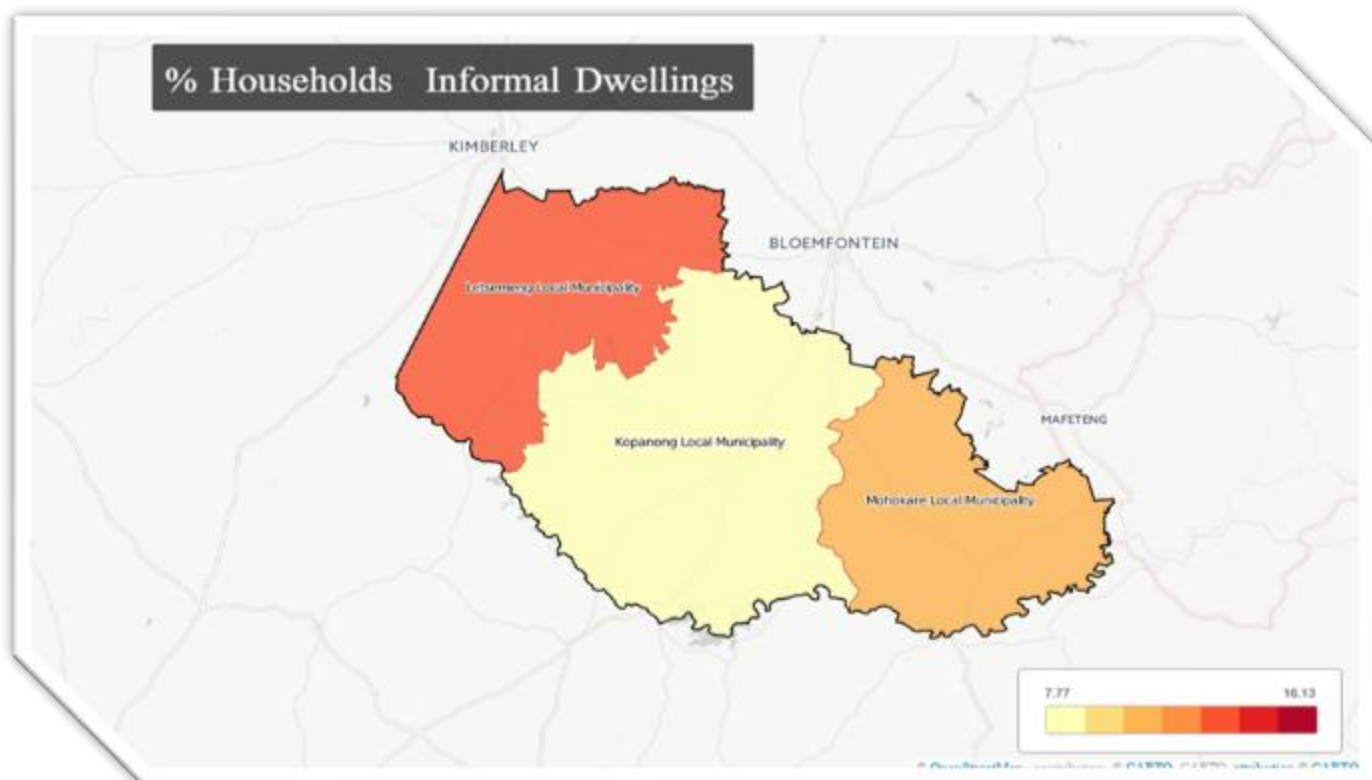


## Types of dwelling per population enumerated

<i>Type of dwellings</i>	<i>FS161: Letsemeng</i>	<i>FS162: Kopanong</i>	<i>FS163: Mohokare</i>
House or brick/concrete block structure on a separate stand or yard or on a farm	9016	13904	9027
Traditional dwelling/hut/structure made of traditional materials	17	57	74
Flat or apartment in a block of flats	63	80	62
Cluster house in complex	12	11	5
Townhouse (semi-detached house in a complex)	36	31	1
Semi-detached house	76	20	97
House/flat/room in backyard	133	197	103
Informal dwelling (shack; in backyard)	634	475	838
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	1179	739	483
Room/flat let on a property or larger dwelling/servants quarters/granny flat	22	51	55
Caravan/tent	5	6	9

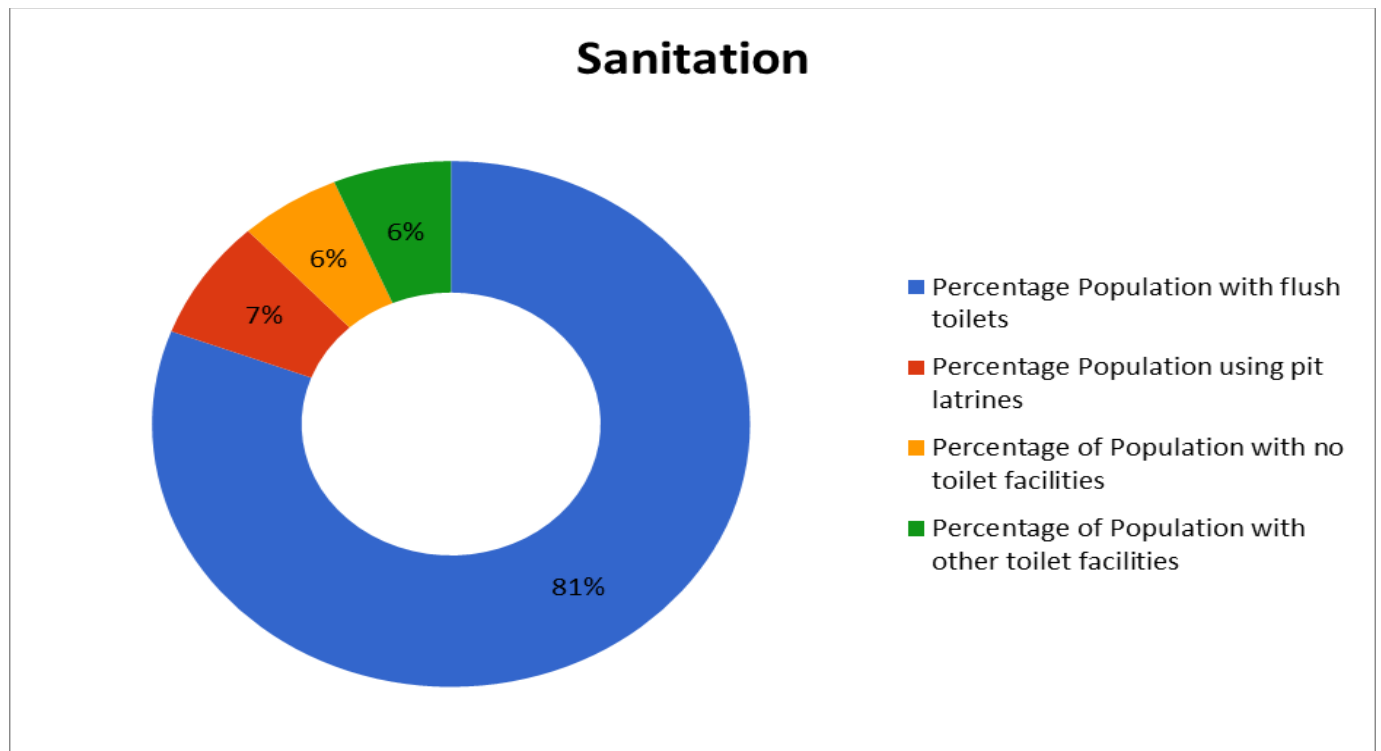
Data Source: Statssa

According to the 2011 Census Data, the majority of 45,366 households, in the District Municipal Area, live in formal dwellings. However, 12.00% of households in the District Municipal Area live in informal dwellings, which is lower than the national average of 13.58%. Another 0.41% of the District Municipal Area's households live in traditional dwellings which is lower than the national average of 7.89% (Statistics South Africa 2012). The diagram below, shows the percentage of households that live in informal dwellings across the District by local municipality. The darker areas on the map indicate the areas that have higher percentages of informal dwellings.



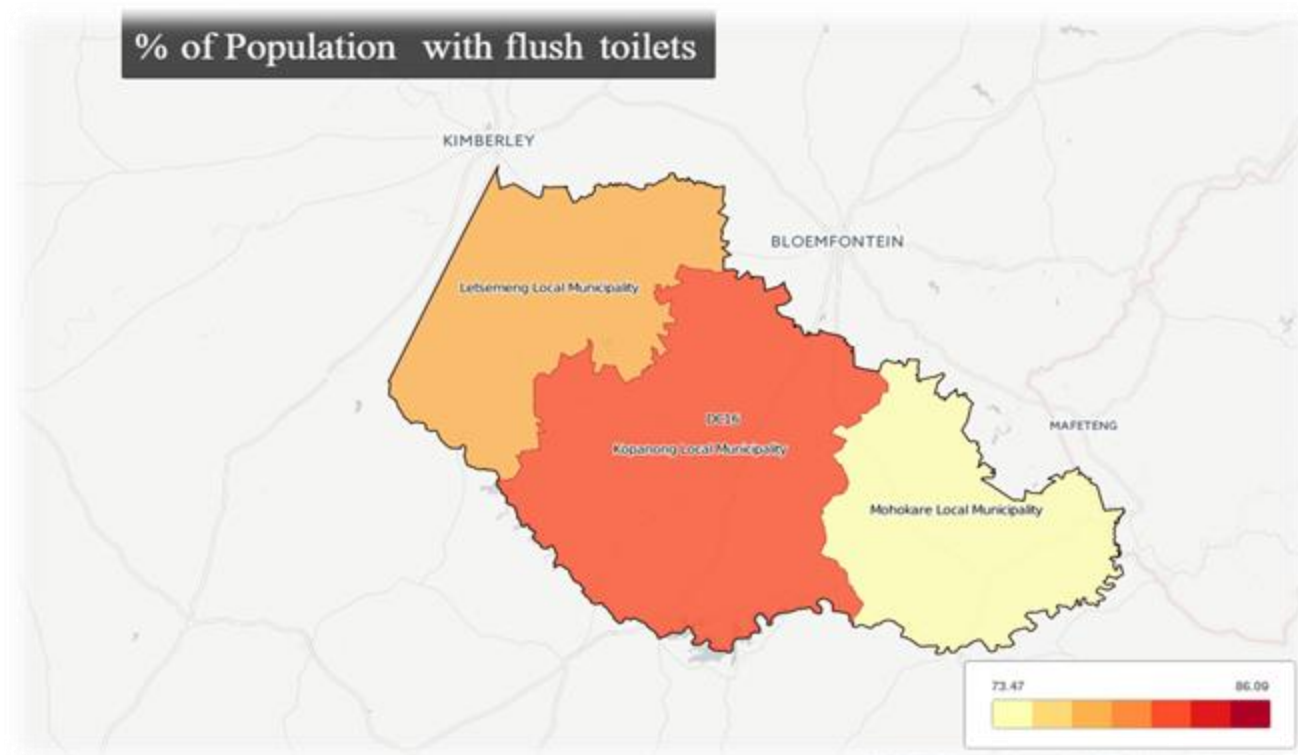
Percentage of households that are living in informal dwellings across the District Municipal Area (Statistics South Africa 2012)

With regards to basic household services available, 81.44% of the District Municipal Area's population has access to water from a service provider, higher than the national average of 78.18%. This means that 18.56% of the population do not have access to piped water with 2.97% sourcing their water from water tanks and 0.81% from boreholes. The diagram below, shows the access to sanitation percentages for the District Municipal Area (Statistics South Africa 2012).



Percentage of population with access to sanitation in the District Municipal Area (Statistics South Africa 2012)

The diagram below, shows the percentage of the population with access to flush toilets by local municipality. The darker areas are those where a higher percentage of the population have access to flush toilets.



Percentage of the population with access to flush toilets across the District Municipal Area (Statistics South Africa 2012)

The following trends can be highlighted:

- Addressing housing backlogs.
- Eradication of informal settlements (squatting)
- Service provision in line with provision of erven.
- Township establishments, proclamations and transfers.
- Shortage of land for residential development
- Investigation of future land and housing needs.

## ENERGY PROFILE

Most households in the District Municipal Area have access to electricity with only 7.41% of households not using electricity for cooking, heating or lighting (Statistics South Africa 2012).

	Letsemeng	Kopanong	Mohokare
None	32	49	27
Electricity	9896	13493	8205
Gas	293	522	551
Paraffin	408	1042	1332
Wood	576	449	588
Coal	8	18	11
Animal dung	12	36	64
Solar	15	35	13

Data Source: STATSSA

Approximately 90% of all erven in Xhariep have access to electricity with Mohokare having the highest service rate. However, the following challenges and district needs need to be addressed.

- Development of network to new areas.
- Bulk supply and upgrading of networks.
- Quality of electricity network (voltage drops, etc)
- Supply of free electricity to all indigent households.
- Transfer of distribution networks to municipalities.
- Strategy for servicing rural areas (All services)

## ECONOMICALLY ACTIVE POPULATION

### Definition:

Economically active population (EAP) is defined as the number of people that are able and willing to work from the age of 15 up to and including 64 years. It includes both employed and unemployed persons. In this regard, the official definition of EAP is utilized in that persons who consider themselves unemployed, but did not recently take active steps to find employment are not considered part of the economically active population (Global Insight, Stats SA).

The economically active population is measured at the place of residence and thus represents the number of economically active persons residing within a specific region.

### Free State Growth and Development Strategy (2011) Link:

#### Social Enabler 6: Ensure social development and social security services

**Indicator:** Unemployment rate

Ten year target: 25%

Twenty year target: 20%

### Geographic areas of need

An investigation of EAP identified the following geographic areas (district and local municipalities) of EAP, indicated in relation with Xhariep District Municipality and its local municipalities:

#### Economically Active Population per metro and district municipality

<i>District Municipality</i>	<i>Number</i>	<i>Percentage (%)</i>
Mangaung Metro	259 640	36.30
DC 18: Lejweleputswa	254 549	38.90
DC 19: Thabo Mofutsanyane	250 243	29.90
DC 20: Fezile Dabi	159 651	31.87
<b>DC 16: Xhariep</b>	<b>56 287</b>	<b>30.10 of the Free State Province</b>

Data Source: STATSSA (Census 2011 Survey)

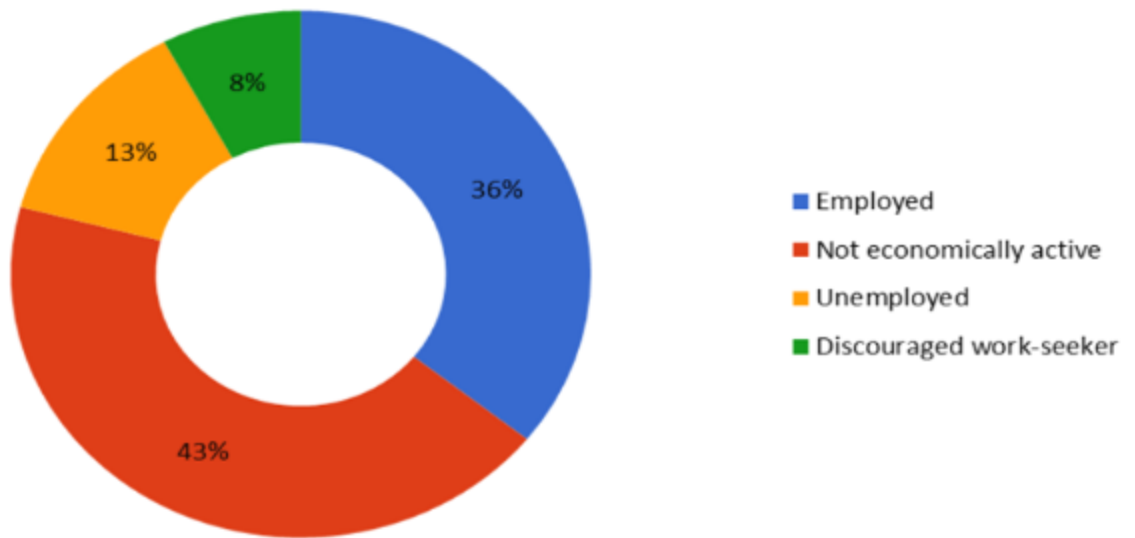
#### Economically Active Population per local municipality

<i>Local Municipality</i>	<i>Number</i>	<i>Percentage (%)</i>
Kopanong	19472	29.54
Letsemeng	16639	30.53
Mohokare	12110	32.63

Data Source: STATSSA (Census 2011 Survey)

The employment statistics of the District Municipal Area show that 35.76% of the population are employed, which is lower than the national average of 38.87% (Statistics South Africa 2012). Of those not employed, 13.08% are classified as unemployed, 43.35% are not economically active, and 7.81% are discouraged work-seekers.

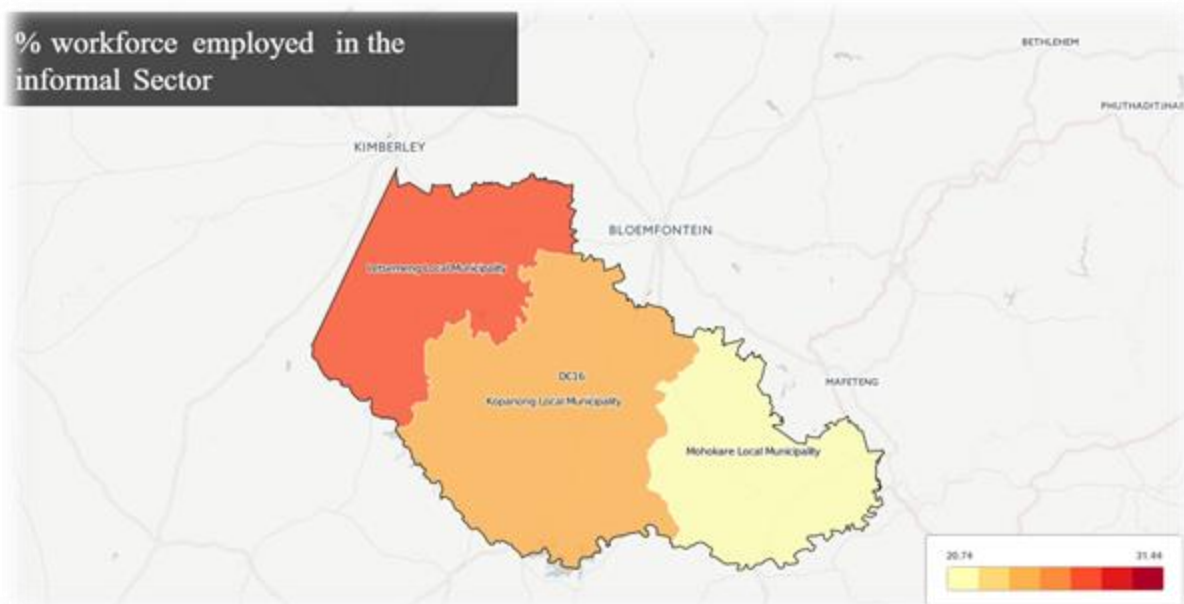
## Employment (between 15 & 64 yrs)



People who work outdoors are especially vulnerable to the impacts of extreme heat conditions. In the District Municipal Area 25.76% of households are involved in their own agricultural activities (Statistics South Africa 2012).

Furthermore, 24.25% of the population are employed in the informal sector, many of which work outdoors in poor conditions, with limited infrastructure such as access to amenities and shade (Statistics South Africa 2012).

The percentage of the workforce employed in the informal sector, in the District Municipal Area, is shown below on the diagram. The darker areas on the map indicate higher rates of employment in the informal sector.



Percentage workforce employed in the informal sector across the District Municipal Area (Statistics South Africa 2012)

## Concluded Analysis

The number of population that was economically active in Xhariep District Municipality in 2010 was 56 287, representing a percentage of 30.10% (Global insight, 2010). It had the lowest number in the province with economically active population in 2010.

The highest number of economically active population (in the district) per local municipality in 2010 was Kopanong with 19 472 people representing a percentage of 29.54%, followed by Letsemeng with 16 638, Mohokare with 12 110.

## Unemployment

### Definition:

The official definition of unemployment (global insight 2010) utilized includes persons who are not working, but were looking for work in the past four weeks, but does not include those people who are neither working nor looking for work, even if they would accept work if it was offered to them.

## Free State Growth and Development Strategy: Link

**Social enabler 6:** Ensure social development and social security services

**Indicator:** unemployment rate

- Ten year target: 25%
- Twenty year target: 20%

## Geographic areas of need

An investigation of unemployment identified the following geographic areas (District and Local Municipalities) with need, indicated in relation with Xhariep District Municipality and it's Local Municipalities:

## Concluded Analysis

The number of unemployed population in Xhariep district municipality in 2011 was a percentage of 24.36% of economically active population. It had less number in the province of economically active people that is unemployed. Lejweleputswa had more unemployed people, followed by Thabo Mofutsanyane, Mangaung metro and Fezile Dabi.

Individual monthly income by Geography for Person weighted				
	FS161: Letsemeng	FS162: Kopanong	FS163: Mohokare	
No income	13800	17998	12509	
R 1 - R 400	7646	9324	8719	
R 401 - R 800	1810	2763	1875	
R 801 - R 1 600	6944	9424	5940	
R 1 601 - R 3 200	2000	2212	1074	
R 3 201 - R 6 400	1257	1701	952	

R 6 401 - R 12 800	950	1293	909	
R 12 801 - R 25 600	599	747	443	
R 25 601 - R 51 200	135	214	118	
R 51 201 - R 102 400	47	92	54	
R 102 401 - R 204 800	27	61	19	
R 204 801 or more	13	34	21	

More economically active population unemployed per local municipality (in the district) in 2011 was in Kopanong, followed by Letsemeng and Mohokar



## POVERTY RATE

### Definition:

Poverty rate is defined as the percentage of people living in households with an income less than the poverty income.

Poverty income refers to the minimum monthly income needed to sustain a household and varies according to the household size: the larger the household, the larger the income required to keep its members out of poverty (global insight, 2010).

The poverty income used is based on the bureau of market research's minimum living level.

The table below indicates monthly poverty income per household size for the year 2011.

Household size	Minimum monthly income needed to sustain a household
1	1 315
2	1 626
3	2 092
4	2 544
5	3 024
6	3 538
7	3 991
8+	4 729

Data Source: STATSSA (Census 2011 Survey) (Table: monthly poverty income by household size (rand per month)).

### Free State Growth and Development Strategy (2011) Link:

**Social Enabler 6:** Ensure social development and social security services

**Indicator:** People living in poverty

Ten year target: 35%

Twenty year Target: 25%

### Geographic areas of need

An investigation of poverty identified the following geographic areas (metro, district and local municipalities) with need, indicated in relation with Xhariep District Municipality and its local municipalities:

## Number of people in poverty per metro and district municipalities

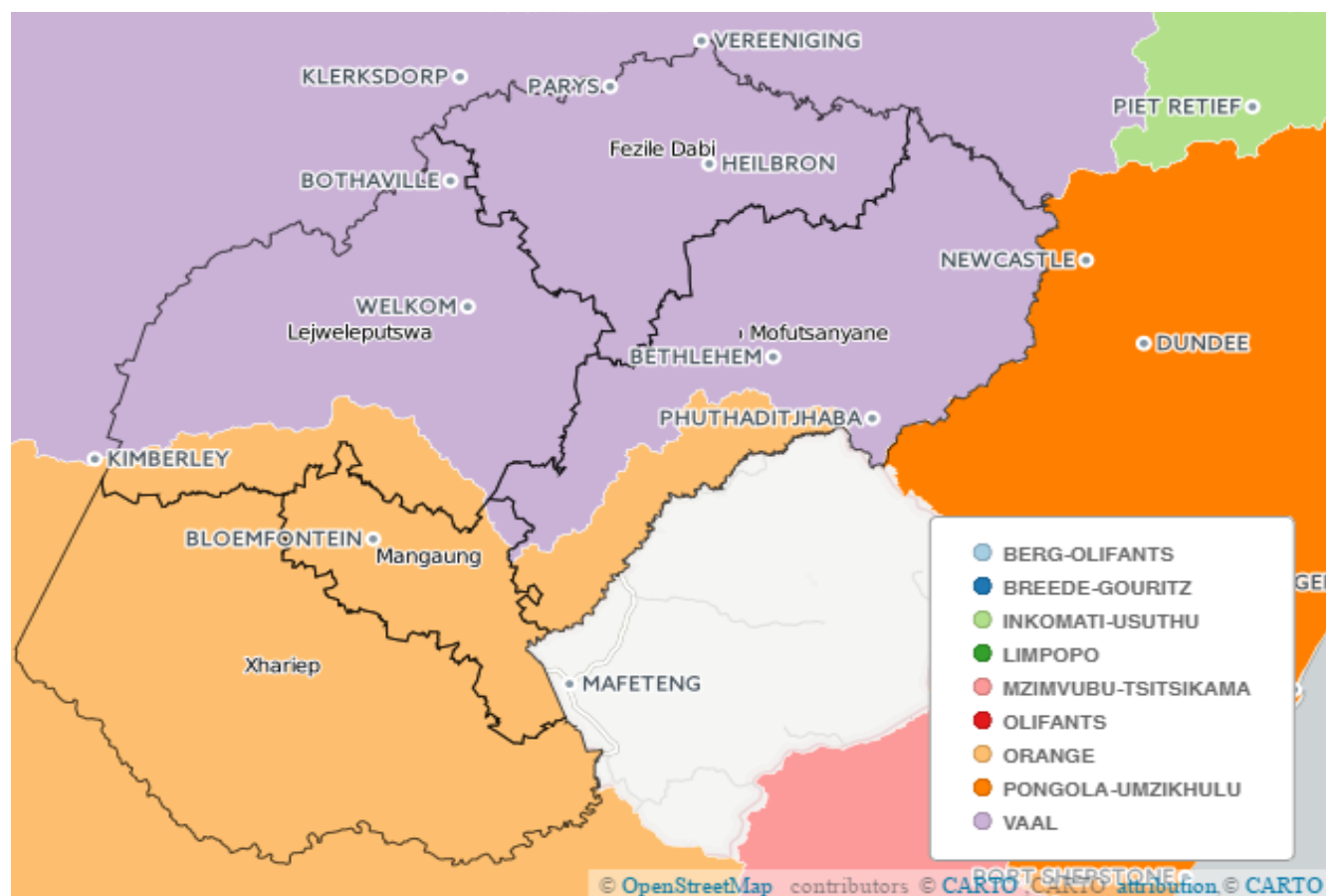
District Municipality	Number of people in poverty	Percentage (%) of people in poverty
DC19: Thabo Mofutsanyane	403 721	48.23
DC18: Lejweleputswa	272 898	41.70
DC17: Mangaung Metro	225 304	31.50
DC20: Fezile Dabi	175 820	35.09
<b>DC16: Xhariep</b>	<b>91 683</b>	<b>49.03</b>

Data Source: STATSSA (Census 2011 Survey)

The number of population living in poverty in Xhariep in 2011 was 90 678, representing a percentage of 46 .03% people and it was the lowest number in relation with the metro and other district municipalities. Kopanong was the local municipality in the district in 2011 with (32 704) the highest number of people living in poverty, followed by Letsemeng with 25 962 and Mohokare with 17 332 people.

## WATER SUPPLY

Xhariep District Municipality falls within the Orange Water Management Area, one of nine water management areas in the country



Xhariep District Municipality falls within the Orange Water Management Area

The Xhariep District Municipality falls within the summer rainfall region of South Africa. With an annual rainfall of 350mm-500mm, the District has an rainfall average that is low compared to the

rest of the Free State Province (Xhariep District Municipality 2014). The eastern part of the District receives the highest rainfall (Xhariep District Municipality 2014). The low mean rainfall makes the District quite dependent on its water bodies namely the Gariep Dam, Riet River, Modder River and Orange River (Xhariep District Municipality 2014).

Drinking water in the Xhariep District Municipality is of variable quality and wastewater treatment provision is a challenge. The table below shows the blue and green drop scores received by local municipalities within the Xhariep District Municipality for the 2010/11 period. The Blue Drop score rates the quality of water supplied by municipalities (90-100%-Excellent situation; 75-<89%- Good status; 50-<74% - Average performance; 33-<49%- Very poor performance; 0-32%- Critical status) (Department of Water Affairs 2011). The Green Drop scores municipalities according to waste water management (90 - 100%- Excellent situation; 80 - <90%- Good status; 50 - <80%- Average performance; 30 - <50%- Very poor performance; < 30%- Critical state) (Department of Water and Sanitation 2011).

Blue Drop Score Rates quality of drinking Water			Green Drop Score Rates wastewater treatment	
<b>Kopanong Local Municipality</b>	68.70%	Average performance	1.20%	Critical state
<b>Letsemeng Local Municipality</b>	49.98%	Very poor performance	0.00%	Critical state
<b>Mohokare Local Municipality</b>	77.04%	Good status	58.60%	Average performance

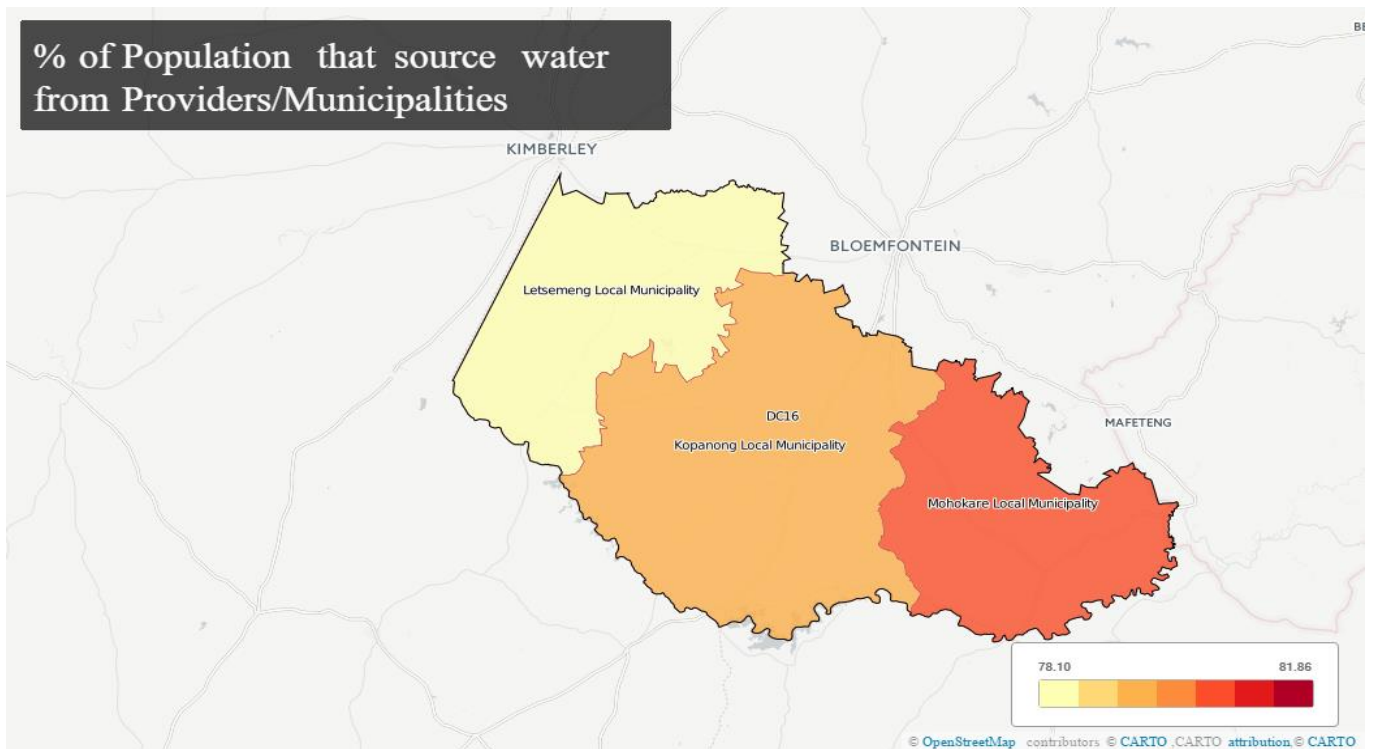
*Blue and Green Drop ratings for local municipalities within the Xhariep District Municipality (Source: Department of Water Affairs 2011; Department of Water and Sanitation 2011; Department of Water and Sanitation 2016)*

### Access to Water

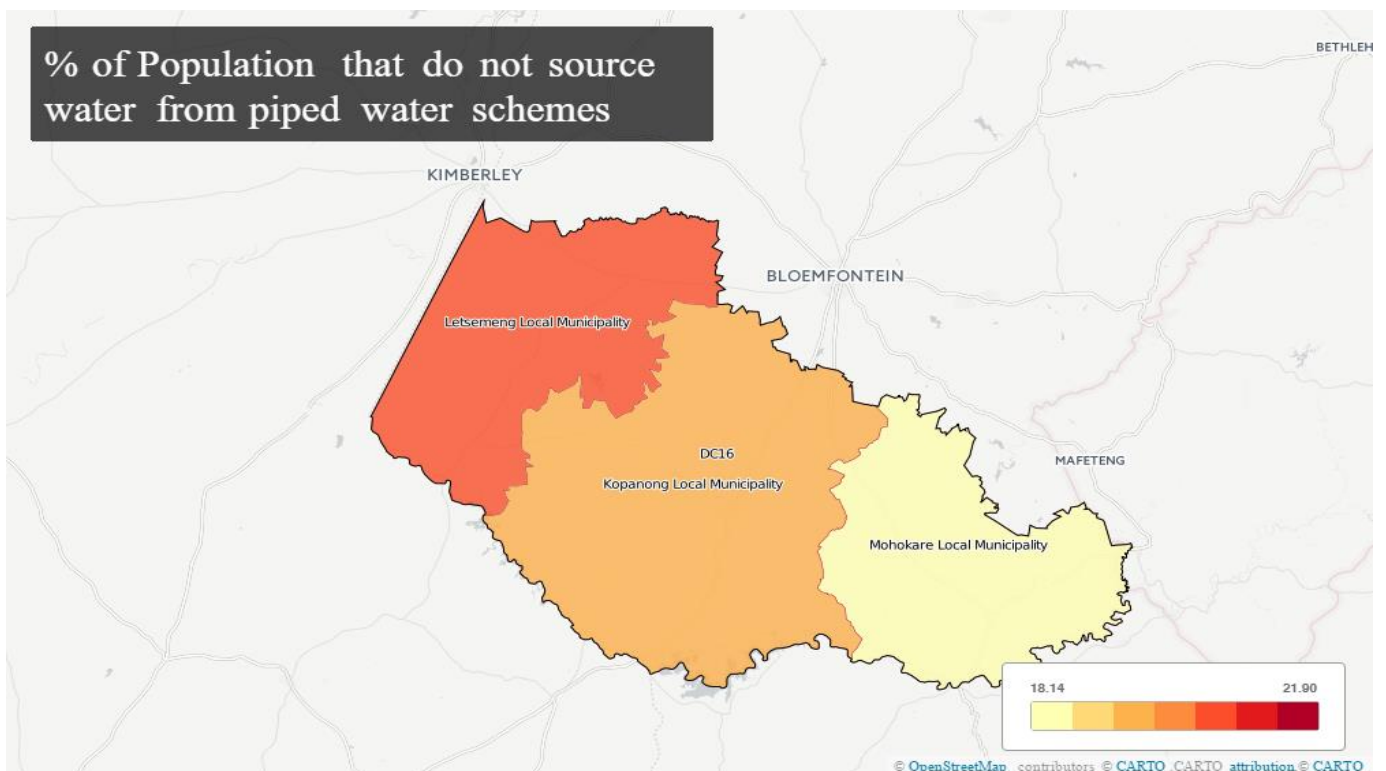
With regards to access to water, the vast majority of the District's population (81.44%) has access to water from a service provider. However, 18.56% of the population do not have access to piped water, with 0.81% of the population sourcing their water from boreholes and 2.97% from water tanks (Statistics South Africa 2012).

The figure below shows the percentage of the population who get water from service providers / municipalities across the District. The darker shaded local municipalities are those with the higher percentage of access to water.

The other figure shows the percentage of the population in the District, who do not source water from piped water schemes. The darker shaded municipalities are those with the higher percentages of people that do not have access to piped water.



Percentage of population who get water from service providers across Xhariep District Municipal Area



Percentage of population in Xhariep District Municipal Area who do not source water from piped water schemes

### ***Climate Change Impacts***

Xhariep District Municipality is currently experiencing issues of water scarcity and quality. Climate change is expected to exacerbate this problem. Drought, reduced runoff, increased evaporation, and an increase in flood events will impact on both water quality and quantity. In addition to this, the

groundwater capacity within the District may decrease and possibly impact on households that are dependent on this source of water.

### **Letsemeng**

The Petrusburg Node and farms utilise boreholes as the supply of potable water. The boreholes are not sustainable and an alternative source will have to be found to supply the Petrusburg node in future.

The Koffiefontein and Jacobsdal Nodes extract water from the Kalkfontein Dam while the latter also extracts water from the Orange-Riet Canal. Oppermans also extracts water from the Orange-Riet Canal. The water extracted is purified locally while both the Koffiefontein and Jacobsdal purification plants seem to be inadequate to cope with the increased demand for potable water. There is also a need to increase the storage capacity in Jacobsdal.

The Luckhoff node extracts water from the Sarel Hayward Canal and Van der Kloof Dam. Both the purification plant and reservoir need to be upgraded in future to cope with future demand.

### **Mohokare**

Rouxville gets its water supply from the Kalkoenkrans dam and boreholes. Water shortages are experienced during dry seasons and access to alternative sources need to be investigated. The purification works is working at capacity while a new reservoir is required.

Smithfield obtains its water from the Caledon River, which is then purified at the local purification plant. There are also 7 boreholes which supplements the water supply from the river.

Zastron obtains its water from the Montagu and Kloof dams as well as boreholes. The current capacity of the reservoir, pump station and purification works is sufficient for the next five years.

### **Kopanong**

Most of the towns in the area utilises water from the Bloemwater pipelines running through the area, except Jagersfontein and Fauresmith, which get its water from the mineshafts in Jagersfontein. The water quality from the mineshafts is poor and the purification plants will need to be upgraded or an alternative water source need to be established to supply these two towns.

Water shortages are also experienced during summer when low rainfall is recorded. The pipeline between Fauresmith and Jagersfontein is also very old and leakages occur regularly.

The supply of water to Reddersburg and Edenburg from the Bloemwater pipeline needs to be supplemented with boreholes and in summer water shortages can be experienced. The water pumps at these two towns are also in poor condition and regular maintenance work is needed. All of the other towns also use boreholes to supplement their water received from Bloemwater. Bethulie's pump station is too small and its capacity will need to be increased in future.

The following trends can be highlighted:

- Extension of and identification of bulk water supply.
- Water metering.
- Internal reticulation and house connections.
- Cost of bulk water supply.
- Uniform tariff structure.

- Application of Free Water Policy.

## ROADS, STREETS AND STORMWATER

The table below provides a summary of the level of street infrastructure provided in each urban area:

### Level of street infrastructure in urban areas in Xhariep, 2013

Summary of Km's of Visual Assessments complete									
Mun No.	Mun Name	Length of Roads to be inspected (km's)	Length of Flexible Roads (inspected) (km's)	Length of Unpaved Roads (inspected) (km's)	Private Roads (km's)	Totals (km's)	Variation (km's)	Variation (%)	GPS centre line logging
FS163	Mohokare LM	198	34	165			1	0.5%	199
FS161	Letsemeng LM	303	55	118	135	308	5	1.65%	
FS162	Kopanong LM	411	75	258	80	413	2	0.5%	
	<b>Total (km's)</b>	<b>1055</b>	<b>188</b>	<b>659</b>	<b>215</b>	<b>721</b>			

Data Source: Rural Roads Asset Management Project (Royal Haskoning DHV 2013/14)

Most of the road network in the district is provincial roads, with the N1, N6 and N8 as proclaimed national roads. The present condition of both tarred and gravelled roads are very poor, thus limiting access to communities and economic opportunities. Although the district municipality is responsible for the maintenance of roads serving the district as a whole, these roads have not been identified, leaving a vacuum in terms of responsibility. It is thus important that powers and functions relating to road infrastructure be clarified in future.

### Summary of key challenges for roads and stormwater provision

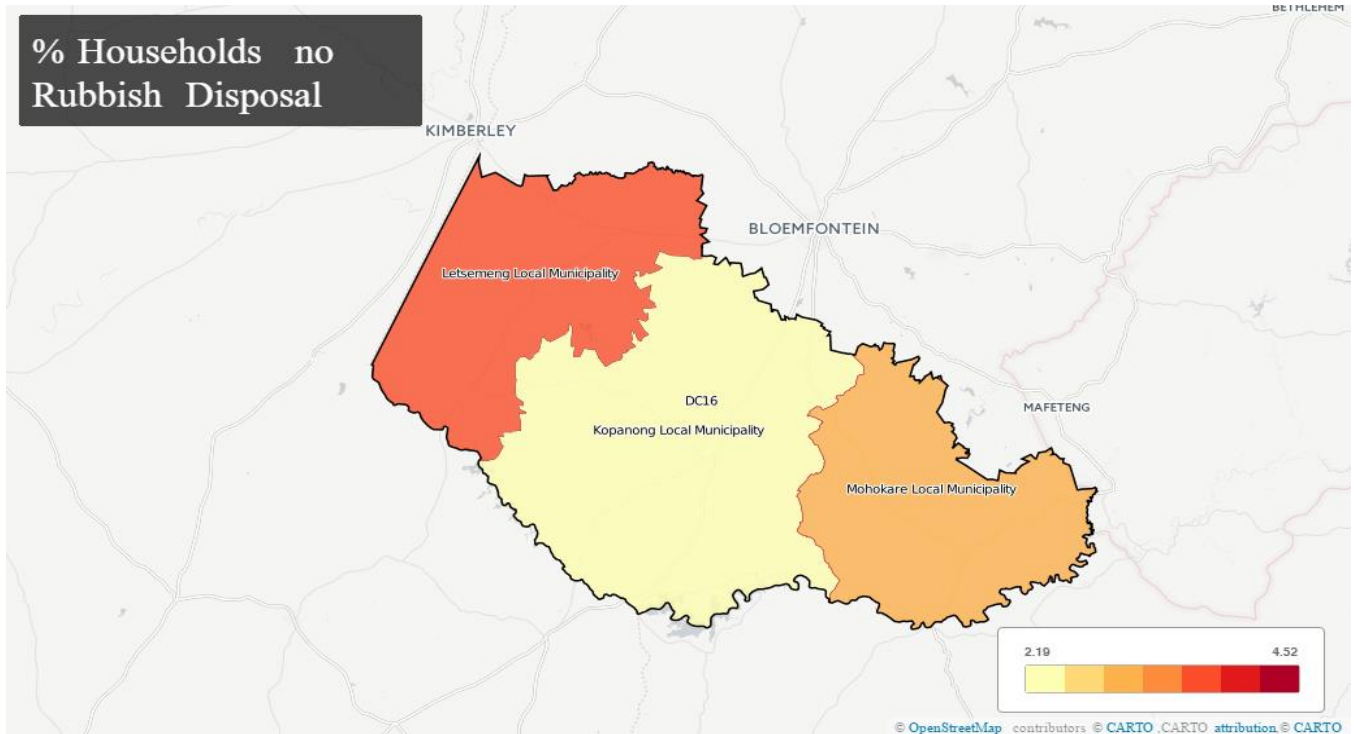
- Most of the road network in the district is dirt roads. Poor maintenance of these roads impact on the accessibility of the district
- The main connector roads in the district are still dirt roads which impact on effective service delivery. The district head offices in Trompsburg is only accessible from some of the towns via dirt roads.
- Street network is also in poor condition due to a lack of capacity and resources of local municipalities to maintain these.
- Storm-water systems are not in place in most areas, thus impacting on the maintenance of the streets
- Powers and functions in terms of road and street maintenance need to be re-evaluated.

## Waste Management

Waste management is the competency of a district municipality but Xhariep has not developed adequate capacity to perform this function effectively. Most communities in the urban areas have access to a waste removal system at least once a week.

With regards to refuse disposal, 69.05% of households have their refuse removed by a local authority/private company, which is higher than the National average of 59.40%. Only 3.21% of

households in the District Municipal Area do not have access to any form of refuse disposal (Statistics South Africa 2012). **Error! Reference source not found.**below, shows the percentage of households with no rubbish disposal across the District Municipal Area, by local municipality. The darker areas are those where a higher percentage of the population do not have access to rubbish disposal.



### Summary of key challenges for waste removal service

- Waste removal is currently being removed and treated by each municipality (most municipalities burn waste)
- Cost for waste removal is very high due to old methods
- Plastic creates problems
- No service in rural areas
- None of the waste disposal sites comply with legal requirements and no central facility is available
- There is currently a great need for vehicles and equipment

### Parks, Sport and Recreation and Cemeteries

All urban areas have parks. However, these are poorly maintained due to a lack of funding and resources. Most of the parks in the previous disadvantaged communities have not been properly developed and therefore illegal occupation of these parks occurs.

There are ample sport and recreation facilities in the district. However, the condition of these facilities is poor due to a lack of maintenance and vandalism. Some of these have been rented to clubs that charge community members a fee to utilise these facilities. This hampers poor communities to gain access to these services. A new regional sport complex was recently developed in Trompsburg.

### Sport and recreation facilities available, 2011

Local Municipality	Letsemeng	Kopanong	Mohokare	Xhariep
Multi-function Stadium:	6	2	5	12
Soccer fields:	4	26	8	38
Rugby Field	3	9	4	16
Golf:	2	6	3	11
Athletics:	4	10	5	19
Swimming pools:	4	7	0	11
Cricket:	2	0	0	2
Hockey:	0	0	1	1
Tennis:	4	29	14	47
Netball:	2	14	5	21
Squash:	1	1	1	3
Bowls:	4	8	3	15
Badminton:	1	0	2	3
Boxing:	0	0	0	0
Karate:	1	0	0	1
Basketball:	0	2	1	3
Horse racing:	3	1	3	7

Data Source: Department of Sports, Arts & Culture

Cemeteries are provided in each of the urban areas. Farming communities either utilise private cemeteries on farms or bury their loved ones in town. The following cemeteries facilities are available in the area:

Cemeteries operational in the area, 2004

Local Municipality	Number of cemeteries closed	Number of cemeteries in use	Average number of burials per month
Letsemeng	3	20	250
Kopanong		23	20
Mohokare	5	6	16
<b>Xhariep</b>	<b>8</b>	<b>49</b>	<b>95</b>

Source:



### ***Summary of challenges for services relating to Parks, Sport and Recreation and Cemeteries***

The following issues were raised during the IDP workshops:

- Most of the parks are undeveloped or poorly maintained
- Sport and recreation facilities are in a poor condition due to the lack of resources to maintain them and vandalism.
- There is a need for different sporting codes to be accessible to communities
- The current capacity of cemeteries is a problem. Jacobsdal, Edenburg, Bethulie, Rouxville and Zastron urgently require additional cemetery space.
- The maintenance is inadequate
- Not all cemeteries are properly developed with amenities like fencing, potable water and ablution facilities.
- Illegal burials take place on land not earmarked for cemeteries.

### **Safety and Security**

The Free State is still a relatively safe province. However, increases in some crimes like residential burglary, hijacking of cars and robbery cash-in-transit were recorded. The proportion of these criminal activities is still relatively low and compares favorably with the rest of South Africa. On average crime has decreased in the province which is a good sign for investment and general well-being of the province.

### **Summary of key challenges for safety and security**

- High level of stock theft
- Shortage of police resources (manpower and vehicles)
- Not enough police stations (poor access due to long distance)
- Lack of women police persons
- Community participation not satisfactory
- Shortage of magisterial human resource
- Lack of municipal infrastructure influencing policing (lighting, roads, etc)
- Farm security, and
- Conduct of certain police personnel

### **Spatial Overview**

Geological Factors

<b>Physical Features</b>	<b>Description</b>	<b>Annexure</b>
<b>Geology</b>	The geological formations within the municipality change from east to west. The most dominant rock formations are Tarkastad subgroup and Beaufort group in the eastern region, Adelaide subgroup and Beaufort group in the central region and Volksrust formation and Eccia group in the western region. Karoo dolerite formation is scattered throughout the	Mineral deposit map - geological composition of the district.

	area (Source: Council for Geosciences, 2001).	
<b>Rainfall</b>	XDM falls within the summer rainfall area of South Africa (SA). It has low rainfall compared to the rest of the FSP. The eastern part of the municipality receives the highest rainfall.	Annexure A: Rainfall map (AA).
<b>Biological Productivity</b>	Biological productivity is directly related to the rainfall. XDM is less suited for crop production and therefore yields low production capacities per hectare. However, the most eastern area of the district can be used to produce crops economically.	
<b>Grazing Capacity</b>	The grazing capacity varies from east to west within the district, with the lowest number of hectors required per live stock unit in the east. In general, XDM has a low grazing capacity with the largest part having a grazing capacity below 9ha per livestock unit. This can be attributed to the low rainfall the district receives.	
<b>Broad Land Uses</b>	<p>XDM is characterised as farming area, with sheep farming practiced within the central region and cattle and game farming in the western part. The eastern section has more of small scale subsistence farming as well as wheat and maize farming.</p> <p>A few significant heritage resources occur in the area which can be used as tourist attractions. Care should however be taken when developing these areas in order to preserve the cultural and natural heritage for posterity.</p>	<ul style="list-style-type: none"> <li>• Land Uses - Agriculture map.</li> <li>• Location of towns and administrative districts</li> <li>• Soil types</li> <li>• Rainfall (AA)</li> <li>• Maximum daily temperature (AA)</li> <li>• Minimum daily temperature (AA)</li> <li>• Agricultural types</li> <li>• Topography</li> <li>• Vegetation types</li> <li>• Surface water</li> <li>• Mining (including mineral deposits)</li> <li>• Locality of schools</li> <li>• Sensitive localities</li> <li>• Biological productivity (B276.04)</li> <li>• Grazing capacity (B276.05)</li> <li>• Sensitive areas (B0276.07)</li> <li>• Gravity Model Attraction (B0276.08)</li> </ul>

AA – Annual Average

Xhariep District forms the southern part of the Free State Province and is one of four district municipalities in the Free State. It covers the largest area and has the smallest population in the

Free State, making it the least densely populated district in the province. The district municipality comprises three local municipal areas, namely Letsemeng, Kopanong and Mohokare.

### **Letsemeng:**

Letsemeng forms the western part of Xhariep District and borders the Northern and Western Cape Provinces, the former via Jacobsdal. It is renowned for diamond, salt and slate mining as well as irrigation farming along the Orange Riet Canal and Van der Kloof Dam. It comprises 5 towns connected by a tarred road via Koffiefontein. The R705 links Jacobsdal with Koffiefontein; the R48 links Petrusburg, Koffiefontein and Luckhoff to the north-south; and the R704 links Koffiefontein, Fauriesmith and Jagersfontein. However, Jagersfontein is linked to Trompsburg by a dirt road, which hampers effective service delivery between the district and the LM.

To travel to Trompsburg from any of the towns in the district on a tarred road would necessitate going via Bloemfontein. The N8 route traverses the area to the north and links Kimberley and Bloemfontein via Petrusburg. The Port Elizabeth railway line starts at Koffiefontein and connects (at Springfontein) with the Johannesburg/Cape Town railway line to continue in an easterly direction towards Port Elizabeth.

The area accommodates Oppermans, just west of Koffiefontein, which is part of a land restitution project. Several pans occur in the area while the Van der Kloof dam, Kalkfontein dam and Wuras Resort are some of the more prominent water sources available in the area. Both the Riet River and Orange River drains through the area in a westerly direction. Although there are ample water sources available in the area, access to potable water in some of the towns remains problematic. The northern parts of the municipal area surrounding Petrusburg are good cultivated agricultural land while the southern area is renowned for livestock farming.

### **Kopanong:**

Kopanong forms the middle section of the District and comprises 9 towns of which Trompsburg is the main centre. This area is predominantly used for mixed farming particularly small livestock farming to the south. It accommodates the Bethany restitution project close to Wuras Resort just south of Bloemfontein. It is also home to one of the main tourist attractions of the district, namely the Gariep Dam with its nature reserve alongside it, which is situated on the border with the Eastern Cape. A small portion of the Van der Kloof dam falls within the local municipal area and forms the border with the Northern Cape.

Fauriesmith and Jagersfontein are both renowned for mining while Phillippolis is a prominent tourist destination because of its historic value. The N1 and N6 routes traverse the area with most of the towns situated along the N1 route. Reddersburg is situated along the N6 route. The Port Elizabeth and Cape Town/Johannesburg railway lines traverse the area and connect at Springfontein. All the towns are connected by a tarred road, despite the long distances between the towns.

The R706 links Jagersfontein to Bloemfontein and therefore people travelling between Jagersfontein and Trompsburg go via Bloemfontein to avoid the more direct link, still in a dirt state. The R717 links Reddersburg to Edenburg, which also links Phillippolis to Trompsburg. Bethulie is accessible from Trompsburg via Gariep Dam on the R701. The road between Springfontein and Bethulie is still in dirt state, forcing people to travel via Gariepdam. Smithfield is accessible from Trompsburg via Reddersburg or Gariepdam and Bethulie as the road between Trompsburg and Smithfield is in dirt state.

## Mohokare:

Mohokare forms the eastern section of the district and comprises 3 towns, with Zastron as the main centre. Rouxville lies at the center of the municipal area with Smithfield and Zastron to the west and east respectively. The area borders Lesotho and the Eastern Cape and accommodates the Caledon and Orange Rivers as well as the Tussen-die-riviere Game Reserve. The area is predominantly characterised by mixed farming. But, game farming is a growing activity. The N6 route traverses the area and connects Smithfield to Rouxville. A railway line connecting the Bloemfontein / Durban railway to East London and Port Elizabeth also runs through the area. Access to Zastron is gained via the R26 past Rouxville. Direct access to Mohokare from Trompsburg is via Smithfield on a dirt road, which hampers effective service delivery between the district and the LM.

## Micro Spatial Overview

Besides understanding the regional composition of the District, sound understanding of local spatial dynamics and issues based on reviewing individual towns is important. This section provides a brief summary of the main spatial issues in each town within the wider District.

Letsemeng Local Municipality		
Town	Description	Spatial Issues
Koffiefontein	Koffiefontein/Dithlake serves as the municipal administrative seat within Letsemeng Municipality. It is situated approximately 125 km northwest of Trompsburg and an estimated 146 km east of Bloemfontein. Access to the town is via the R48 between Petrusburg and Luckhoff. The main social and economic functions of the town include: (a) main LM administrative centre, (b) regional agricultural services centre, (c) diamond mining operations, (d) regional social services centre.	<ul style="list-style-type: none"><li>▪ Need for commercial and social integration of former separated town areas.</li><li>▪ Shortage of all forms of housing.</li><li>▪ Dilapidation of bridge connecting the town to the surrounding towns.</li><li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li><li>▪ Access to land by emerging farmers.</li><li>▪ Development/expansion of municipal buildings and functions.</li><li>▪ Sustainable management of land.</li></ul>
Petrusburg	Petrusburg/Bolokanang serves as a commercial and social service centre within Letsemeng Municipality. It is situated approximately 55 km northeast of Koffiefontein. Access to the town is via the N8 between Bloemfontein and Kimberley. The main social and economic functions of the town include: (a) main regional agro-processing centre, (b) secondary agricultural service centre, (c) social functions such as residence, education and medical services, and (d) transport support services on major route.	<ul style="list-style-type: none"><li>▪ Shortage of especially lower income housing.</li><li>▪ Shortage of municipal land surrounding existing town, impeding expansion.</li><li>▪ Access to land by emerging farmers.</li><li>▪ Infill planning and development of the buffer area between the two town areas.</li><li>▪ Effective infrastructural development in areas where agri-processing is dominant.</li><li>▪ Sustainable management of land.</li><li>▪ More direct benefit from major</li></ul>

		transport routes.
Jacobsdal	Jacobsdal/Ratanang serves as an economic growth and tourism development node within Letsemeng Municipality. It is situated approximately 45 km northwest of Koffiefontein. Access to the town is via the R705 between Koffiefontein and Modderivier. The main social and economic functions of the town include: (a) regional agricultural services centre, (b) key regional tourist destination, (c) main regional agro-processing centre, and (d) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Shortage of especially lower income housing.</li> <li>▪ Access to land by emerging farmers; Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Effective infrastructural development in areas where agri-processing is dominant.</li> <li>▪ Land availability for social application such as community hall and cemeteries.</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers.</li> </ul>
Oppermans	Oppermans serves as a general agricultural service centre within Letsemeng Municipality. It is situated approximately 12km west of Koffiefontein. Access to the town is via the S647 between Koffiefontein and Luckhoff. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, and (b) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Shortage of all forms of housing.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Land availability for social application such a community hall and cemeteries.</li> <li>▪ Sustainable land management.</li> </ul>
Luckoff	Luckhof/Relebohile serves as a general agricultural service centre within Letsemeng Municipality. It is situated approximately 85 km south of Koffiefontein. Access to the town is via the R12 between Koffiefontein and De Aar. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, and (b) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Need for commercial and social integration of the former separated town areas.</li> <li>▪ Shortage of especially lower income housing units.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Land availability for social application e.g. cemeteries and community hall.</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers.</li> </ul>
<b>Kopanong Local Municipality</b>		
<b>Town</b>	<b>Description</b>	<b>Spatial Issues</b>
Trompsburg	Trompsburg/Madikgetla serves as the regional administrative seat within Kopanong Municipality. It is situated approximately 108 km south of Bloemfontein. Access to the town is via the N1 between Bloemfontein and Colesberg. The main social and	<ul style="list-style-type: none"> <li>▪ Shortage of housing.</li> <li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town</li> </ul>

	<p>economic functions of the town include: (a) main local municipal administrative centre, (b) regional agricultural services centre, (c) regional social centre for health services, (d) social functions such as residence, education and social development services, and (e) transport support services on major route.</p>	<p>areas.</p> <ul style="list-style-type: none"> <li>▪ Development / expansion of municipal buildings and functions.</li> <li>▪ Sustainable land management.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>
Reddersburg	<p>Reddersburg/Matoporong serves as a general agricultural service centre within Kopanong Municipality. It is situated approximately 65 km northeast of Trompsburg. Access to town is via the R717 between Edenburg and Dewetsdorp. The main social and economic functions of the town includes: (a) general agricultural service centre to surrounding farming areas, and (b) social functions such as residence, education and medical services.</p>	<ul style="list-style-type: none"> <li>▪ Need for commercial and social integration of the former separated town areas.</li> <li>▪ Shortage of especially lower income housing.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Sustainable land management.</li> <li>▪ More direct benefit form major transport route.</li> </ul>
Edenburg	<p>Edenburg/Ha-Rasebei serves as a general agricultural service centre within Kopanong Municipality. It is situated approximately 39 km north of Trompsburg. Access to the town is via the R717 between Trompsburg and Reddersburg. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, (b) social functions such as residence, education and medical services, and (c) transport support services on major route.</p>	<ul style="list-style-type: none"> <li>▪ Need for commercial and social integration of the former separated town areas.</li> <li>▪ Shortage of especially lower income housing units.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Sustainable land management.</li> <li>▪ More direct benefit form major transport route.</li> </ul>
Jagersfontein	<p>Jagersfontein/Ithumeleng serves as a commercial and social service centre within Kopanong Municipality. It is situated approximately 67 km northwest of Trompsburg. Access to the town is via the R704 between Fauresmith and Trompsburg. The main social and economic functions of the town include (a) diamond mining operations, (b) regional social centre for health services, (c) general agricultural service centre to surrounding farming areas, and (d) social functions such as residence, education and social services.</p>	<ul style="list-style-type: none"> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Sustainable land management.</li> </ul>

Fauresmith	Fauresmith/Ipopeng serves as a general agricultural service centre within Kopanong Municipality. It is situated approximately 77 km northwest of Trompsburg. Access to the town is via the R704 between Koffiefontein and Jagersfontien. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, and (b) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Shortage of housing.</li> <li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li> <li>▪ Sustainable land management.</li> </ul>
Springfontein	Springfontein/Maphodi serves as a general agricultural service centre within Kopanong Municipality. It is situated approximately 22 km south of Trompsburg. Access to the town is via the N1 between Bloemfontein and Colesberg. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, (b) social functions such as residence, education and medical services, and (c) transport support services on major route.	<ul style="list-style-type: none"> <li>▪ Need for commercial and social integration of the former separated town areas.</li> <li>▪ Shortage of especially lower income housing.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Sustainable land management.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>
Phillipolis	Phillipolis/Poding-tse-Rolo serves as a general agricultural service centre within Kopanong Municipality. It is situated approximately 53 km southwest of Trompsburg. Access to the town is via the R48 between Koffiefontein and De Aar. The main social and economic functions of the town include: (a) key regional tourist destination, (b) secondary agricultural service centre, and (c) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Need for effective commercial integration of the former separated town areas.</li> <li>▪ Shortage of housing.</li> <li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Land availability for social application e.g. cemeteries and community hall.</li> <li>▪ Sustainable land management</li> <li>▪ Conservation of areas surrounding local rivers.</li> </ul>
Bethulie	Bethulie/Lephoi serves as a regional agricultural service centre within Kopanong Municipality. It is situated approximately 52 km south of Trompsburg. Access to the town is via the R701 between Gariep Dam and Smithfield. The main social and economic functions of the town include: (a) regional agricultural services centre, (b) key regional tourist destination, and (c) social functions	<ul style="list-style-type: none"> <li>▪ Access to land by emerging farmers.</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers;</li> </ul>

	such as residence, education and medical services.	
Gariepdam	Gariepdam serves as a service centre and tourism attraction within Kopanong Municipality. It is situated approximately 62 km south of Trompsburg. Access to the town is via the N1 between Bloemfontein and Colesberg. The main social and economic functions of the town include: (a) key regional tourist destination, (b) general agricultural service centre to surrounding farming areas, (c) social functions such as residence, education and medical services, and (d) transport support services on major route.	<ul style="list-style-type: none"> <li>▪ Need for commercial and social integration of the former separated town areas.</li> <li>▪ Shortage of housing.</li> <li>▪ Infill planning and development of the buffer area between the two town areas;</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>

#### **Mohokare Local Municipality**

<b>Town</b>	<b>Description</b>	<b>Spatial Issues</b>
Zastron	Zastron/Matlakeng serves as the municipal administrative seat within Mohokare Municipality. It is situated approximately 158 km east of Trompsburg and an estimated 181 km southeast of Bloemfontein. Access to the town is via the R26 between Wepener and Rouxville. The main social and economic functions of the town include: (a) main local municipal administrative centre, (b) regional agricultural services centre, (c) regional social centre for health services, (d) social functions such as residence, education and medical services, and (e) transport support services on major route.	<ul style="list-style-type: none"> <li>▪ Shortage of especially lower income housing.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas;</li> <li>▪ Development and expansion of municipal buildings and functions.</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>
Smithfield	Smithfield/Mofulatshepe serves as a service centre and tourism attraction within Mohokare Municipality. It is situated approximately 68 km west of Zastron. Access to the town is via the N6 between Bloemfontein and Aliwal North. The main social and economic functions of the town include: (a) key regional tourist destination, (b) general agricultural service centre to surrounding farming areas, (c) social functions such as residence, education and medical services, and (d) transport support services on major route.	<ul style="list-style-type: none"> <li>▪ Need for effective commercial integration of the former separated town areas.</li> <li>▪ Shortage of especially lower income housing units.</li> <li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Land availability for social function such a community hall and cemeteries.</li> <li>▪ Conservation of areas surrounding local rivers.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>



		<ul style="list-style-type: none"> <li>▪ Poor road access between Smithfield and Trompsburg.</li> </ul>
Rouxville	Rouxville/Roleleathunya serves as a general agricultural service centre within Mohokare Municipality. It is situated approximately 30 km west of Zastron. Access to the town is via the R26 between Zastron and Trompsburg. The main social and economic functions of the town include: (a) general agricultural service centre to surrounding farming areas, and (b) social functions such as residence, education and medical services.	<ul style="list-style-type: none"> <li>▪ Shortage of especially lower income housing.</li> <li>▪ Shortage of municipal land surrounding existing town and impeding expansion.</li> <li>▪ Access to land by emerging farmers.</li> <li>▪ Infill planning and development of the buffer area between the two town areas.</li> <li>▪ Sustainable land management.</li> <li>▪ Conservation of areas surrounding local rivers.</li> <li>▪ More direct benefit from major transport routes.</li> </ul>

Data Source: XDM SDF

### Regional Interaction

The table below provides a brief summary of the area as well as the number of farms found within Xhariep and per LM area. Although Kopanong represents the largest geographical area by far, it also records the lowest density within the district. From the table below it is evident that Letsemeng has the highest population density and thus proving the highest pressure on land resources.

The potential interaction of the various towns with each other was measured by using Zipf's Gravity Model, which states that the potential force of attraction between two bodies or towns is proportionally equal to the product of their population and inversely proportional to the square of the distance between them.

The distances between the various towns within Xhariep are indicated in the table below:

### Distances between Town Areas of Xhariep (kms)

TOWN	KOFFIEFONTEIN	PETRUSBURG	JACOBSDAL	OPPERMANSGRONDE	LUCKHOFF	TROMPSBURG	EDENBURG	REDDERSBURG	FAURESMTIH	JAGERSFONTEIN	PHILLIPOLIS	SPRINGFONTEIN	GARIEP DAM	BETHULIE	ZASTRON	SMITHFIELD	ROUXVILLE	DEWETSDORP	WEPENAR	VAN STANDENSURUS
KOFFIEFONTEIN	0																			
PETRUSBURG	55	0																		
JACOBSDAL	45	76	0																	
OPPERMANSGRONDE	12	67	57	0																
LUCKHOFF	42	97	87	30	0															
TROMPSBURG	12	18	17	13	13	0														
EDENBURG	11	15	16	12	17	39	0													
	5	2	0	7	5															

REDDERSBURG	141	141	186	153	317	65	26	0											
FAURESMITH	48	73	93	60	48	77	67	93	0										
JAGERSFONTEIN	58	310	103	704	23	67	57	83	10	0									
PHILLIPOLIS	109	134	154	121	83	53	92	118	61	71	0								
SPRINGFONTEIN	147	202	192	159	158	22	61	87	99	89	42	0							
GARIEP DAM	173	242	218	199	131	62	101	127	139	129	48	40	0						
BETHULIE	177	232	222	189	188	52	91	144	129	119	100	30	52	0					
ZASTRON	283	249	328	295	325	158	171	145	235	225	235	165	187	135	0				
SMITHFIELD	215	218	260	227	257	90	82	77	167	157	167	889	119	67	68	0			
ROUXVILLE	253	256	298	318	288	128	141	115	205	195	205	135	157	105	30	38	0		

Source: Xhariep District Municipality SDF

The distances between some of these towns as well as their current projected populations provided the basic input to the Gravity Model with the resulting potential attractions.

### **Key Spatial Issues**

From the above macro and micro spatial overview and identified local spatial issues, the following key regional spatial issues were identified as the basis to be address by the spatial development framework.

KEY SPATIAL ISSUE	BRIEF DESCRIPTION
<b>Access to land</b>	The issue of access to land relates the local authorities as well as individuals and groups. As far as individuals and groups are concerned, the burning issues are access to residential land in urban areas and to agricultural land for emerging farmers. Various local authorities experience a shortage of land for residential expansion and other social functions.
<b>Land development</b>	Land Development relates to the availability, preparation and funding of certain key land uses such as sites for housing developments, land for needed social amenities and economic activities. The key issues requiring attention in this regard include: the generation of proper information of projected land development needs, funding, co-operation and local capacity to evaluate development applications.
<b>Spatial integration</b>	Spatial integration has to focus on both a macro and a micro level. On a macro level there is a need for a more focused development at key nodal points to develop the region strategically within current resource constraints. On a micro level, most town areas are still geographically segregated and direct intervention within former buffer strip areas will be

KEY SPATIAL ISSUE	BRIEF DESCRIPTION
	required to integrate communities.
<b>Sustainable land management</b>	The long-term sustainability of all land development practices will be the key factor in the environmental and economic future of this predominantly agricultural region. Specific attention will have to be given to the building of capacity amongst especially emerging land users and the provision of a management framework to all land users within the district.
<b>Proper distribution network</b>	The vast distances between the various towns in the district make all communities dependent on the regional distribution roads for social as well as economic functioning. Most of these roads are however in a state of disrepair and especially the routes falling within the corridor areas will have to be upgraded and maintained as a matter of urgency.
<b>Land reform and restitution</b>	The two land restitution cases within the municipality (namely Bethany and Oppermans) still need to be finalised and will require infrastructural intervention to provide proper infrastructure not presently available due to past neglect. The further land redistribution effort within the region will also have to be co-ordinated proactively in order to ensure legal and systematic address of the land shortage within the area.
<b>Land Conservation</b>	Various areas along the southern border of the district, adjacent to the Orange river as well as surrounding regional dams are well suited for tourism and agricultural development alike. These areas are however sensitive to over utilization and pollution and will have to be protected and conserved to ensure long-term benefits thereof.

### Structuring Elements

The Spatial Development Framework as indicated on Plan B276.09 needs to be indicative and therefore the need to adopt a set of structuring elements that can give future structure to the municipal area.

Four spatial structuring elements were identified. The following gives a short explanation to the terminology used:

#### ***Nodes:***

These are areas where development (facilities, services and economic opportunities) tends to concentrate. Different types of nodes can be distinguished:

**Urban Nodes** are pockets of concentration of human settlement at a specific locality at the regional scale and offer a spectrum of supporting infrastructure and services needed to maintain and develop new services and infrastructure within these urban nodes. Seventeen urban nodes have been established in Xhariep district.

**Development nodes** are areas where local economic growth will be promoted. Social and public amenities may also be located within or nearby the development node. The size, scale, nature and form of a node will differ from one another, as a variety of activities will tend to cluster in and

around the node. The larger the influence sphere of a node, the more intense the development associated with the node and the greater the density and area that the node will occupy.

Tourism nodes will offer leisure and tourism products to the consumer. The node will attract tourists due to its unique features, historic value or special character and will therefore have an edge over any other node in the district to draw tourists to the region.

**Special nodes** are areas where specific products or services are available and these nodes will tend to specialize on capitalizing on these region-specific products. A range of specialization nodes have been identified in terms of the products the region offer. The first form of specialization is in the agricultural sector where a node can specialize in the accommodation of emerging farmers or the production of specialized produce or in agro-processing, The second sector in which specialization will be promoted is the mining industry where an area can either specialize in the exploration and/or processing of mining products. The third sector of specialization is the tourism industry where node can act as a tourist attraction or as a tourist information centre.

### **Corridors:**

Different types of corridors can be distinguished:

**Development corridors** are characterized by higher order ribbon-like development along routes that can be classified as movement corridors. These corridors promote economic activity along these routes. However, it is foreseen that the presence of economic activity along these routes will require special attention in terms of the provision of pedestrian facilities and the planning of ingress and exits to and from commercial activities in order not to interfere with the mobility of the corridor itself.

**Tourism Corridors** are scenic routes linking places attracting tourists with one another. These routes will therefore support development focusing on the hospitality and tourism industry along it. Again, precaution will have to be taken to ensure sufficient ingress and exist from these facilities to ensure mobility along the main routes.

### **Districts:**

Districts are areas with common identifying characteristics and usually have a homogeneous land use associated with it. It comprises medium to large sections of the spatial environment. Different kinds of districts have been identified for the purpose of the SDF:

Commercial agricultural districts are the larger agricultural land units which accommodates a diversity of agricultural production for the commercial market. The areas usually surrounds the urban nodes.

Intensive Agricultural districts (irrigation) are areas with smaller commercial agricultural units with normally a higher production yield per hectare. These units usually incorporate irrigation schemes and are concentrated along water courses.

Emerging Farmer agricultural districts are the areas utilised for communal grazing, forestry and or agricultural activity by a community and usually support subsistence farming activities. Most of these are associated with land redistribution and restitution projects launched in the district.

### ***SDF Principles and Guidelines for development***

Principle of Sustainability

- Sustainable management and use of resources making up the natural and built environment
- Land use and development decisions must promote harmonious relationships between the built and natural environment
- Holistic approach that will minimize long term negative impacts of current land use and development decisions
- The resources that will be used (physical, social and economic) must be investigated and life cycle cost and side effects on the environment, community and economy must be understood.

### **Norms**

- Land may only be used and developed in accordance with law
- The primary interest of making a decision on land development and use must be recorded in approved national, provincial or municipal policy
- Land development and planning processes must integrate disaster prevention, management or mitigation measures
- Land use planning and development should protect natural, environmental and cultural resources
- Land that is currently used for agriculture will only be reallocated to other uses where there is a real need and prime agricultural land should remain in production.

### **Principle of equality**

Everyone affected by spatial planning, land use management, development actions/decisions must enjoy equal protection and benefits and no unfair discrimination should be allowed.

### **Norms**

- Where public is involved in land use planning and development processes, public involvement must be inclusive of all persons and groups with an interest in the matter being decided.
- Land use regulators and planning authorities must ensure that previous disadvantaged communities and areas receive benefits and opportunities flowing from land development
- Appropriateness of land use must be determined on the basis of its impact on society as a whole rather than only the applicant or immediate neighbours.

### **Principle of efficiency**

- The desired result of land use must be produced with the minimum expenditure of resources
- Institutional arrangements and operations, adopted procedures, settlement form/pattern and utilization of resources should be efficient

### **Norms**

- Land use planning and development should promote compact human settlements, combating low intensity urban sprawl
- The areas in which people live and work should be close to each other
- Plans of neighboring municipalities and regions should relate positively to each other

### Principle of Integration

- Separate and diverse elements involved in development planning and land use should be combined and coordinated into a more complete or harmonious whole
- Need to integrate systems, policies and approaches
- Integration of different sectors and spheres during planning and management
- Integration of racial and socio-economic sectors and spatial integration of land uses, places of living with places of working and shopping and relaxing

### Norms

- Land use decisions should take account of and relate to sectoral policies of other spheres and departments of government
- Land use and development should promote efficient, functional and integrated settlements
- Land use and development should be determined by the availability of appropriate services and infrastructure
- Promote racial integration
- Promote mixed use development

### Principle of fair and good governance

- Spatial planning and land use management and development must be democratic, legitimate and participatory
- When new plans are formulated authorities must have processes in place that actively involve citizens and interest groups

### Norms

- Affected parties have a right to access information pertinent to land use and development plans that are being considered by land use regulators
- Affected communities must be capacitated to enable them to comprehend and participate meaningfully in development planning processes affecting them
- Decisions must be made in public domain and no planning decisions taken behind closed doors
- Names and contact details of officials with whom the public should communicate in relation to spatial and land use planning and management must be publicized
- Decisions must be taken within statutorily specified time frames
- Participatory structures that are accessible must be created to allow interested and affected parties to express concern or consent with development decisions at an early stage.

## *Spatial Development Analysis*

Plan B276.09 indicates the Spatial Development Framework adopted for the Xhariep District.

### Nodes

Urban nodes

Xhariep district comprises seventeen urban nodes as listed in the table below:

Urban centres located within a Local Municipality's area of jurisdiction, 2012

Letsemeng Local Municipality	Kopanong Local Municipality	Mohokare Local Municipality
Jacobsdal	Bethulie	Rouxville
Koffiefontein	Edenburg	Smithfield
Luckhoff	Fauresmith	Zastron

Oppermans	Gariep Dam	
Petrusburg	Jagersfontein	
	Philippolis	
	Reddersburg	
	Springfontein	
	Trompsburg	

Data Source: Xhariep District Municipality RDP (The plan include Naledi in its initial draft)

These nodes accommodate an array of infrastructure and services that are offered to the local and surrounding community. Development should be concentrated in these urban nodes rather than promoting scattered developments throughout the district.

Although some services need to be provided within the rural areas, most of the services will be provided within the urban areas. To allow access to these services improved road network and public transport should be promoted.

Some of the urban nodes have development potential while some will only act as service centres. Those with the potential to draw investment have been identified as development or tourism nodes.

### **Development Nodes**

Trompsburg was identified as the most important development node within the district, followed by Koffiefontein, Zastron, Gariepdam, Jacobsdal and Jagersfontien. Each of these urban nodes offers potential for investment and should therefore be developed in its own special way to draw investment to the region. Those urban nodes, which have not been identified as development nodes, will continue to exist as service centres. It is therefore sensible to focus capital investment to favour those nodes where development will more likely be sustained in future.

This implies that both public and private initiatives in areas identified as development nodes should be supported whereas those in areas not identified as development nodes should be re-evaluated and where possible, funding or investment should be channelled to the development node closest to the intended development. In practise this will imply that people will relocate to those towns with growth potential, as jobs will more likely be created in these areas. This will have the effect that a greater need for new residential sites, housing and infrastructure will arise in these areas, thus requiring the allocation of grants for capital investment projects to favour these localities more than those with limited growth potential.

The areas without growth potential should be developed with social services in support of those areas where growth will be experience. It is therefore proposed that attention should be paid to education, health and social infrastructure in these service nodes so that the quality of life of people staying there can be improved. These service nodes will then act as suppliers of well –educated and skilled people to the development nodes.

Bloemfontein, Kimberley and Aliwal North were identified as strong nodes outside the district which draws local people to spend money in these areas. None of the nodes within the district have the potential to fulfil the role that these external nodes fulfil, however, effort should be taken to improve the services offered in the local development nodes in order to retain local spending as far as possible.

### **Tourism Nodes**

Phillippolis and Smithfield were identified as tourism nodes. This implies that development focusing on the hospitality and tourism industry should be promoted in these nodes. Other

supporting developments should also be supported. Particular attention should be paid to the marketing of these nodes to tourists and therefore it should be included in the Tourism Development Strategy of the district.

Careful consideration should be given to advertising and building design when new and existing developments are evaluated, as this can negatively impact on the marketability of the town as a tourist destination. The existing ambiance of the town should therefore be enhanced with sensitive development.

#### *Nodes of specialization*

The region offers a variety of region specific products. It was therefore proposed that these products should be promoted and therefore nodes of specialization were identified in support of this notion. Caution should however be taken not to exclude other initiatives in these nodes but to rather encourage development in support of the regional opportunity that exists in these nodes. The following table gives an overview of the nodes identified to specialize in certain economic activities:

#### **Nodes of specialization**

<b>Node</b>	<b>Area of specialization</b>	<b>Specific initiatives that can be promoted</b>
Bethany settlement	Agriculture: emerging farmers Agriculture: intensive (irrigation)	Fruit Irrigation schemes
Trompsburg	Tourism: Information Agriculture: Agro-processing Agriculture: Special produce Mining: exploration	Tourism information centre Spring water, Beer brewery, wool spinning, Angora rabbits
Gariepdam	Tourism: Information and Tourism: Attraction	Filling station, tourist information centre, Convention centre, Tri-district casino, Arts and crafts curio shops
Phillippolis	Tourism: Information and attraction	Tourist information centre Historic sites
Jagersfontein	Mining: Exploration and processing	Diamond mining and cutting
Koffiefontein	Mining: Exploration and processing Agriculture: Intensive (irrigation)	Diamond mining and cutting Irrigation scheme along Kalkfontein dam
Luckhoff	Agriculture: Intensive (irrigation) Agriculture: Special produce Agriculture: Agro-processing	Irrigation schemes Leather tanning Abattoir
Oppermans	Agriculture: Emerging farmers	Ostrich farming



Node	Area of specialization	Specific initiatives that can be promoted
	Agriculture: Special produce Agriculture: Intensive (irrigation)	Grape and fruit farming
Jacobsdal	Agriculture: Intensive (irrigation) Agriculture: Agro-processing	Grape farming Wine produce
Petrusburg	Mining: Exploration and processing Agriculture: Agro-processing Agriculture: Intensive (irrigation)	Slate and salt mining Potato processing Potato farming
Reddersburg	Agriculture: Emerging farmers	Game farming Weigh bridge
Smithfield	Tourism: Information and attraction Agriculture: Special produce	Tourist information centre Game farming
Zastron	Agriculture: Special produce	Fish farming Game farming Trade with Lesotho
Bethulie	Agriculture: Special produce	Fish farming Game farming

Source: IDP Review Workshops

## Corridors

### *Development Corridors*

A development corridor tends to link development nodes with one another. In Xhariep, two main development corridors were identified. The one runs in a north-south direction and links Bloemfontein, Trompsburg, Gariepdam and Colesburg with one another along the N1 route. The second development corridor runs in an easterly to westerly direction and links Zastron, Trompsburg, Jagersfontein, Koffiefontein and Jacobsdal with one another.

Two service centres Rouxville and Smithfield have been included in this development corridor and may in future develop the potential to become development nodes. Presently, they are considered only as service centres within the link.

Economic development should be promoted along the development corridors but care should be taken not to impact negatively on the mobility of the corridor.

It is also foreseen that the N6 route will become more important in future once the Koega development has taken off. This will imply that a third development corridor will in future develop linking Bloemfontein with Aliwal North via Reddersburg, Smithfield and Rouxville. Again, these

service centres may in future change their status and become development nodes once this route gain popularity.

Three roads have also been identified to be tarred to improve accessibility in the district. These are listed in terms of importance and are the roads between (a) Jagersfontein and Trompsburg, (b) Trompsburg and Smithfield and (c) Springfontein and Bethulie,

#### *Tourism Corridors*

Two tourism corridors have been identified. The one is the Horizon Route linking Kimberley with Jacobsdal, Koffiefontein, Fauresmith and Jagersfontein and the second is the Xhariep route along Gariepdam, Bethulie, Smithfield, Rouxville and Zastron where it will link up with the Maloti route that runs through the Eastern Cape along the R26 which follows the Lesotho boundary up to QwaQwa.

#### ***Commercial Agricultural District***

The commercial agricultural district constitutes the largest part of the district and accommodates a variety of mixed farming. The SDF is in support of these present land uses and promote areas of specialisation where viable.

#### ***Irrigation Agricultural District***

Irrigation schemes exist in the area like the Rust scheme and Bleskop scheme. These are supported in the SDF, However, more initiatives are proposed in the SDF which will have to be investigated in terms of their viability and sustainability in future.

#### ***Emerging Farmers Agricultural District***

The two restitution cases in the district namely Bethany and Oppermans have been identified for the settlement of emerging farmers. More intense agriculture and areas of specialisation have been proposed for these areas.

#### **Sensitive Areas**

The areas along river courses and water sources, mountainous areas and scenic areas are all classified as sensitive areas. These include places like Nature Conservation Areas and Nature Reserves, Historic sites and pristine areas of which the most significant features have been illustrated on Plan B276.07. Development in these areas should be sensitive towards these natural and cultural features.

#### **Implementation Strategies**

As the district municipality is not a direct land developer its main function will remain the co-ordination and promotion of land and spatial development initiatives. Where possible the district municipality will however financially support programmes and projects aimed at the district spatial development framework, with external as well as internal funding. The main areas for implementation actions include: Research and administration, Specific areas of Intervention, Public land development and Private Land development as discussed briefly below:

#### ***Public land development***

As already mentioned the district municipality does not have statutory powers over land development and will therefore only support public land development within local municipalities through funding, empowerment and co-ordination with the following main activities.

- Lobbying for funding to address the key spatial priority area such as access to land, spatial integration, land reform and sustainable land management.
- Providing financial support to local municipalities from internal funding, only based on formal business plan application and as far as such projects adhere to the IDP and Spatial development framework of either the local or district municipality.
- The Planning and Social Development will educate and empower local municipal officials and councillors alike as to sound spatial development practices and mechanisms of land release and development.
- Co-ordination of land development efforts through the development and maintenance of a district land database containing information on land status, needs, reform projects, funding applications and development control applications.

### ***Private land development***

The Xhariep district municipality will support any private land development initiative aimed at providing land tenure security, land development and employment opportunities to the benefit of local residents and in accordance with the IDP and Spatial Development Framework of the municipality. Such support will however always be channelled through the relevant local municipality and take the form of concept support and financial support where local community members will be directly advantaged through such as project.

The SDF constitutes the land use framework for the district and needs to guide land use management for local municipalities where disputes or border issues becomes a problem. The SDF of Xhariep tries to focus development within the district in those areas where development is most likely to occur. It therefore identifies development nodes which need to receive priority for future development. The SDF of Xhariep will serve as a point of departure to inform the local SDFs.

## **NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE**

### **National Spatial Development Vision**

Government's national spatial development vision can be described (National Spatial Development Perspective [NSDP] page 35) as follows:

**SA will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives:**

- by fostering development on the basis of local potential
- by focusing economic growth and employment creation in areas where this is most effective and sustainable
- by supporting restructuring where feasible to ensure greater competitiveness
- by ensuring that development institutions are able to provide basic needs throughout the country.

### **Normative Principles**

**The NSDP proposes the following normative principles to be used as a guide by all spheres of government when making decisions on infrastructure investment and development spending:**

- Government spending on fixed investment, beyond the constitutional obligations to provide basic services to all citizens, should be focused on localities of economic growth and/or potential for sustainable economic development in order to attract private sector investment,

stimulate sustainable economic activities and/or create long-term employment opportunities. In these areas government's objective of both promoting economic growth and alleviating poverty will best be achieved.

- In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending beyond basic services should focus on social investment, such as human resource development, labour market intelligence and social transfers, so as to give people in these areas better information and opportunities. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities. The further concentration of people in need in areas of low potential should therefore not be encouraged.

## **ENVIRONMENTAL PROFILE**

XDM has the responsibility for environmental management and planning. Better ways of managing the environment can increase opportunities for a balanced natural resource utilisation and also contribute to improved Eco-Tourism sector development which is needed by the local economy. The prevailing physical environmental characteristics are described below.

### **Topography**

Xhariep topography is generally low lying and undulating slopes with high altitude areas along the mountainous pockets in the southern part of the district. It is mainly covered by Eastern grasslands and dry Karoo savannas. In general, altitudes vary from 2060m above sea level at Bakenkop in the north-eastern quadrant to 1100 m above sea level in the western quadrant of the study area.

### **Morphology**

The morphology of the area encompassing Koffiefontein and Petrusburg can broadly be described as plains with medium relief. The area is categorized by slightly irregular plains and pans with a nominal slope. The morphology of the area encompassing a large area of the Smithfield can broadly be described as Plains with medium relief categorized by slightly irregular and undulating plains with a nominal slope.

The morphology of the largest portion of the study area can be described as lowlands with hills with a slight slope. This includes the largest section of the Orange River. The Zastron area can be categorized as Lowlands with mountains.

The areas adjacent to the Orange River (approximate localities Phillipolis to Luckhoff and Lesotho border to the area south of Rouxville) can be categorized as closed hills and mountains with moderate to high relief. The Orange River section to the west of Phillipolis and south of Luckhof has hills and the section from the Lesotho border to the south of Rouxville has low mountains.

### **Geology**

The geology of the entire district can generally be classified as rocky and sandy with the following rock formations present.

## **Ecce Group**

The area from Phillipolis to Petrusburg to the western boundary of the study area is underlain mainly by the Ecce Group. The Prince Albert, White Hall and Tierberg Formations make up the Ecce Group (Pe). The thickness of the group together makes up 340 m –360 m. The Prince Albert formation maintains a relatively constant thickness of between 34 m –46 m. It consists of black carbonaceous shale and dark bluish-green to grey massive micaceous shale with silty lenses.

An iron-rich concretion horizon is followed by grey to olive-green micaceous shale / mudstone. The thickness of the White Hill Formation varies between 10 m – 18m but regional thinning northwards has been recorded

The unit consists mainly of thinly laminated carbonaceous shale that weathers to a white colour. The uppermost Tierberg formation attains a thickness of approximately 300 m. This unit consists of mudstone, light-green to greenish-grey shale with concretionary horizons. Shale with interbedded siltstone and fine-grained sandstone comprises the upper portion of this unit.

### **Beaufort Group**

Most of the remainder of the study area (Rouxville – Aliwal North – Bethulle - Phillipolis – Edenburg – Bloemfontein – Thaba Nchu - Lesotho) is underlain by Beaufort Group. The Beaufort Group (P-Trb) comprises the Adelaide and Tarkastad Subgroups. The Adelaide Subgroup attains a maximum thickness of 400 m. It consists of a 10 m – 15 m thick marker sandstone at the base, followed by siltstone and grey to reddish mudstone with subordinate lenses of sandstone. The topmost part of the unit consists of bluish to greenish-grey shale's and red to purple mudstone.

The Tarkastad Subgroup consists of cream to khaki coloured, medium grained, and feldspathic sandstones with interbeds of red, purple and green mudstones. The sandstone horizons are thicker and more prominent than those of the underlying Adelaide Subgroup. The Sandstone layers are particularly well developed at the bottom and towards the top of the unit.

### **Molteno Formation**

The portion of the study area from the Orange River – Rouxville – northeast to the Lesotho Border is underlain by the Molteno formation. The Molteno Formation (Trm) consists of greyish-green and red to purple mudstone with bands of fine- to coarse grained sandstone. Lenses of grit, scattered large pebbles, cobbles and boulders up to 6 kg in weight, occurs in certain sandstone beds.

### **Elliot Formation**

A small portion of the study area (which is underlain by the Molteno Formation) is underlain by the Elliot Formation. The Elliot Formation (Tre) is made up predominantly of maroon or green mudstone and three sandstone interbeds. The mudstone has no bedding and weathers easily. The medium-grained, feldspathic sandstone bands are well bedded.

### **Intrusive**

The sedimentary rocks of the Karoo Super group have been invaded by numerous dolerite intrusions of Jurassic age. Dolerite dykes – generally up to 10 m wide and several kilometres long and dolerite sills, often undulating and in some cases dipping to form ring structures occur in the study area. The maximum occurrence of sills is attained in the Beaufort Group. Scattered volcanic pipes, diatremes and relic volcano are present especially in the Molteno and Elliot Formations. Kimberlite dykes have also been noted.

### **Alluvium**

Alluvium occurs patchily in broad valleys along streams and rivers, and is made up of a variety of loose material. Alluvium thickness generally varies between 1 m – 10 m and can consist of clayey sand, sandy silt, limestone, sand, pebbles and small boulders.

### **Soil potential analysis**

All the soils occurring in a land type are assigned to a soil category, depending on the soil form and series. The fifteen categories employed group together similar soils for the purposes of their potential, with the lowest number referring to the soil category with the highest potential.

These categories are as follows:

- Soils with humid topsoil horizons.
- Freely drained, structure less soils.
- Red or yellow structure less soils with a plinth horizon.
- Excessively drained sandy soils.
- Dark clay soils, which are not strongly swelling.
- Swelling clay soils.
- Soils with a pedocutanic (blocky structured) horizon.
- Imperfectly drained soils, often shallow and often with a plinth horizon.
- Podzols.
- Poorly drained dark clay soils, which are not strongly swelling.
- Poorly drained swelling clay soils.
- Dark clay soils, often shallow, on hard or weathering rock.
- Lithosols (shallow soils on hard of weathering rock).
- Duplex soils (a sandy topsoil abruptly overlying a clayey, structured subsoil), often poorly drained.
- Non-soil land classes (rock, erosion, wetlands and disturbed land)

Due to the soil conditions and the soil potential, the district's grazing capacity varies from 6 ha per livestock unit in the east to 13 ha per livestock unit in the west. This contributes to the different farming practices found in the region.

### Use of Ground-Water

Due to severe water shortages in the Free State and especially parts of the Xhariep district, ground water sources are utilised to supplement potent water supplies.

The following Municipalities utilize ground water to supply or supplement their raw water supply

Locality	Groundwater is currently the only source of water supply	Groundwater is currently a supplementary and/ or an emergency source of water supply	Groundwater is currently not used, was utilised in the past
Jacobsdal		•	
Petrusburg	•		
Koffiefontein		•	
Luckhoff			•
Gariiep dam			
Phillipolis		•	
Bethulie			•
Springfontein		•	
Trompsburg	•		
Fauriesmith	•		
Jaggersfontien	•		
Edenburg		•	
Reddersburg		•	
Zastron			•
Rouxville			
Smithfield		•	

Data Source: Xhariep Environmental Management Programme

## Surface Water

Two main drainage systems occur in the greater district area. The primary drainage system is the Orange River (primary drainage region D) which drains 67 % of the area. The secondary drainage region is the Vaal River (primary drainage region C) represented by the north-west flowing Modder and Riet Rivers which drain the remaining 33 % of the area.

The major dams in the area and their location in terms of primary drainage region and their storage capacity are listed in the Table below:

### MAJOR DAMS WITH STORAGE CAPACITY IN THE MUNICIPAL AREA

Name of Dam	Drainage basin	Storage capacity (x10 <sup>6</sup> m <sup>3</sup> )
Smithfield Dam	D 24	4.55
Bethulie Dam	D 34	4.60
Gariiep Dam	D 35	5 673.80
Welbedacht Dam	-	15 245 km <sup>2</sup> catchment
Egmont Dam	-	9 300 000 m <sup>3</sup>

Table 11 Source: Xhariep Environmental Management Programme

The following rivers and dams also occur in the area:

### OTHER SURFACE WATER DRAINAGE AND STORAGE SYSTEMS

Letsemeng	Kopanong	Mohokare
Orange River; Van der Kloof Dam	Orange River; Van der Kloof Dam; Gariiep Dam; Kalkfontein Dam; Wuras Dam; Wolwas Dam; Bethuli Dam; Tussen die Riviere	Orange River; Caledon; Matungo Dam; Riet River

DWA (Department of Water Affairs) indicated that surface water quality is good except at the towns where sewerage treatment works are not properly maintained. Point-source pollution of surface water occurs at these localities. Pollution potential of river regimes and groundwater reserves exist that can pose a serious health hazard for water users.

## Flora

The area can be categorized into different biomes as indicated in the table below. A Biome refers to a group of similar types of communities characterized by their distinctive plant types.

### BIOME CLASSIFICATION LOUW & ROBELLO

	BIOME	% (approximately)
1.	Eastern Mixed Nama Karoo – Nama Karoo Biome	70
2.	Kimberly Thorn Bushveld – Savanna Biome	5
3.	Dry Sandy Highveld Grassland – Grassland Biome	15
4.	Moist Cold Highveld Grassland – Grassland Biome	10
ACOCKS		
	BIOME	% (approximately)
1.	False Upper Karoo	73,0
2.	False Orange River Broken Veld	1,5
3.	False arid Karoo	2,5
4.	Kalahari Thornveld invaded by Karoo	1,0
5.	Dry CYMBOPOGON-THEMADA Veld	10,0
6.	Transitional CYMBOPOGON-THEMADA Veld	6,0
7.	CYMBOPOGON-THEMADA Veld	6,0

Data Source: Xhariep Environmental Management Programme



## Mineral and Heritage Resources:

The following natural and heritage resource base exists in the area:

Resources	Letsemeng	Kopanong	Mohokare
Minerals	Diamonds; Salt; Gravel & Sand; Clay	Diamonds	Sand
Heritage sites	Historical buildings & Monuments of 2nd World War Kanonkop (Koffiefontein); Voortrekker Memorial Anglican Church used in the Boer War (Petrusburg); The cairn of commander Ds Lubbe (Jacobsdal); Stone Church and Ossewa Tracks (Luckhoff); Battle of Driefontein Graves of English soldiers (rural areas)	Mostershoek museum (Reddersburg); A monument was erected at the Reformed Church for citizens who died in the Anglo Boer War (Reddersburg); Old jail and the house where Lourens van der Post was born (Phillippolis); Adam Kok, gheGriqua leader's house, kraal and structure where gunpowder was kept (Phillippolis); Boomplaats Anglo-Boer War Greats	Smithfield Historical site, church building where a farmer killed and buried people

## Environmental Management & Climate Change Aspects for the Xhariep DM

### What is the environment?

Environment means the surroundings within which humans exist and that are made up of land, water, atmosphere of the earth, micro-organisms, plant & animal life, any part of the combination of the above and the interrelationships among and between them and the physical, chemical, aesthetic and cultural properties and conditions of the forgoing that influence human health and wellbeing.

**Section 24 of the Constitution** states that everyone has the right to an environment that is not harmful to their health and wellbeing and that of future generations. Climate change is not a stand-alone environmental concept, but interlinked with all other environmental issues of sustainability being, water, energy, health, air quality, agriculture and biodiversity. It is then imperative that in each section of the environmental discussion, that climate change be given due consideration with regards to forward planning on improving environmental quality in the Xhariep District Municipality.

Environmental tools that are critical in addressing climate change impacts in the district include National Biodiversity Strategy and Action Plan, Integrated Waste Management Plan of the District Municipality, National Waste Management Strategy, the Provincial Air Quality Management Plan (the XDM AQMP is not yet developed), the Environmental Management Framework of the Xhariep DM which assists the municipality with sensitive areas and those that require attention with regards to conservation.

### National Biodiversity Strategy Action Plan (NBSAP)

The NBSAP sets out a framework and a plan of action for the conservation and sustainable use of South Africa's biological diversity and the equitable sharing of benefits derived from this use. The goal of the NBSAP is to conserve and manage terrestrial and aquatic biodiversity to ensure sustainable and equitable benefits to the people of the country and the Xhariep District Municipality.

**From the National Biodiversity Strategy Action Plan, the most relevant objectives and activities to the Xhariep District Municipality IDP are as follows:**

- **Strategic Objective 1:** An enabling policy and legislative framework integrates biodiversity management objectives into the economy
- **Strategic Objective 2:** Enhanced institutional effectiveness and efficiency ensures good governance in the biodiversity sector
- **Strategic Objective 3:** Integrated terrestrial and aquatic management minimizes the impacts of threatening processes on biodiversity, enhances ecosystem services and improves social and economic security
- **Strategic Objective 4:** human development and well-being is enhanced through sustainable use of biological resources and equitable sharing of benefits
- **Strategic Objective 5:** A network of conservation areas conserves a representative sample of biodiversity and maintains key ecological processes across the landscape.

### The National Waste Management Strategy (NWMS)

The National Department of Environmental Affairs developed the National Waste Management Strategy of which municipalities are tasked with implementing. The strategy contains, among others, targets for waste minimisation, avoidance, recycling, etc.

**Table: Summary of NWMS**

Goals	Description	Targets (2016)
<b>Goal 1:</b>	Promote waste minimisation, re-use, recycling and recovery of waste.	25% of recyclables diverted from landfill sites for re-use, recycling or recovery. All metropolitan municipalities, secondary cities and large towns have initiated separation at source programmes. Achievement of waste reduction and recycling targets set in IWMPs for paper and packaging, pesticides, lighting (CFLs) and tyres industries.
<b>Goal 2:</b>	Ensure the effective and efficient delivery of waste services.	95% of urban households and 75% of rural households have access to adequate levels of waste collection services. 80% of waste disposal sites have permits.
<b>Goal 3:</b>	Grow the contribution of the waste sector to the green economy.	69 000 new jobs created in the waste sector 2 600 additional SMEs and cooperatives participating in waste service delivery and recycling
<b>Goal 4:</b>	Ensure that people are aware of the impact of waste on their health, well-being and the environment.	80% of municipalities running local awareness campaigns. 80% of schools implementing waste awareness programmes.
<b>Goal 5:</b>	Achieve integrated waste management planning.	All municipalities have integrated their IWMPs with their IDPs, and have met the targets set in IWMPs. All waste management facilities required to report to SAWIS have waste quantification systems that report information to WIS.
<b>Goal 6:</b>	Ensure sound budgeting and financial management for waste services.	All municipalities that provide waste services have conducted full-cost accounting for waste services and have implemented cost reflective tariffs.

<b>Goal 7:</b>	Provide measures to remediate contaminated land.	Assessment complete for 80% of sites reported to the contaminated land register. Remediation plans approved for 50% of confirmed contaminated sites.
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### Provincial Air Quality Management Plan (AQMP)

It is from this plan where the Xhariep DM is guided on the management of air quality in its jurisdiction. The National Air Quality Act establishes national standards and regulations according to which municipalities have to monitor the ambient air quality and atmospheric emissions from definite, non-definite and mobile sources. The role of provincial government is to monitor the performance of local government in implementing the Act. Currently the Xhariep District Municipality forms part of the Free State Provincial Air Quality Officers' Forum.

### Programmes, Interventions and Projects in the Xhariep by National Department Of Environmental Affairs

- The National Department of Environmental Affairs appointed a warm body to facilitate local government support functions in the Xhariep DM on environmental management. All local municipalities (Kopanong, Letsemeng, Mohokare LM) are accommodated by the Official.
- Five of Kopanong LM's landfill sites were licensed through funding from the National Department of Environmental Affairs. The programme was later extended to all landfill sites that were unlicensed with MISA partnering with DEA.
- **Invasive Species Monitoring, Control and Eradication:** the DEA through its Natural Resource Management Section funded projects which focus on the eradication of alien and invasive species in the Xhariep District Municipality. The Alien and Invasive Species Clearing projects which were funded are based in the following towns:
  - Koffiefontein – R548 500
  - Jacobsdal – R1 829 150
  - Petrusburg – Next Financial Year (2016/17)
  - Luckhoff – R574 225
- **Environmental Protection & Infrastructure Programmes:** The 3-year cycle projects funded by DEA focus on projects planned and proposed by municipalities. Projects which are funded during the current 3-year cycle are:
  - FS – Renovation of the Bethulie Landfill Site – R7million
  - FS – Rehabilitation of the Dewetsdorp Landfill Site – R10million

### DISASTER MANAGEMENT PROFILE

What is Disaster Management?

The Red Cross and Red Crescent societies define **disaster management** as the organisation and **management** of resources and responsibilities for dealing with all humanitarian aspects of emergencies, in particular preparedness, response and recovery in order to lessen the impact of **disasters**. (Oct 14, 2016)

District Municipalities have been tasked with the responsibility of coordinating disaster management efforts within their jurisdiction. It is for this reason that it is important to understand the likelihood and kind of a disaster that can affect communities in the district.

Both the Municipal Systems Act and the Disaster Management Act require the inclusion of a Disaster Management Plan into the IDP of the Municipality. It would however not be practical to include the complete Disaster Management Plan with all its annexures. The complete plan can therefore be considered as an annexure to the IDP, while a brief summary of the document will be included in the IDP.

It is our aim to include disaster risk management in the planning and execution stages of all our projects. This will ensure the integration of disaster management into the IDP and will ensure that all plans and projects are focused on contributing to disaster risk reduction and disaster preparedness -thus reducing the impact of disasters on lives, property, community activities, the economy and the environment in the Xhariep District Municipality.

The following table gives an overview of the type of hazards that can cause a disaster to happen, the communities at risk as well as the intensity and probability of the disaster to occur and also what the anticipated effects of the hazard can be:

<b>LIKELIHOOD OF HAZARDS THAT CAN CAUSE A DISASTER IN XHARIEP MUNICIPAL AREA</b>			
Type of Hazard	Community at Risk	Nature of the Disaster	Probability of the Disaster to occur
Transport related hazards	Main traffic routes	Road Accidents	High
	Railway lines	Rail accident	Low
	Unpopulated areas	Air	Low
Socio-economic crisis	Poor communities	Unemployment	High
Floods	Low laying areas	Isolation of communities, damage to property and endanger lives.	Low
Fires	Along main roads	Loss of live and property	High
	Communities without electricity, Informal settlements or Densely populated areas	High wind velocity can increase risk of spreading of fires	Low
Drought	Most of the farms are affected	Affects more than one town	Medium
Endemic disease	All communities that lack information	Affecting a town or more than one town	Low
Water, sanitation	Urban areas	Lack of water to a town, Water poisoning	Low
Communication	Telephone, radio, electronic data	Loss of communication and data	Low

### **Disaster Management Centre**

The district is currently negotiating with the Provincial Department of Health for use of one of their Emergency Management System (EMS) block as a Disaster Management Centre. The building (New Trompsburg Albert Nzula District Hospital) is centrally located in Trompsburg. It will provide a 24 hour call taking and dispatch facility. An organisational facility is also available that is not only used as a Joint Operation Centre (JOC) during disasters, but also as a venue for planning sessions outside disaster periods. A tactical facility is available as well as offices for various emergency services. The aim is to make it a one stop centre for all incident reporting. This centre

will be a big advantage to our citizens as it is too costly for Xhariep to have its own Disaster Management Centre.

**Funding:** The success and implementation of all the above planning is dependent on adequate funding and the identification of the sources of funding. Funding to reduce risks, to prepare for and respond to disasters should be made available.

## **CHAPTER 2: POWERS AND FUNCTIONS OF KHARIEP DISTRICT MUNICIPALITY**

### **Background**

The Municipal Structures Act of 1998 (hereafter "the Structures Act") made provision for the division of powers and functions between district and local municipalities. It assigned district-wide functions to district municipalities and most day-to-day service delivery functions to local municipalities. The provincial MECs were empowered to adjust these powers and functions according to the capacity of municipalities to deliver services.

The Act was amended in October 2000 through the Municipal Structures Amendment Act (hereafter "the Amendment Act"). The main changes were as follows:

- The functions of municipal health, potable water supply, distribution of electricity, and sewage disposal systems were transferred from local to district municipalities.
- The assignment of health, water, electricity, and sewage disposal can be adjusted by the national Minister (that is, s/he can assign a function to a local municipality). The authority to adjust the remaining municipal functions still lies with the provincial MECs.

The transfer of the four major municipal services has significant financial implications for non-metropolitan municipalities. For example, many local municipalities generate surpluses from water supply, and the relevant district municipality will now have jurisdiction over that funding.

### **Constitutional Mandate**

The Constitution (1996) assigns Local Government the mandate of developing their areas of jurisdiction. Widely interpreted, this implies that municipalities must within their financial and institutional capacity strive to achieve the objects of Local Government, namely:

- To promote democratic and accountable government for local communities.
- To ensure provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in matters of local government.

The Constitution further requires that municipalities structure and manage their administrative, planning and budgeting processes to priorities basic needs of their residents as well as promote social and economic development of the community, whilst participating in national and provincial development programmes.

### **Powers and Functions**

Section 156 of the Constitution (1996) assigns executive authority to municipalities in respect of, and the right to administer the local government matter listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned to it by national or provincial government. This implies that certain functions have been assigned exclusively to local government. As local government

comprises both district and local municipalities, it was necessary to differentiate between the functional competencies of district and local municipalities.

This division of functional competencies is governed by the Municipal Structures Amendment Act, No 33 of 2000. . The last adjustments were gazetted in Provincial Gazette No 58 Notice No 126 of 27 June 2003. The following functions and powers of Xhariep District Municipality have been authorized to the respective local municipalities to perform on behalf of the district:

**FUNCTIONS PERFORMED BY LMS ON BEHALF OF THE DM**

<b>Section</b>	<b>Function</b>
Section 84(1)(b)	Potable water supply systems
Section 84(1)(c)	Bulk supply of electricity which includes for the purposes of such supply, the transmission, distribution and where applicable, the generation of electricity (mention special arrangements e.g. CENTLEC)
Section 84(1)(d)	Domestic waste-water and sewage disposal systems

The Minister also indicated in Section 84(1)(i) that the Environmental Health Function would from 1 July 2004, be no longer performed by LMs on behalf of the Districts. The district municipality has started to perform the functions of Environmental Health and Disaster Management with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Boarding emanating from the Boards' annual capacity assessment report.

The MEC has recently re-adjusted powers and functions between category A and B municipalities through a provincial gazette no.25 published on 11 April 2008. The said gazette authorize Xhariep District municipality and its local municipalities to perform the functions or exercise the powers set out as follows:

***XDM READJUSTED FUNCTIONS FROM 11 APRIL 2008 AS PROMULGATED BY MEMBER OF THE EXECUTIVE COUNCIL (MEC) RESPONSIBLE FOR LOCAL GOVERNMENT AND HOUSING***

<b>Section</b>	<b>District Function</b>	<b>Local Municipalities</b>
Section 84(1)(a)	Integrated development planning for the DM, including developing IDP framework incorporating IDP processes of all the LMs.	No
Section 84(1)(b)	Bulk supply of water that affects a significant proportion of municipalities in the district	Yes
Section 84(1)(c)	Bulk supply of electricity that affects a significant proportion of municipalities in the district	Yes
Section 84(1)(d)	Bulk sewage purification works and main sewage disposal that affects a significant proportion of municipalities in the district	Yes
Section 84(1)(e)	Solid waste disposal sites in so far as it relates to: determination of a waste disposal strategy, regulation of waste disposal, establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one LM in the district	Yes

Section 84(1)(f)	Municipal roads which form an integral part of a road transport system for the entire area of the DM <sup>1</sup>	Yes
Section 84(1)(g)	Regulation of passenger transport services	No
Section 84(1)(h)	Municipal airports serving the entire area of the DM	No
Section 84(1)(i)	Municipal health services serving the area of the district as a whole	No
Section 84(1)(j)	Firefighting services serving the entire area of the DM including: planning, co-ordination and regulation of fire services, specialized firefighting services such as mountain, veld and chemical fire services, co-ordination of the standardization of infrastructure, vehicles, equipment and procedures, and training of officers.	No
Section 84(1)(k)	Establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.	No
Section 84(1)(l)	Establishment, conduct and control of cemeteries and crematoria serving a major proportion of municipalities in the district.	No
Section 84(1)(m)	Promotion of local tourism for the DM area	No
Section 84(1)(n)	Municipal public works relating to any of the above functions or any other function assigned to the district municipality.	Yes
Section 84(1)(o)	Receipt, allocation and if applicable, distribution of grants made to the district municipality	No
Section 84(1)(p)	The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the DM in terms of national legislation	No

\* Note: Yes- indicates that a particular LM will perform that function on behalf of the DM; No implies that the DM may perform that function.

It is imperative to note that the said gazette provided for no adjustment/change to Xhariep District Municipality in performing local municipal functions. The authorization as entailed in the gazette came into effect on 01 July 2008.

Looking at the efficiency gains, government has reviewed the capital grants flows that historically were disbursed through district municipality's en-route to local municipalities. The capital grants flows have been changed since the advent of the Municipal Infrastructure Grant (MIG) and these are routed directly to local municipalities for the provision of infrastructure services. This had a negative impact on the exercise of section 84(1) (o) receipt, allocation and if applicable, distribution of grants made to the district municipality.

The Municipal Demarcation Board assessment of capacity for the Xhariep District Municipality indicates that the district is performing the following functions:

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<sup>1</sup> There are currently no roads complying with the definition of Municipal roads.



- **Local Tourism** - specifically the maintenance of tourism sites;
- **Municipal planning** – the development and implementation of district-wide IDP framework;
- **Cemeteries, funeral parlors and crematoria** – Xhariep district is discharging an inspection function;
- **Monitoring of refuse and waste disposal sites**, for which it has a well-established Municipal Environment Health Unit.

This assessment indicates that out of 16 district functions, Xhariep district municipality is performing 7.89% of these functions. (Sources – COGTA Spatial Analysis Framework)

By the time the Spatial Analysis Framework was drafted, consideration was not given that Xhariep District Municipality has assumed other two functions of Environmental Health and Disaster Management respectively.

## **CHAPTER: 3 LEGAL AND POLICY FRAMEWORK**

### **Preparation of the IDP Document**

The first step was to prepare for the nine-month period of planning. The Municipal Systems Act, 2001 states in Section 27 that after following a consultative process with local municipalities in the area, the District Municipality should adopt a Framework and Process Plan for IDP compilation process in the district. The Framework will bind both the district and local municipalities. *The Process Plan and Framework for the entire district municipality was submitted and adopted by Council during August 2016.*

### **What is Integrated Development Plan (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 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.

The Senior Management and Middle Management are accountable for the implementation of the IDP, and this is reflected in the Performance Management System that links the IDP to the strategic framework, to the macro-scorecard, and from there to performance contracts for senior managers. This Chapter introduces the IDP by locating it within the right legal and policy context. It also explains the approach followed in drafting the report.

This document signifies the start of the fourth Xhariep District 5-year IDP cycle 2017 to 2021. The ultimate objective within each cycle remains the improved implementation of the said dispensation's five-year strategy, as well as ensuring improved responsiveness to community needs over time.

Planning for the five year cycle 2017-2021 was guided by a Council approved process plan. The aim of the new 5-Year IDP for Xhariep District Municipality is to present a coherent plan to improve the quality of life for people living in the municipal area – also reflecting on issues of national and provincial importance. One of the key imperatives was to seek alignment with national and provincial priorities, policies and strategies.

### **IDP DOCUMENT: STRUCTURAL CHANGES**

The structure of the Xhariep District Municipality's IDP document has emerged, inter alia, as a key priority issue to be addressed via a proposed restructuring of the document.

The document has subsequently been revised and through its revision, it is considered that the Xhariep IDP 2017/2021 document will:

- Simplify the document, without prejudicing its strategic intent, in such a manner that it will be more clearly understood, by officials and the public, and also be more user-friendly.
- More closely align to the current Municipal Organizational Structure.

- Enable departments within the municipality to clearly place themselves within the context of the IDP Document and identify in which manner they contribute towards the proposed programmes, development Strategies and ultimately the vision for the municipality.
- Facilitate the setting of Departmental Key Performance Indicators.
- Facilitate easier integration with the Municipality's Budgeting processes.

## **THE PURPOSE OF THE IDP**

The constitution and legality dictates that the Constitution of the Republic of South Africa puts into context the role that local government has to play within the broader spectrum of government, governance, democracy and development. Of particular importance are:

- Chapter 3: Co-operative Government
- Chapter 7: Local Government
- Chapter 10: Public Administration
- Chapter 12: Traditional Leaders
- Chapter 13: Finance
- Part B of Schedules 4 & 5

## **NEED FOR IDPS**

Integrated development planning is a constitutional and legal process required of South African municipalities; however, apart from legal compliance, there are many advantages and benefits to undertaking integrated development planning.

These include the following:

- a) A tool that serves to create a single window of co-ordination across government spheres.
- b) Prioritisation and allocation of scarce resources to areas of greatest need.
- c) Achieving sustainable development and growth.
- d) Democratising local government by ensuring public participation in the planning and decision-making processes of the Municipality.
- e) Providing access to funding.
- f) Encouraging both local and outside investment.
- g) Using the available institutional and external capacity effectively.

## **Why an Annual Review of the IDP**

The IDP has to be reviewed annually. The review process serves as an institutional learning process where stakeholders can meet to discuss the successes and frustrations of the past year. It is not designed to interfere with the long-term strategic orientation of the municipality to accommodate new whims and additional demands. It remains a strategic process of ensuring the institution

remains in touch with their intentions and the environment within which it functions. Although the implementation of the IDP is monitored through the performance management system, an annual process is required to check the relevance of the strategic plan within a dynamic environment.

**The IDP has to be reviewed annually in order to –**

- ensure its relevance as the Municipality's strategic plan;
- inform other components of the Municipal business process including institutional and financial planning and budgeting; and
- inform the cyclical inter-governmental planning and budgeting cycle.

The purpose of a review is to –

- reflect and report on progress made with respect to the five year strategy (and key outcomes) in the IDP;
- make adjustments to the strategy in the 5 year IDP necessary because of changing internal and external circumstances that impact on the appropriateness of the IDP;
- determine annual targets and activities for the next financial year in line with the five year strategy; and
- inform the Municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

This annual review is not a good corporate governance requirement only; it is also a legislative requirement in terms of the Local Government: Municipal Systems Act 32 of 2000. The focus of this year's IDP review has therefore been on aligning municipal programmes, projects, strategies and budget with:

- Community needs and priorities.
- Updated statistical information.
- Expanding and improving the situational analysis.
- More outcomes orientated targets to make them realistic and measurable.
- Revised Spatial Development Framework and related sector plans.
- Prioritization of job creation and poverty eradication.
- Free State Growth and Development Plan, and
- National Development Plan

**Key Developmental Challenges for Xhariep DM**

- High poverty and unemployment – 46.03% (STATSSA 2011).
- Inadequate access to basic services (water, sanitation, refuse collection, electricity, housing and primary health care).
- Infrastructure, maintenance and service backlogs.
- HIV and AIDS – 30.8% prevalence rate (Antenatal Care Statistics) and TB.
- Substance abuse.

- Illegal dumping.
- Lack of integrated planning between the three spheres of government.
- Unfunded mandates.
- Housing shortage and rectification of incomplete houses.
- Lack of integrated and sustainable human settlements.

### **Opportunities provided by Xhariep District Municipality**

- Gariep Dam (Biggest dam in Southern Africa)
- Popular tourism destination with rich biodiversity.
- Friendly and vibrant people, with a rich diversity of culture and languages.
- National Routes linking the district to other provinces.
- Gariep Dam Fish Hatchery
- Game Farming
- Lower crime rate
- Solar hub project partnering with Free State Development Corporation.

### **What informs Xhariep District Municipality's IDP priorities?**

The IDP priorities of the Xhariep District Municipality are informed by the following:

- Local perspective, informed by situational analysis, developmental challenges, public participation processes and the 2016 Local Government Election Manifesto of the ruling party.
- National perspective, informed by national priorities and Millennium Development goals.
- Provincial perspective, informed by the PGDP.

### **Relationship between the IDP, Budget, Performance Management and Risk Management**

In terms of the *Performance Management Guide for Municipalities, DPLG, 2001* “the IDP process and performance management process should appear to be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process”.

***Integrated Development Planning*** was introduced as the strategic management tool to realise the developmental role of local government. ***Performance management***, on the other hand, is a management tool introduced to facilitate the implementation of the IDP, and as such forms an integral part of the IDP.

The ***budget*** attaches money to the IDP objectives and this is monitored through the service delivery and budget implementation plan (SDBIP). The budget makes the implementation of the IDP possible and the IDP provides the strategic direction for the budget. The Municipality's IDP and Budget processes are informed by the outcomes of public participation and stakeholder inputs. The public engagement processes find expression in IDP plans and priorities.

**Risk Management** is one of Management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

## LEGISLATIVE FRAMEWORK AND CONTEXT

According to the **Constitution of the Republic of South Africa (Section 152 and 153)** local government is in charge of the development process in municipalities, including planning. The constitutional mandate to relate its management, budgeting and planning functions to its objectives gives a clear indication of the intended purpose of municipal integrated development planning. The constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across three spheres of government.

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

**Municipal Systems Act 32 of 2000 (MSA)** defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation. The Act requires the IDP to be strategic and inclusive in nature. The IDP should link, integrate and coordinate other plans, while taking development proposals into account. It should be aligned with the municipality's resources and capacity, while forming policy framework on which annual budgets are based. The integrated Development Plan must be compatible with national and provincial development plans and planning requirements.

On July 1, 2004 the **Municipal Finance Management Act (MFMA)** officially came into effect. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with accounting and finance issues but also deals with general management and governance issues.

All municipalities are required to prepare an MFMA implementation plan that focuses on what the municipality intends to implement and achieve over the next few years. The plan should contain a list of activities together with target (and actual) dates, with provision to show ongoing (possibly monthly) progress with comments and a responsible councillor or official for each activity.

The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.

The municipal manager is required to formally establish and maintain a top management team, to include all those senior managers who are responsible for a vote or the budget of a vote. Detail of top management is provided in section 77 of the MFMA. All councils should comply with the provisions of the Municipal Systems Act (as amended) and its regulations in relation to annual staff performance agreements.

Municipalities must establish controls over their bank accounts, cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA. Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure

control, and meet their financial commitments to other parties promptly and in accordance with the Act.

While the IDP is not in direct conflict with development plans of any of its local municipalities or those of other spheres of government, we have nevertheless observed that the interaction between adjacent municipalities in the context of the IDP process continues to be very limited. In the context of the Free State Department of Cooperative Governance and Traditional Affairs commitment to a single window of co-ordination, it will be critical that we improve interaction between municipalities, with a view to enhancing the horizontal alignment and harmonization of our plans.

The development of this IDP is critical for a number of reasons, key among these being the **Local Government Ten Point Plan** adopted by the Free State government:

- Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).
- Ensure the development and adoption of reliable and credible Integrated Development Plans (IDP's).
- Deepen democracy through a refined Ward Committee model.
- Build and strengthen the administrative, institutional and financial capabilities of municipalities.
- Create a single window of coordination for the support, monitoring and intervention in municipalities.
- Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government.
- Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
- Develop and strengthen a politically and administratively stable system of municipalities, and restore the institutional integrity of municipalities
- Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.

### **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 professionalize local governance by ensuring that incumbents holding senior positions

- (i) have the appropriate qualifications and
- (ii) there is no conflict of interest between political office and local government administration by barring political 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 57 A. (I) 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)).

### **Local Government: Municipal Systems Act (Act No.32 Of 2000) Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers**

The mentioned Municipal Systems Amendment Act (NO 7 of 2011) empowered the Minister for Cooperative Governance and Traditional Affairs, subject to applicable labour legislation, and after consultation with the Minister for Public Service and Administration, and where necessary, the Minister for Health and the Minister for Finance, to make regulations or issue guidelines relating to the duties, remuneration, benefits and other terms and conditions of employment of municipal managers and managers directly accountable to municipal managers.

The new system of local public administration has undergone substantial transformation in pursuit of the legal requirements to develop a set of uniform norms and standards for municipal staff system and procedures.

#### **In the main the objectives of the Regulations are as follows:**

- (i) Create a career local public administration governed by the values and principles of public administration as enshrined in Chapter 10 of the Constitution characterized by a high standard of professionalism;
- (ii) Create an enabling environment for increased staff mobility within local government by standardising human resources management practices;
- (iii) Improve the capacity of municipalities to perform their functions and improve service delivery by ensuring that municipalities recruit and retain suitably qualified persons, especially persons with scarce skills;
- (iv) Ensure predictability and maximize administrative and operational efficiency across municipalities; and
- (v) Establish a coherent human resource governance regime that ensures adequate checks and balances.

The regulations places an injunction on all municipalities to review their staff establishment before 17 January 2015, after having considered the principles set out in the Regulations, and the relevant



functions and powers listed in the Constitution, and Chapter 5 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

The Regulations outline processes to be followed in reviewing staff establishment and the framework of the report thereon to be considered by Council.

The Regulations also outlines processes to be followed in recruiting, selecting and appointing the municipal manager and section 56 managers.

Furthermore, the Regulations provide as follows:

- ➔ Before a municipal council makes a decision to appoint a senior manager, it must satisfy itself that the candidate meets the relevant competency requirements for the post;
- (i) Create a career local public administration governed by the values and principles of public administration as enshrined in Chapter 10 of the Constitution characterized by a high standard of professionalism;
- (ii) Create an enabling environment for increased staff mobility within local government by standardizing human resources management practices;
- (iii) Improve the capacity of municipalities to perform their functions and improve service delivery by ensuring that municipalities recruit and retain suitably qualified persons, especially persons with scarce skills;
- (iv) Ensure predictability and maximise administrative and operational efficiency across municipalities; and
- (v) Establish a coherent human resource governance regime that ensures adequate checks and balances.

The Regulations also outlines processes to be followed in recruiting, selecting and appointing the municipal manager and section 56 managers.

Furthermore, the Regulations provide as follows:

Before a municipal council makes a decision to appoint a senior manager, it must satisfy itself that the candidate meets the relevant competency requirements for the post; has been screened; and does not appear on the record of staff members dismissed for misconduct as set out in Schedule 2 to the Regulations;

Municipal council should establish a database of dismissed staff and staff who resigned prior to finalization of disciplinary proceedings. The Regulations also make provisions for conditions of employment and benefits that senior managers are entitled to.

## **Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013**

The Act has the following objectives:

- Provide for a uniform, effective and comprehensive system of spatial planning and land use management in the Republic,
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion;
- Provide for development principles and norms and standards;
- Provide for the sustainable and efficient use of land;
- Provide for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems

The Act also prescribes development principles and norms and standards to inform land use management and development. Importantly, the Act outlines envisaged intergovernmental support to be provided to municipalities in implementing the Act.

The Act, provide a guide on the preparation and content of municipal Spatial Development Framework and Land Use Scheme.

Furthermore, the Act, provides for the following

- Establishment and composition of Municipal Planning Tribunal, term of office of members of Municipal Planning Tribunals;
- Disqualification from membership of Municipal Planning Tribunals;
- Processes to be followed in approving land development applications; and
- Provide for related land Development Matters such as internal appeals, development applications affecting national interests,

## **CHAPTER 4: STRATEGIC POLICY ALIGNMENT**

### **Background and Strategic Overview**

This chapter outlines the high-level legislative implications for the annual review of the IDP. It also highlights the key lessons learnt from the IDP review process in relation to the five-year IDP, and it demonstrates the Free State Development Plan principles and five-year objectives.

The Xhariep District Municipality reviewed its 2017/2021 IDP as legislated in terms of section 34 of the MSA of 2000, that stipulates that a municipality must review its integrated development plan annually, in accordance with an assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand.

The Act also provides that the municipality may amend its IDP in accordance with a prescribed process. The review of the municipality's IDP has taken into consideration:

- Refinement of the sector plans programmes and programme components;
- Change in Institutional Structure;
- Budgets.

### **Key Lessons Learnt from IDP Assessments**

The municipality's IDP has not been reviewed purely on the basis of compliance, but taking into consideration IDP assessments, internal, provincial and national assessments. The assessments raised certain issues:

#### **Internal Assessment**

The Xhariep District Municipality held senior management session which focused on the processes leading up to the development of the 2017/21 IDP process. Some of the critical lessons learnt, were:

- New formulation of the strategic planning process and restructuring.
- Ensuring vertical and horizontal alignment between the municipality and other spheres of government - provincial, national and local municipalities.
- The need to rework the budget process methodology.
- The drive to ensure that communities understand the IDP process, and consequently, make meaningful inputs.

#### **National and Provincial Assessment**

Xhariep District Municipality participated in the Provincial IDP Analysis, held in April 2015, in which provincial and national sector departments had the opportunity to analyse and discuss

sector related issues in terms of the municipality's IDP. It was agreed at this workshop that provincial departments would report to the municipality on specific matters that arose from the workshop, to improve the IDP sector plans.

Consequently, during 2016, the Department of Cooperative Governance, Traditional Affairs and Human Settlement had a meeting with IDP managers where they announced that Assessments will be done on quarterly basis.

The meeting focused not only on the outcomes of the analyses workshop, but the aim of the IDP engagement process was a critical aspect of government's programme to build greater harmonization and alignment of planning, resource allocation and implementation across the three spheres of government.

### **Strategic Overview: FSGDP and Five-Year IDP**

The review of the IDP remains consistent to the FSGP and the five-year IDP. The Executive Mayor also identified certain priorities for his term of office:

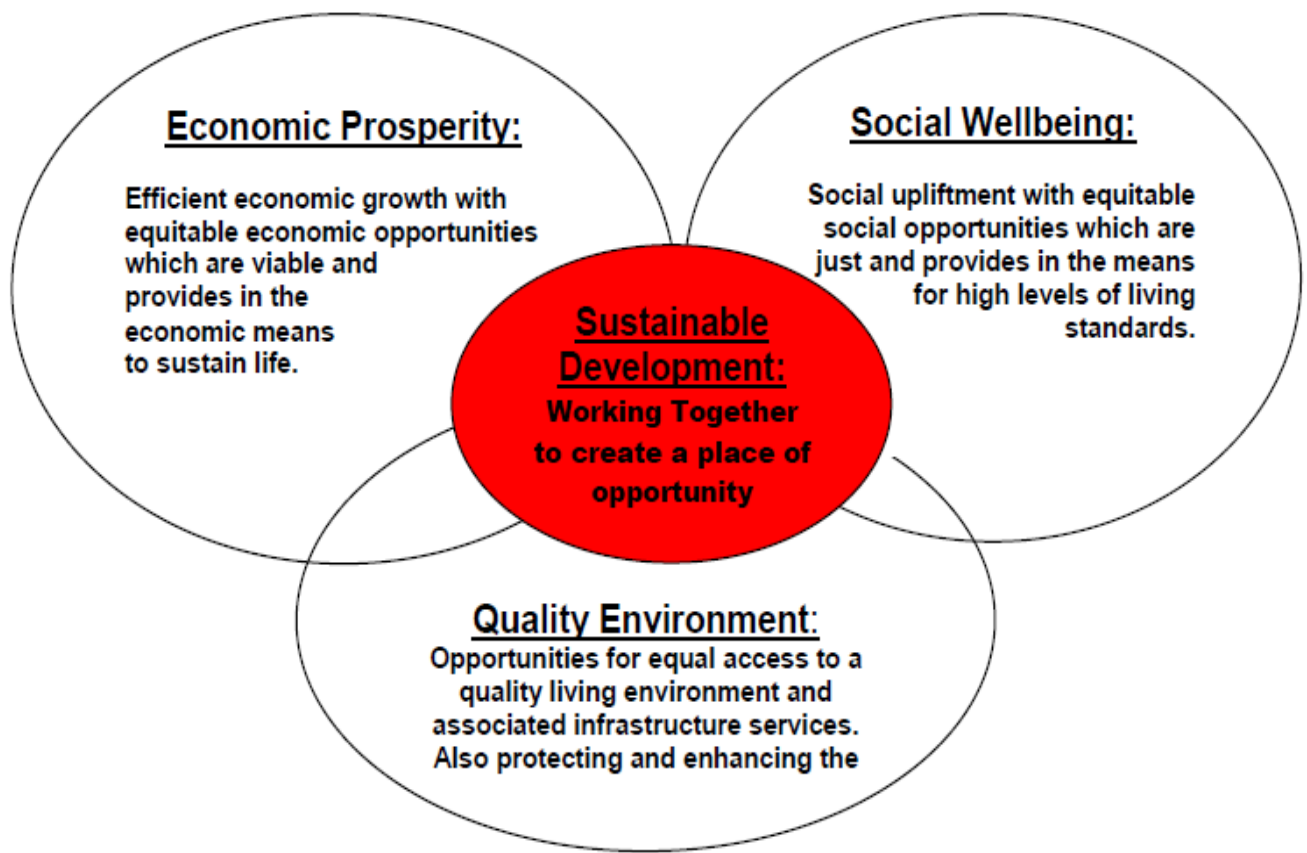
- Economic growth and job creation
- Tourism Development
- Health and community development
- A safe, clean and green city
- A well-governed and managed municipality
- HIV and AIDS.

Each sector has responded by providing key interventions in terms of the sector's vision that is linked to the municipality's overarching vision. The table entitled **Summary of Key Xhariep Trends, Possible Causes and Potential District Implications** provides a high-level summation of the key responses informing our analysis of Xhariep's opportunities and constraints.

Given a holistic overview and understanding of the development challenges, Xhariep District Municipality sees its core strategy as the eradication of poverty through sustainable development. The municipal strategy must be aimed at addressing the challenges of poverty and ensure a systematic developmental path through the levels of poverty to develop a prosperous and self-sufficient society with high levels of living.

Sustainable development is understood as development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. In such development context, sustainability can only be realized if the underlying components of the economic, social and environmental capital are simultaneously addressed and holistically balanced. This municipal strategy is illustrated as follows:

## Xhariep Development Strategy



### IDP Review Document: Structural Changes

The structure of the Xhariep District Municipality's IDP document has emerged, *inter alia*, as a key priority issue to be addressed via a proposed restructuring of the document.

The document has subsequently been revised and through its revision, it is considered that the Xhariep IDP Review 2017/2021 document will:

- Simplify the document, without prejudicing its strategic intent, in such a manner that it will be more clearly understood, by officials and the public, and also be more user-friendly.
- More closely align to the current Municipal Organizational Structure.
- Enable departments within the municipality to clearly place themselves within the context of the IDP Document and identify in which manner they contribute towards the proposed programmes, development Strategies and ultimately the Vision for Xhariep District.
- Facilitate the setting of Departmental Key Performance Indicators.

- Facilitate easier integration with the Municipality's Budgeting processes.

## **The Sustainable Development Goals (Vision 2030 )**

The sustainable development goals (**SDGs**) are a new, universal set of goals, targets and indicators that UN member states will be expected to use to frame their agendas and political policies over the next 15 years. The SDGs follow and expand on the [millennium development goals](#) (MDGs), which were agreed by governments in 2001 and have already expired at the time of the review of this document.

On 25 September 2015, the United Nations General Assembly formally adopted the 2030 Agenda for Sustainable Development, along with a set of 17 Sustainable Development Goals and 169 associated targets.

Building upon the success of the Millennium Development Goals, this new development agenda is the international community's primary guide for sustainable development in the years to come. Like never before, the sustainability aspects of development are considered of primary concern at local, national, regional and international levels.

UN DESA's divisions engage stakeholders around the world in the implementation, evaluation and monitoring process of the Sustainable Development Goals, and assist countries in translating global goals into national policies, and national policies into action on the ground.

Given the adoption of the 2030 Agenda for Sustainable Development with its sustainable development goals (SDGs), the report adopts the SDGs as its scope.

It endeavors to present a range of scientific perspectives and to be policy-relevant but not policy-prescriptive. Like its predecessors, it continues to explore possible approaches and vantage points from which to examine the science-policy interface, as well as scientific approaches that can inform policies building upon integration and interlinkages across sustainable development goals, sectors, and issues. The report was prepared specifically to inform the discussions at the high-level political forum on sustainable development in 2016.

### **What are the proposed 17 goals?**

1) End poverty in all its forms everywhere
2) End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
3) Ensure healthy lives and promote wellbeing for all at all ages
4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5) Achieve gender equality and empower all women and girls
6) Ensure availability and sustainable management of water and sanitation for all
7) Ensure access to affordable, reliable, sustainable and modern energy for all
8) Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
9) Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

10) Reduce inequality within and among countries
11) Make cities and human settlements inclusive, safe, resilient and sustainable
12) Ensure sustainable consumption and production patterns
13) Take urgent action to combat climate change and its impacts (taking note of agreements made by the <u>UNFCCC</u> forum)
14) Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss
16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17) Strengthen the means of implementation and revitalise the global partnership for sustainable development

## **National Development Plan (Vision 2030)**

National Development Plan (NDP) inform some of the programmes of this and it cut across a broad spectrum of issues and are reflected in this IDP according to the five key performance areas of the Municipality. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

## **The Medium Term Strategic Framework (MTSF)**

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities and encouragement of investment.

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

The NSDP's objective is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. It therefore acts as an indicative planning tool for the three spheres of government. The National Spatial Development Perspective also informs the Spatial Development Framework of the Municipality.

## **National Government Priorities**

- Infrastructure development.
- Creating conditions for an inclusive economy that will reduce poverty and inequality and produce decent jobs and sustainable livelihoods.

- Access to education and training, particularly by the youth, to ensure their full participation in the economy and society.
- Better quality health care and accessibility.
- Rural development.
- Safer communities and crime reduction.

The above is underpinned by the statement of the National Executive Committee of the African National Congress.

## Provincial Perspective

### Provincial Growth and Development Plan (PGDP)

The PGDP also plays an important role in shaping the Municipality's IDP. The PGDP of the Free State Provincial Government is reflected as follows in the Municipality's five key performance areas:

- Agriculture and Food Security, Fighting Poverty,
- Agro-processing and Tourism are reflected in municipal Local Economic Development.
- Human Resources Development are reflected in Municipal Transformation and Organizational Development.
- Infrastructure Development is reflected in Basic Service Delivery and Infrastructure Development.

These are all underpinned by key performance areas relating to financial sustainability and good governance.

## LINKAGE BETWEEN NATIONAL DEVELOPMENT PLANS, SUSTAINABLE DEVELOPMENT GOALS AND THE DISTRICT STRATEGIC OBJECTIVES

Having demonstrated at the strategy level how the eight MDGs are integral to the South African government's development priorities, it is important now to illustrate how, at the implementation level, these strategic policy intentions should or get to be translated into reality within a municipal context, the following table illustrates the linkages between these strategies

<b><i>National KPA</i></b>	<b><i>Link with NDP</i></b>	<b><i>Sustainable Development Goals</i></b>	<b><i>Municipal Implementation Strategy</i></b>	<b><i>Supporting Sector Plans /Standards</i></b>
<b><i>Service Delivery and Infrastructure Development</i></b>	<i>Ensure that all South Africans have access to clean running water in their homes.</i>	<i>Ensure availability and sustainable management of water and sanitation for all</i>	1) <i>Conduct water quality checks of all local municipality as per the Green and Blue drop Standards</i> 2) <i>Lobby for the</i>	<i>WSP (Water Services Plan</i>  <i>Environmental Health By-Laws</i>



<b>National KPA</b>	<b>Link with NDP</b>	<b>Sustainable Development Goals</b>	<b>Municipal Implementation Strategy</b>	<b>Supporting Sector Plans /Standards</b>
			formulation of WSP (Water Services Plan)	
	Establish effective, safe and affordable public transport.	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	1) Implement Rural Roads Asset Management Project 2) Lobby for the formulation of Integrated Transport Plan (ITP)	Integrated Transport Plan
	Broaden ownership of assets to historically disadvantaged groups	Make cities and human settlements inclusive, safe, resilient and sustainable	Partner with <b>Housing Development Agency</b> (HDA) to implement some redistribution projects	Housing Sector Plans
<b>Local Economic Development and Job Creation</b>	A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.	End poverty in all its forms everywhere	Partner with different investment corporations and Development agencies to create and promote SMMEs in the district	Local Economic Development Strategy
		Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all		
	Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	Responsive economic infrastructure and networks	Local Economic Development Strategy
	Increase employment	Promote sustained,	Implement the	

<b>National KPA</b>	<b>Link with NDP</b>	<b>Sustainable Development Goals</b>	<b>Municipal Implementation Strategy</b>	<b>Supporting Sector Plans /Standards</b>
	<i>from 13 million in 2010 to 24 million in 2030</i>	<i>inclusive and sustainable economic growth, full and productive employment, and decent work for all</i>	<i>Expanded Public Works Programme through internal and External funded programmes</i>	
	<i>Play a leading role in continental development, economic integration and human rights</i>	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all</i>	<i>Form International Partnerships in programmes that will bring about global change and development i.e the <b>Xhariep Solar Hub</b> initiative in partnership with Korean Development Agency</i>	
<b>Social wellbeing and Upliftment</b>	<i>Provide affordable access to quality health care while promoting health and wellbeing.</i>	<i>Ensure healthy lives and promote wellbeing for all at all ages</i>	<i>Conduct different awareness and educational programs through the <b>Special Programmes Office</b>, and Champion the effective running of the <b>District AIDS Council</b></i>	<i>HIV/ AIDS SECTOR PLAN Youth Development Strategy</i>
	<i>Entrench a social security system covering all working people, with social protection for the poor and other groups of need</i>	<i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</i>		
<b>Municipal Infrastructure and Environment</b>	<i>Produce sufficient energy to support industry at competitive prices, ensuring access for poor Households, while reducing carbon emissions per unit of power by about one-</i>	<i>Ensure access to affordable, reliable, sustainable and modern energy for all</i>	<i>Champion the effective running of the District Energy Forum</i>	

<b>National KPA</b>	<b>Link with NDP</b>	<b>Sustainable Development Goals</b>	<b>Municipal Implementation Strategy</b>	<b>Supporting Sector Plans /Standards</b>
	<i>third.</i>			
	<i>Make high-speed broadband internet universally available at competitive prices.</i>			<i>ICT Master Plan</i>
	<i>Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.</i>	<i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</i>	<i>Ensure that Early Childhood Development centres are well taken care of through the environmental and Health Unit</i>	
			<i>Provide for Bursaries through the Mayoral Fund</i>	
<b>Community Safety</b>	<i>Realise a developmental, capable and ethical state that treats citizens with dignity.</i>	<i>Take urgent action to combat climate change and its impacts (taking note of agreements made by the UNFCCC forum)</i>	<i>Implement instructional Fraud and Corruption Strategy</i>	
	<i>Ensure that all people live safely, with an independent and fair criminal justice system.</i>		<i>Encourage Community participation in District Policing Forums</i>	
<b>Institutional Development</b>	<i>Ensure that skilled, technical, professional and Managerial posts better reflect the country's racial gender and disability makeup.</i>	<i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</i>	<i>Implement and review the Work Place skills development Plan and the Human resource strategy to encourage Gender and Equity Plan</i>	
		<i>Reduce inequality within and among countries</i>		

## **XHARIEP STRATEGIC OBJECTIVES**

The following section alludes to the future intentions of the Xhariep District Municipality for the fourth cycle of IDPs, the 2017/2021 financial year. The identified objectives are a response to the key priority issues that were identified by the communities.

A credible IDP has to meet and align with the following Six National KPAs and Provincial Targets which have been considered during the planning as namely:

<b>KPA 1: Spatial Rationale and Environmental Management</b>
<b>KPA 2: Basic Services and Infrastructure</b>
Eradication of Buckets
Address water backlogs per increasing population
Address Sanitation backlogs per increasing population
Access by all to Basic Services
Improve Domestic Waste Collective Standards by 2021
<b>KAP 3: Local Economic Development - Economic Growth Rate of 5 – 8%</b>
Halve unemployment rate by 2021
Reduce households living in poverty by between 60% - 80%
<b>KPA 4: Municipal Transformation and Organisational Development</b>
<b>KPA 5: Financial Viability and Management</b>
<b>KPA 6: Good Governance and Public Participation</b>

## GUIDING DIRECTIVES FOR THE DEVELOPMENT OBJECTIVES

The selection of the strategic issues is in line with the National and Provincial development frameworks with particular reference to the principles within the NSDP:

- Economic growth is a pre-requisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), should therefore be focused on localities of economic growth and/or economic potential. This will be done to attract private-sector investment, stimulate sustainable economic activities and/or create long term employment opportunities.
- Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.
- In localities with low development potential, government spending beyond basic services should focus on providing social transfers, human resource development and labour market intelligence.
- This will enable people to become more mobile and migrate, if they so choose, to localities that are more likely to provide sustainable employment or other economic opportunities.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres.
- Developmental Local Government is responsible for creating robust social dialogue among relevant stakeholders regarding development matters that require coordinated efforts and measures.

The Spatial Development Framework has been adopted by December 2009. The SDF had sufficient information to give guidance of spatial dimension within the prioritization process in terms of the listed principles. The principles were presented to the stakeholders prior to the strategy workshop to influence the selection of strategic issues.

**Provincial Pillars as listed below were considered during the formulation of the objectives.**

- Inclusive economic growth and sustainable job creation
- Education, innovation and skills development
- Improved quality of life
- Sustainable rural development
- Build social cohesion
- Good governance

The aforementioned Provincial pillars as contained in the Free State Growth and Development Plan, guided the formulation of the Development Priorities or Institutional Key Performance Areas and Objectives. Further in crafting the focus areas with the ultimate goal to improve service delivery, uplifting the lives and communities the Community and Stakeholder consultation as provided in the analysis has been instrumental.

## **APPROACH TO DEVELOPMENT PRIORITIES AND STRATEGIC OBJECTIVES**

To support the process of the IDP objectives linked to measurements that will serve as the quantifiable monitoring tools for this last year of the five year cycle a simplified template for the objectives has been formulated. The measurements are elaborated in terms of outcomes and realistic targets for the next financial year. The development strategies and planned projects are delineated from the measurements as they represent the most detailed level of the municipal outcomes. These measurements are also adjusted to serve as project indicators. This approach was a conscious attempt to align the IDP with the requirements of the Performance Management System (PMS), as these measurements will represent the standards in the Performance Agreements of Section 57 employees.

**The following factors influenced the adjustment of the objectives tables:**

- Inadequate budget and poor budget alignment and limited capital fund resulted in projects not being implemented and therefore limited targets for are met. In order to guide the municipal area towards the intended future, the implementation process requires a rigorous process of monitoring and reporting.
- Poor linkage to performance management system resulted in IDP objectives/measurements and targets not checked in each department
- Project implementation is difficult where internal co-operation/ integration among departments are required
- Insufficient co-operation among departments with regard to other programmes
- Incorporate and mainstream the objective, measurement, strategies and related projects in a single template
- The inclusion of accountability of all strategies to accommodate inclusion in the Performance Contracts

- Identification of areas where more than one department is involved they need to agree how they will formulate the partnership.

-

## **IDENTIFIED INSTITUTIONAL KEY PERFORMANCE AREAS AND TARGETS**

Influenced by the aforementioned guiding principles the institution resolved to recommend the following Development Priorities Areas as key to address the communities' development priority needs, namely:

### **KPA 1: Spatial Rationale and environmental Management**

#### **Key Targets :**

- Attend to the land demand for socio economic development.
- Protection, preservation conservation and enhancement of the biophysical and socio-economic resources of its urban and rural environment.
- Address environment related priorities

### **KPA 2: Infrastructure and Basic Services**

#### **Key Targets :**

- Address water and sanitation backlog for households by 2021
- Road networks that enhance development
- Affordable electricity for households by 2021
- Waste management to households and formalized landfilled sites by 2021

### **KPA 3: Local -Economic Development**

#### **Key Targets :**

- Halve poverty by 2021
- 5% growth in job creation by 2021
- Establish Food Self Sufficiency Initiatives
- Reduce number of households living below the poverty line
- Increase number of EPWP project beneficiaries by 2021

### **KPA 4: Institutional Development and Transformation**

#### **Key Targets :**

- Institutional arrangement that matches up with IDP deliverables and responds to Batho Pele principles

### **KPA 5: Financial Viability and Management**

#### **Key Targets :**

- Achieve Clean Audit Report by 2018
- Align all our financial systems with MSCOA by 2017

<b>KPA 6: Good Governance, Public Participation</b>
<b>Key Targets :</b> <ul style="list-style-type: none"> <li>• 100% EXECUTION OF Council Resolutions</li> <li>• 100% functional IDP / Budget Representative Forum annually</li> <li>• 100% HR Policies in place by 2019</li> </ul>

### **Municipal desired outcomes and development priorities**

Based on the findings of the legislative and policy analysis and directives with respect to desired spatial form, the SDF goals, land use management that realize the municipal vision, the following broad strategic Objectives area are outlined:

### **KPA 1: SPATIAL AND ENVIRONMENTAL RATIONALE**

<b>Goal: To develop Xhariep as an integrated spatially equitable municipal area, maximizing the potential benefits of its environmental assets in a sustainable and prosperous manner for all its people</b>		
<b>DEVELOPMENT ISSUE</b>	<b>PRIORITY</b>	<b>KEY STRATEGIC OBJECTIVES</b>
Differentiated approach to municipal planning and support		Provide Sustainable Land Use and Development
Integrated human settlements		Facilitate provision of Housing for Sustainable Development
Equitable land and rural development and balancing environmental sustainability with developmental prospects		
Security of tenure		

### **KPA 2: BASIC SERVICES AND INFRASTRUCTURE**

<b>Goal: Sustainable municipal infrastructure and social services, consistently maintaining and improving the needs of the people of Xhariep and enabling their aspirations</b>		
<b>DEVELOPMENT ISSUE</b>	<b>PRIORITY</b>	<b>KEY STRATEGIC OBJECTIVES</b>
Water and sanitation		Facilitate provision of water and sanitation services to all residents of Xhariep
Energy and electricity		Facilitate provision of energy and electricity services to all residents of Xhariep
Human settlements		Facilitate provision of housing to the poor
Land use management Spatial development		The sustainable management and usage of land in Xhariep in partnership with local municipalities
Environmental Health services		Provide environmental health services to the residents of Xhariep
Environmental legislation and compliance		Full compliance with environmental legislation
Disaster Management		Provide disaster management, Fire and Rescue Services to

	the residents of Xhariep
Safety and security	Ensure safety of residents of Xhariep Community
Cemeteries	Facilitate burial and cemeteries facilities for residents of Xhariep and monitor all funeral parlours in the district

### KPA 3: LOCAL ECONOMIC DEVELOPMENT

<b>Goal: To create and facilitate a conducive environment that builds inclusive local economies, sustainable decent employment and eradicates poverty</b>		
<b>DEVELOPMENT ISSUE</b>	<b>PRIORITY</b>	<b>KEY STRATEGIC OBJECTIVES</b>
Attract investment		Create enabling environment of investment
Tourism development		Sustainable tourism destinations
Job creation		Improved employment opportunities
Facilitate building of economic infrastructure and networks		Responsive economic infrastructure and networks
Agrarian reform		Viable lucrative agri-villages and access to affordable diverse food
Economic access for rural nodes		Vibrant, equitable, sustainable rural economic communities
Effective land reform		Increased place of land tenure reforms
Lobby for Viable creative industries		Improved quality of sport, arts and culture for economic benefits

### KPA 4: MUNICIPAL TRANSFORMATION AND ORGANISATION DEVELOPMENT

<b>Goal: To provide professional, efficient, people centered human resources and administrative services to Xhariep citizens, staff and council for a transformed, equitable and efficient development local system.</b>		
<b>DEVELOPMENT ISSUE</b>	<b>PRIORITY</b>	<b>KEY STRATEGIC OBJECTIVES</b>
Internal and external communication platforms		Provide internal and external communication platforms
Customer satisfaction		Customer satisfied with the service rendered by the municipality
Access to information		Customers satisfied accessibility of information
Legal services		Provide acceptable levels of legal services to internal departments
Property Management		To manage the property of council to levels acceptable to Auditor general
Contract management		To manage the contacts of council to levels acceptable to the Auditor General
Office space		Provide sufficient office space to facilitate effective administration
Staff establishment		Accelerate institution transformation



Performance management	Improve institutional performance
Monitoring and evaluation	Strengthening monitoring and evaluation

## **KPA 5: FINANCIAL VIABILITY AND MANAGEMENT**

<b>Goal : To Build Financial Sustainability of Xhariep District Municipality through Empowering Staff to Achieve Good Governance and a Clean Administration Promoting Accuracy and Transparency</b>	
<b>DEVELOPMENT STRATEGIC ISSUE</b>	<b>KEY STRATEGIC OBJECTIVE</b>
Financial Planning and Reporting	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting
Financial Management Capacity	Empower staff and improve staff morale through skills development and capacity building
Revenue Generation	Increase revenue collection for financial viability through debt collection & accurate billings
Strengthening governance & control environment	<ul style="list-style-type: none"> <li>• Comply with Laws Regulations and Policies</li> <li>• MSCOA Complaint</li> </ul>
Clean Audit by 2018	Achieve a clean audit by 2018 and beyond
Transparency and openness	To achieve a clean administration for 2017 and beyond
Staff expenditure	Maintain staff expenditure to recommended levels

## **KPA: 6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

<b>Goal : To create an enabling environment for active public participation and an administrative culture characterized by accountability, transparency and efficiency</b>	
<b>DEVELOPMENT PRIORITY ISSUE</b>	<b>KEY STRATEGIC OBJECTIVES</b>
Ward Committees Ward Committees	To have a fully operational Ward Committee System in all local municipalities by providing hands-on support
Stakeholder relations	Improve external communications
Stakeholder relations	Improve public participation
Stakeholder relations	Improve Access to information
Stakeholder relations	Improve customer satisfaction
Stakeholder relations	Improve Intergovernmental Relations
Performance Management	Improved institutional performance

## **Batho Pele Principles**

The Municipality is committed to deliver services within the framework of *Batho Pele principles*, as outlined below:

**(a) Courtesy and ‘*People First*’**

Residents must be treated with courtesy and consideration at all times.

**(b) Consultation**

Residents must be consulted about service levels and quality, whenever possible.

**(c) Service excellence**

Residents must be made aware of what to expect in terms of level and quality of service.

**(d) Access**

Residents must have equal access to the services to which they are entitled.

**(e) Information**

Residents must receive full and accurate information about their services.

**(f) Openness and transparency**

Residents must be informed about government departments, operations, budgets and management structures.

**(g) Redress**

Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.

**(h) Value for money**

Public services must be provided economically and efficiently.

**Alignment between IDP and Budget**

An IDP-based Budget is essential in order to realize IDP objectives. The Xhariep District Municipality’s IDP and Budget are aligned in terms of key performance areas, priorities, programmes and sector plans. Furthermore, the IDP priorities are realised through the implementation of the municipal budget.

**People-driven IDP and Budget Processes**

The Municipality’s IDP and Budget processes are informed by the outcomes of public participation and stakeholder inputs. The public engagement processes find expression in IDP plans and priorities.

**IDP Implementation, Monitoring and Evaluation**

The IDP and Budget are implemented through a Service Delivery and Budget Implementation Plan (SDBIP). A municipal scorecard is used to measure, monitor, evaluate and report on institutional performance (on a monthly, quarterly, bi-annual and annual basis).

The institutional SDBIP forms the basis of directorate-based SDBIPs and employee performance agreements and plans. To enhance accountability and oversight, the Municipality during this financial year will establish a multi-party Municipal Public Accounts Committee.

### **Back to Basics Strategy**

In September 2014, Cabinet introduced the Back to Basics Strategy, goal is to improve the functioning of municipalities to better serve communities by getting the basics right.

The transformational agenda recognizes that there are widely divergent levels of performance between different categories of municipalities – in terms of services, public engagement, good governance, financial management and technical capacity. The aim is to encourage all municipalities to become positively functional centres of good governance.

Taking its tune from these initiatives, as well as prevailing local conditions, challenges and the environment, the Municipality was introduced to the concept so that it integrated it into its key strategic planning documents (IDP, Budget, and SDBIP), enabling the monitoring of the implementation thereof and reporting in line with institutional timelines.

### **Standards for Municipal Performance Back to basics concept**

- **Priority 1:** For those municipalities in a dysfunctional state we will aim to perform at the very least the basic functions of local government. We will do this through enforcement of current policies and legislation, systematically managing performance and accountability, and ensuring that there are consequences for underperformance. Minimum performance requirements include ensuring the proper functioning of council structures and council processes, the provision of basic services, and the appointment of competent staff – these are non-negotiable.
- **Priority 2:** For those who are functional but are not doing enough in critical areas of service, we will support municipalities to progress to a higher path. Here the focus will be on building strong municipal administrative systems and processes, and ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. The oversight system for local government will be improved through creating real-time monitoring systems. Measures will be taken to ensure that municipalities engage properly with their communities.
- **Priority 3:** We will incentivise municipalities that are performing well by giving them greater flexibility and control over their resources and grants, and encourage them to move beyond the basics and transform the local space economy and integrate and densify our communities to improve sustainability. We will implement the Integrated Urban Development Framework and the National Spatial Development Framework to ensure

effective alignment of our national economic, environment and social programmes with those of our municipalities.

- **Priority 4:** There will be a targeted and vigorous response to corruption and fraud, and a zero tolerance approach to ensure that these practices are rooted out. Supply chain management practices in municipalities will be closely scrutinized. Where corruption and mismanagement have been identified, we will not hesitate to make sure these are decisively dealt with through provisions such as asset forfeiture and civil claims. We will also work to change practices in the private sector and enlist the support of civil society to change the national morality.

COGTA has developed and finalized a set of indicators as per the pillars of the Back-to Basics approach. These indicators will measure whether municipalities are performing in terms of the 'basics', namely:

- **Putting people first**
- **Delivering basic services**
- **Good governance**
- **Sound financial management**
- **Building capacity**

Xhariep District Municipality had numerous meetings with National and Provincial COGTA, MISA, Department of Treasury and the Department of Water and Sanitation. The purpose of the meetings was to introduce the Municipality to Back to basics and assist in providing information or populating information on the document.

## **ALIGNMENT OF DEVELOPMENT PRIORITIES FOR ALL SPHERES OF GOVERNMENT**

The Constitution of the Republic of South Africa call for the government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. It is in this guiding provision that Xhariep District Municipality seeks the alignment of development priorities from all the spheres of government. This is conducted to promote seamless governance and integrated service delivery from all spheres of government.

National Outcome	NDP Objective	Provincial Strategic Outcomes	Pre-determined Objective	Strategic Objective	KPA	KPA Owner	Capital/Operational Vote
An effective, competitive and Responsive  Economic Infrastructure Network	Economy and  Development	Inclusive Economic  growth and sustainable job creation;	An effective productive administration  capable of sustainable service delivery	Eradicate backlogs in order to improve access to services and  ensure proper operations and Maintenance	Basic  Service Delivery	Director Planning & Social Development	LED
Decent  Employment through inclusive economic growth	Economy and  Development	Inclusive Economic  growth and sustainable job creation;	An effective productive administration  capable of sustainable service delivery	Create an environment that promotes  development of the local economy and facilitate job creation.	Local  Economic Development	Director: Planning & Development	LED
A responsive and accountable, effective and	Developing a capable and	Efficient Administration	An effective productive administration	To create an efficient, effective and	Municipal Financial Viability and	CFO	Budget and Treasury

efficient local government system	Development State	and Good Governance	capable of sustainable service delivery	Accountable Administration	Management		Office
A responsive and accountable, effective and efficient local government system	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems.	Municipal Financial Viability and Management	CFO	Budget and Treasury Office
A responsive and accountable, effective and efficient local government system	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	Promote a culture of participatory and good Governance	Good Governance and Public Participation	Director Corporate Services	Corporate Services
A skilled and capable workforce	Developing a capable and	Efficient Administration	An effective productive	To create an efficient, effective and	Municipal Transformati	Director Corporate	Corporate Services

National Outcome	NDP Objective	Provincial Strategic Outcomes	Pre-determined Objective	Strategic Objective	KPA	KPA Owner	Capital/Operational Vote
to support inclusive growth	Development State	and Good Governance	administration capable of sustainable service delivery	accountable administration	on and Institutional Development	Services	
All people in south Africa protected and feel safe	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director Corporate Services	Corporate Services
A skilled and capable workforce to support inclusive growth	Improving Education, training and innovation	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director Corporate Services	Corporate Services
A skilled and capable workforce to support inclusive growth	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director Corporate Services	Corporate Services
A responsive and accountable,	Developing a	Efficient	An effective productive	To create an efficient,	Municipal Transformation	Director	

effective and efficient local government system	capable and Development State	Administration and Good Governance	administration capable of sustainable service delivery	effective and accountable administration	on and Institutional Development	Corporate Services	Corporate Services
Sustainable human settlements and improved quality of household life	Economy and Development	Improved quality of life	To ensure sustainable provision of services;	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Basic Service Delivery	Director Technical Services	Planning & Social Development
Protection and enhancement of environmental	Environmental Sustainability and Resilience	Efficient Administration and Good	To ensure sustainable provision of services;	Eradicate backlogs in order to improve access to services and	Basic Service Delivery	Director: Planning & Social Development	Municipal Environmental Health



National Outcome	NDP Objective	Provincial Strategic Outcomes	Pre-determined Objective	Strategic Objective	KPA	KPA Owner	Capital/Operational Vote
to support inclusive growth	Development State	and Good Governance	administration capable of sustainable service delivery	accountable administration	on and institutional Development	Services	
All people in south Africa protected and feel safe	Developing a capable and Development State	Efficient Administration and Good Governance	An effective Productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director: Corporate Service	Corporate Services

A skilled and capable workforce to support inclusive growth	Improving Education, training and innovation	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director: Corporate Services	Corporate Services
A skilled and capable workforce to support inclusive growth	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director: Corporate Services	Corporate Services

			delivery				
A responsive and accountable, effective and efficient local government system	Developing a capable and Development State	Efficient Administration and Good Governance	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Municipal Transformation and Institutional Development	Director: Corporate Services	Corporate Services
Protection and enhancement of environmental	Environmental Sustainability and Resilience	Efficient Administration and Good	To ensure sustainable provision of services;	Eradicate backlogs in order to improve access to services and	Basic Service Delivery	Director: Planning & Social Development	Municipal Environmental Health

## Stakeholder Consultation

Xhariep District Municipality places a high premium on inclusivity and subsequently the involvement and participation of all relevant stakeholders forms an essential component of the IDP review process. The public participation process for the 2017/2018 review of the IDP was done on the basis of full-scale public meetings in each four of our local municipalities. This is due to the vastness of the district and local municipalities.

A fundamental characteristic of this initial round of public participation was also to introduce the Municipal Budget and other related municipal policies and clearly defined the distinction between such and the IDP review process.

### The purpose of this initial round of public participation was:

- To discuss the process to be followed for the 2017/18 IDP review
- To consult on the content for the IDP review and what components of the IDP should Be reviewed
- Monitor the progress made in terms of implementation of the 5 year 3rd Generation IDP to date.
- Provide feedback to the different communities on the issues they have raised and input provided during the first round of public participation;
- Provide a progress report on significant projects implemented in the different municipalities.
- Provide an overview of the 2017/18 draft IDP review;
- Provide an overview of the 2017/18 annual budget of the municipality; and
- Encourage communities and stakeholders to peruse the draft IDP review and budget of the municipality and make use of the opportunity to make submissions in this regard.

**NB: Attached is a schedule of the public meetings held in the respective wards:**

DATE	PLACE/TOWN	VENUE	RESPONSIBLE PERSON
			Executive Mayor/Speaker
			Executive Mayor/Speaker
			Executive Mayor/Speaker
			Executive Mayor/Speaker

Table 3: Public Participation Meetings

## Intergovernmental Relations

The municipality fosters relations with other spheres of government and participates in various intergovernmental activities to promote a closer working relationship between the various spheres of government. Council is of the view that these relationships can assist in enhancing government's services to the communities of the Greater Xhariep Municipal Area.

The municipality delegated officials and Councilors to the following forums:

Forum	Frequency	Responsibility
Municipals Managers Forum	Quarterly	Municipal Manager
SALGA working groups	Quarterly	Director/Delegated official and portfolio Councillor specific to working group
District Coordinating Forum (IGR Forums)	Quarterly	Mayor
Premiers Coordinating Forum	Quarterly	Mayor
Provincial and District IDP Managers Forums	Quarterly	Municipal Manager – IDP
Disaster Management Forum	Quarterly	Municipal Manager's Office
Human Resources Forum	Quarterly	Corporate Services
Environmental Health Forum	Quarterly	Planning & Social Development
Chief Finance Officers	Quarterly	Budget & Treasury Office
Supply Chain Management Forum	Quarterly	Budget & Treasury Office
Local Economic Development forum	Quarterly	Planning and Development
Audit Committee/ Forum	Quarterly	Chief Internal Auditor (MM)
Risk Committee/Forum	Quarterly	Chief Risk Office (MM)

During the review process of the IDP and particularly the public participation process it became apparent that approximately 40% of the issues raised and the projects suggested by communities relate to competencies which fall outside of the ambit of local government. Integrated planning between the different spheres of government is thus critically important if government wants to effectively fulfil its constitutional mandates and effectively address the socio-economic challenges faced by communities.

IDP is increasingly becoming a cornerstone for intergovernmental planning and budget alignment. Resources are also limited and establishing strategic partnerships between the different spheres of government will certainly optimize the impact of such resources. The IDP should therefore guide where sector departments allocate their resources at local government level. The municipality should however also take into consideration the sector department's policies and programmes when developing its own policies and strategies. For this reason it is in the interest of the sector departments to participate in the IDP review process of the municipality to ensure alignment between development programmes.

## **Provincial IDP's Manager's Forums**

The Department Corporate Governance, Human Settlement and Traditional Affairs facilitates Provincial IDP's Manager's Forums engagements on an annual basis. The forums are usually held during August each year and focuses on strategic alignment between the municipalities and the different sector departments in the province and has the following objectives:

- To provide provincial strategic guidance and dialogue on provincial policies and programmes and overall planning implications for municipalities;
- To create a platform for alignment of Districts and local municipality IDPs to Provincial and National plans;
- Obtain and share information on sector projects implemented in municipalities, focusing on geo-spatial budgeting;
- Share municipal priorities with sector departments to inform and guide future sector departmental priority setting;
- Foster alignment between municipal and provincial project implementation as part of Intergovernmental Planning and through spatial mapping as a planning aid;
- Present and share information on municipal financial allocations; and
- To encourage cross border alignment of plans at municipal level

The above-mentioned engagements form an integral part of the IDP review process and assist municipalities to garner support and or interventions from the different sector departments with a number of programmes/projects implemented within municipalities. A fundamental deliverable of these IDP engagements is the agreements reached between the municipality and respective sector departments for specific interventions, funding or technical support required for the successful implementation of projects/programmes.

## **IDP Assessment**

In terms of Section 32 of the Municipal Systems Act (Act 32 of 2000) a copy of the municipality's IDP must be submitted to the MEC for Local Government for assessment which will ensure that more credible IDP's are produced. The timing of the assessment process is strategically determined during the month of April each year to allow input from sector departments on the draft revised IDP's which will allow municipalities to still make adjustments before the final IDP reviews are adopted by Councils towards the end of May each year.

The assessment of draft IDP's was done with one-on-one engagements between Provincial Treasury, provincial Department of Local Government, Department of Environmental Affairs & Development Planning and officials of the municipality. This assessments are usually done during April of each year. The written comments received from the MEC for Local Government in the

province assists municipalities a great deal to ensure strategic alignment with the objectives and planning processes of the provincial and national government. The MEC's comments also form the basis of the review process of the 5 year strategic plan of the municipality and the comments received last year have been duly incorporated into this review, albeit not all due to budget constraints.

Community Inputs (To be incorporated after Public Participation Process)

## **CHAPTER: 5 THE PLANNING PROCESS**

### **ROLES AND RESPONSIBILITIES**

#### **(a) Municipal Council**

The Council is the ultimate decision-making authority. Decisions to approve or amend the municipality's integrated development plan (IDP) may not be delegated and have to be taken by the full Council.

#### **(b) Executive Mayor**

In terms of the Municipal Systems Act and the Municipal Finance Management Act the Executive Mayor must-

- manage the drafting of the IDP;
- assign responsibilities in this regard to the municipal manager;
- submit the draft plan to the municipal council for adoption; and
- co-ordinate the annual revision of the IDP and determine how the IDP is to be taken into account or revised for the purposes of the budget.

#### **(c) IDP Representative Forum**

The Representative Forum advises the Executive Mayor on matters relating to the IDP. It does not have any decision making powers. Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through meetings and workshops.

#### **(d) Municipal Manager**

The municipal manager, together with Directors, forms the steering committee that is responsible for the design and execution of all arrangements regarding the compilation of the IDP. He also is, subject to the policy directions of the municipal council, responsible and accountable for-

- the implementation of the IDP and the monitoring of progress with implementation of the plan; and
- the formation and development of an administration equipped to carry out the task of implementing the IDP.

#### **(e) Heads of Departments and Officials**

Their role is to –

- provide relevant technical, sector and financial information for analysis for determining priority issues;
- contribute technical expertise in the consideration and finalization of strategies and identification of projects; and
- provide departmental operational and capital budgetary information.



## **FIVE YEAR CYCLE OF THE IDP**

According to the Municipal Systems Act, every new council that comes into office after the local government elections has to prepare its own IDP which will guide them for the five years that they are in office. The IDP is therefore linked to the five year term of office of councillors. This does however not restrict all proposals in the IDP to five years. The outcomes that are part of the Municipality's strategy all have a longer than five year horizon. So too does the spatial strategy.

A clear distinction must also be made between the main IDP which is compiled every five years (or if a new council comes into power within the five year period and does not accept the previous council's IDP) and the annual review of the IDP. The annual review is not a replacement of the five year IDP and its purpose is not to interfere with the long-term strategic orientation of the municipality. The annual review reflects and reports on progress made with respect to the five year strategy (and key outcomes) and proposes adjustments to the strategy if necessary because of changing internal and external circumstances that impact on the appropriateness of the IDP.

## **DISTRICT FRAMEWORK**

Section 84(1) (a) of the Local Government Municipal Structures Act of 1998 provides that a District Municipality is responsible for the Integrated Development Planning (IDP) for the district municipality as a whole including a framework for the IDP's for Local Municipalities within the area of the district municipality.

In accordance to the said Section 84 of the Municipal Structures Act and 27(1) of the Municipal Systems Act of 2000, the District Municipality must adopt a framework for integrated development planning that will inform the IDP's of:

The Xhariep District Municipality and all Local Municipalities, *i.e*

- Letsemeng
- Kopanong
- Mohokare

The framework binds the district municipality and all local municipalities. The purpose of the plan according to Section 27(2) of the Systems Act is the following:

- Identify the plans and planning requirements in terms of national and
- provincial legislation and policies;
- Identify matters that require alignment;
- Specify principles to be applied;
- Determine procedures for consultation between the district municipality and
- local municipalities;
- Determine procedures to effect all amendments to the framework; and
- Determine timeframes for all alignment matters.



### Framework Programme with Time Frames

The district municipality is responsible for ensuring smooth coordination of local municipal IDP's and their alignment with the district IDP through accessing information needed. The following table represents the activities undertaken to compile this IDP and timeframes binding all other 3 Local Municipalities.

Phase	Alignment Activity	With whom	By when
1. Review & re-alignment process on priorities, objectives & strategies	a) Data collection from sector departments; b) Joint decision on Localized strategies.	Affected departments & all LM's	November 2016 – January 2017
2. Projects	a) Technical inputs on projects & programme formulation.	All LM's	January 2017
3. Integration	a) Sector alignment & integration.	All LM's	January – February 2017
4. Approval	a) Submission of comments on draft IDP; b) LM IDP summaries; c) Public hearing & MEC review, if any.	All LM's	March/April 2017

### Issues, Mechanisms and Procedures for Alignment and Consultation

The IDP is a local process, which requires the input and support from other spheres of government in different stages. The alignment took place between municipalities and the district municipality to ensure that their planning process and issues are coordinated and addressed jointly. The district has the responsibility to ensure that alignment between the local municipalities takes place.

The alignment also took place between local government (communities/district) and other spheres of government, through local municipalities' IDP's so that the district's IDP could be an informed document. Some provincial government departments provided information whilst the Department of Cooperative Governance and Traditional Affairs (Cogta) provided their support by forwarding guidelines on how to develop credible IDP's.

The provincial Spatial Planning directorate's support towards the development of Xhariep District Municipality's Spatial Development Framework was quite astonishing.

### **List of Role Players**

- Department of Cooperative Governance and Traditional Affairs
- Department of Rural development and Land Reform
- Department of Water Affairs
- Department of Tourism and Environmental Affairs
- Department of Trade and Industry (DTI)
- Department of Social Development (DoS)
- Department of Police ,Roads and Transport
- Department of Agriculture (DoA)
- Department of Health (DoH)
- Department of Communication
- Department of Education (DoE)
- Department of Energy
- Free State Premiers Office
- Local Municipalities

### **Service Providers:**

Regional service providers or representatives of the following primary services providers must be engaged:

- Eskom
- CENTLEC
- Telkom
- Transnet
- Bloem-Water
- MTN
- Vodacom
- Cell-C
- SABC
- Land Bank
- Free State Development Co-operation
- SEDA

### **Communication Mechanism**

The alignment procedure and mechanisms necessitated communication links to be set up between the district and local municipalities, between districts and other stakeholders and role players as well as within the local municipal units. The following communication mechanisms were identified:

- Fax and/or E-mail
- Telephone
- Meetings and workshops

### **Establishment of Structures**

The role-players identified above constitute the forum for district level events within the IDP process. The desirable outcome of each event will determine which department and service provider to be invited according to the needs of the municipalities.

### **Logistic arrangements**

In order to ensure the smooth, effective and timeous completion of the process the following arrangements would be applied:

- All meetings and workshops would be held in Trompsburg. (Unless otherwise stipulated)
- Timeous notices would be sent to all invited stakeholders;
- The IDP Manager/Municipal Manager would be responsible for the sending of invitations and arrangements of meetings and workshops;
- Transport arrangements would have to be provided for civil society/participants or alternatively transport cost provided or transport cost paid;
- Food and refreshments would only be provided when needed;
- Advertisements would be placed in all local newspapers to ensure the kick-off of the process and to invite final comments on the draft document; and
- The draft reviewed IDP document would be sent to all provincial departments and service providers and applicable national government departments for comments before final approval by council.

## **National legislation applicable to the functions of Local Government**

National Legislation	Summary/Scope of Legislation
<b>GENERAL MANAGEMENT</b>	
Constitution of South Africa (Act 108 of 1996)	a) To introduce a new constitution for the Republic of South Africa and to provide matters incidental thereto.
Local Government: Municipal Systems Act, 2000 as amended  <b>To be read with:</b>  Local Government: Municipal Planning and Performance Management	a) To give effect to “developmental Local Government b) To set principles, mechanisms and processes to promote social and economic development of communities and to ensure access to affordable services for all. c) To set a framework for planning, performance management, resource mobilization and organizational change and community participation.

Regulations, 2001	
Local Government: Municipal Structures Act, 1998 as amended	<p>a) To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities, the division of powers and functions between municipalities and appropriate electoral systems.</p> <p>b) To regulate internal systems, structures and office-bearers.</p>
Consumer Affairs (Unfair Business Practices) Act, 1996	a) To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers.
Local Government Cross-boundary Municipal Act, 2000	a) To authorize the establishment of cross-boundary municipalities, to provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith.
Local Government: Municipal Demarcation Act, 1998	a) To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities.
Local Government: Municipal Electoral Act, 2000	<p>a) To regulate municipal elections.</p> <p>b) To amend certain laws and to provide for matters connected therewith.</p>
Organized Local Government, 1997	<p>a) To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces.</p>
Promotion of Local Government Affairs Act, 1983	a) To provide for the coordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be coordinated.
Local Government: Transition Act, 1993 (Repealed except Section 10G, i.e. Financial provisions)	a) To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of councillors and officials.
Occupational Health & Safety Act, 1993	a) To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place.
Promotion of Access to Information Act, 2000	a) To control and regulate the right of all persons to information.
Promotion of Fair Administrative Justice Act, 2000	a) To give effect to the right to administrative act that is lawful, reasonable and procedurally fair in terms of the Constitution of the Republic of South Africa.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	<p>a) To give effect to Section 9 to be read with Section 23(1) of Schedule 6 of the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment.</p> <p>b) To promote equality and to eliminate unfair discrimination and prevent and prohibit hate speech and to provide for matters connected therewith.</p>
White Paper on Local	a) Spells out the framework and programme in terms of which the existing local

Government, 1995  <b>To be read with:</b>  A Policy Paper on Integrated Development Planning, 2000	government system will be transformed.  b) Establishes the basis for a system of local government which is centrally concerned with working with citizens and communities to find sustainable ways to meet their needs and improve the quality of their lives.
<b>FINANCE</b>	
Appropriation of Revenue Act, 2000	a) To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2000/2001 financial year and for matters connected therewith.
Business Act, 1991	a) To repeal certain laws regarding the licensing of businesses.  b) To provide for the licensing and operation of certain businesses, shop hours and related matters.
Debt Collection Act, 1998	a) To provide for controlled debt collection.
Income Tax Act, 1962	a) To provide for the payment of taxes on incomes of persons and axes on donations.
Insolvency Act, 1936	a) To consolidate and amend the law relating to insolvent persons and their estates.
Local Authorities Capital Development Fund Ordinance, 1978  <b>To be read with</b>  Local Government Affairs Second Amendment Act, 1993	a) To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto.
Municipal Accountants Act, 1988	a) To provide for the establishment of a Board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession.
Local Government: Municipal Finance Management Act, 2003	a) To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith.
Pension Benefits for Councillors of Local Authorities Act, 1987	a) To provide for pension benefits for councillors.
Public Finance Management Act, 1999	a) To regulate financial management in the national and provincial government and <i>inter alia</i> , provincial public entities.
Prescribed Rate of Interest Act, 1975	a) To prescribe and regulate the levying of interest from debtors.
Value Added Tax Act, 1991	a) To provide for the taxation in respect of the supply of goods and services.

Reporting by Public Entities Act, 1992	a) To provide for the reporting to parliament by public entities.
Local Government : property Rates Act, 2004	a) To regulate general property valuation.
<b>ADMINISTRATION/CORPORATE AND LEGAL SERVICES</b>	
Electoral Act, 1998	a) To manage and regulate elections on national, provincial and local government level.
Expropriation Act, 1975	a) To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto.
Housing Arrangements Act, 1993	a) To provide for the establishment of a national and regional housing boards and the abolition of certain existing boards.
Rental Housing Act, 1999	a) To define the responsibility of government in respect of rental housing.
Residential Landlord and Tenant Act, 1997	a) To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province
<b>TOWN PLANNING AND SPATIAL DEVELOPMENT</b>	
Provision of certain land for settlement, 1993	a) To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereto.
Black Communities Development Act, 1984 (Annexure F)	a) To control the land use rights within the former black areas.
Development Facilitation Act, 1995 (Chapter 1)	a) To provide for IDP, reflecting current planning and to institutionalize development tribunals for evaluating applications.
Physical Planning Act, 1991	a) To provide guidelines for the drafting of urban development plans.
Subdivision of Agricultural Land Act, 1970	a) To control the subdivision of farm land and agricultural holdings.
Town and Regional Planners Act, 1984	a) To provide for the training and registration of Professional Town Planners
<b>ENVIRONMENT</b>	
Environmental Conservation Act, 1982	a) To provide for environmental impact assessments and exemption, noise control areas etc.
National Environmental Management Act, 1998	a) To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide matters connected thereto

<b>ENGINEERING/TECHNICAL SERVICES</b>	
Advertising on Roads & Ribbon Development Act, 1940	a) To control advertising on national and regional roads.
Regulations on Advertisements on or Visible from National Roads, 1998	a) To control all advertising on national and regional roads.
National Building Regulations and Building Standards Act, 1977	a) To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
National Water Act, 1998	a) To provide for fundamental reform of the laws relating to water resources.
Water Services Act, 1997	a) To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans.
<b>SAFETY AND SECURITY</b>	
Criminal procedure Act, 1977	a) To consolidate and regulate procedure and evidence in criminal proceedings.
Disaster Management Act, 2003	a) To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters.
Fire Brigade Services Act, 1987	a) To provide for the rendering of fire brigade services and certain conditions to the rendering of services.
Gatherings and Demonstration Act, 1993	a) To control public gatherings and procession marches.
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
National Land Transport Transition Act, 2000 as amended	a) To Transform and to structure the Republic's land transport system. b) To give effect to the national policy concerning the first phases of the process. c) To achieve a smooth transition to the new system applicable nationally.
National Land Transport Interim Arrangements	a) To make arrangements relevant to transport planning and public road transport services.
Urban Transport Act, 1977, (as amended)	a) To promote planning and provision of adequate urban transport facilities.
National Road Traffic Act, 1996	a) To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers including fitness requirements and incidental matters.



Road Traffic Management Corporation Act, 1999	a) To provide in the public interest for coordinated and cooperative strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith.
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	a) To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions.
Regulations on Gatherings Act, 1993	a) To control public gatherings and procession of marches.
South African Police Services Act, 1995	a) To provide, inter alia, for a municipal (city) police.
<b>HEALTH AND WELFARE</b>	
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
Health Act, 1977	a) To provide for the promotion of health of the inhabitants of the Republic, for the rendering of health services, to define duties, powers and responsibilities of certain authorities which render such services and for the coordination of services.
National Policy for Health Act, 1990	a) To provide for control measures to promote health of the inhabitants of the republic and for matters of connected thereto.
<b>HUMAN RESOURCES</b>	
Employment Equity Act, 1998	<p>a) To promote the constitutional rights of equality and the exercise of true democracy.</p> <p>b) To eliminate unfair discrimination in employment.</p> <p>c) To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population.</p>
Basic Conditions of Employment Act, 1997	<p>a) To give effect to the right to fair labour practice.</p> <p>b) To provide for the regulations of the basic condition of employment.</p>
Compensation of Occupational Injuries and Diseases Act, 1993	a) To regulate the categories of persons entitled to compensate for occupational injuries and diseases, and to determine the degree of disabled employees.
Labour Relations Act, 1995 (As amended)	<p>a) To regulate the organizational rights of trade unions, the right to strike and lock-outs.</p> <p>b) To promote and facilities collective bargaining and employee participation in decision making.</p> <p>c) To provide simple procedure for labour disputes.</p>
Skills Development Act, 1998	a) To provide for the implementation of strategies to develop and improve the skills of the South Africa workshop, to provide for learnerships, the regulation of employment services and the financing of skills development.
South African Qualifications	a) To provide for the establishment of a National Qualifications

Authority Act, 1999	Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof.
Unemployment Insurance Act, 1966	a) To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of employment.
<b>ELECTRICITY</b>	
Electricity Act, 1987	a) To provide for and regulate the supply of electricity and matters connected thereto.

### **Amendment of the Framework**

The framework for IDP is a summary of the Xhariep District Municipality Action Programme which focuses on district wide activities that need to be taken together in a coordinated way. Each municipality was responsible for monitoring its own process plan to ensure that the framework was being followed as agreed. It must be noted that the Department of Cooperative Governance and Traditional Affairs has introduced the new Revised IDP Framework to guide municipalities outside metros and secondary cities to develop IDP's that integrate and coordinate all government efforts towards achieving a floor of critical services in the three spheres of government.

### **Conclusion**

The framework serves as the guideline to local municipalities and the Xhariep District Municipality for aligning their respective IDP processes with each other and with the plans and programmes of the different organs of state. It will be submitted to the MEC: Cooperative Governance and Traditional Affairs with the final IDP document of the district.

### **Localised Strategic Guidelines**

The strategy decisions of this municipality for the sustainable development of its area of jurisdiction is firstly informed by its local needs and priorities, and secondly by national and provincial policy and strategic guidelines. Xhariep DM's IDP framework is guided by the following strategic principles:

- Equitable development of infrastructure and services,
- Promote social equity,
- Promote economic development, and
- Optimal use of its resources.

This framework will attempt to align departmental strategic plans with municipal IDPs where the plans have been submitted and subjected to IDP processes. Xhariep IDP is also informed by provincial policies Free State Growth and Development Strategy (FSPGDS) and therefore accepts the recommendation to focus on these key areas,

- Economic development and employment creation
- Social and human development
- Efficient governance and Administration
- Justice, Crime prevention and security

In the FSGDS, municipal framework will consider general policy guidelines related to cross cutting issues such as spatial development principles, environmental sustainability, poverty

alleviation, gender equity, local economic development and institution aspects when strategies are designed and projects planned.

Strategic guidelines will therefore be formulated for the following dimensions considering national policy guidelines and principles taking into consideration the specific conditions in the region as identified in the Analysis phase:

- Spatial,
- Environmental,
- People,
- Economic, and
- Institutiona

## **THE PROCESS PLAN**

In preparing an IDP of a municipality, a Process Plan needs to be adopted by the Council that will guide the formulation process. The process of compiling the Process Plan was done in consultation with the departmental units and IDP manager in consultation with the Local Municipalities. Xhariep District Municipality adopted this Process Plan in order to guide the formulation process of its reviewed IDP.

## **Institutional Arrangements**

### **Roles and responsibilities**

#### **a) Municipal Council**

As the ultimate political decision-making body of the municipality, the Municipal Council has to:

- Consider and adopt a Process Plan.
- Consider and approve the IDP.
- Consider and approve all sector plans.

#### **b) Municipal/ IDP Manager**

The Municipal Manager being charged with the function of an IDP Manager has to manage and co-ordinate the IDP process. This includes the following:

- Prepare the Process Plan
- Undertake the overall management and co-ordination of planning process
- Ensure that all relevant actors are appropriately involved
- Nominate person in charge of different roles
- Ensure that the planning process is participatory, strategic implementation oriented and is aligned with and satisfied sector planning requirements
- Respond to comments on the draft IDP from the public, horizontal alignment and other sphere of government to the satisfaction of the municipal council
- Ensure proper documentation of the results of the planning of the IDP documents
- Adjust the IDP in accordance with the MEC for Cooperative Governance and Traditional Affairs.

#### **c) Head Of Departments/ Directors**

As the person in charge of implementing IDP, the Directors in all units have to be fully involved in the planning process

- Provide relevant technical, sector and financial information for analysis for determining priority issues
- Contribute technical expertise in the consideration and finalization of strategies and identification of projects
- Provide departmental operational and capital budgetary information
- Be responsible for the preparation of project proposals, the integration of projects and sector programme
- Be responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for Cooperative Governance and Traditional Affairs for alignment

#### **d) IDP Unit**

- Give **support** in any area within IDP that is needed
- Provide information that will assist in doing the IDP
- Create links between different stakeholders in IDP
- Draft terms of reference for different stakeholders
- Brief stakeholders on their role and responsibilities
- Monitor progress with IDP in each municipality
- Management **support** of implementation of IDP

### **Organisational structure**

#### **a) IDP Steering Committee**

##### **Composition:**

- Municipal/IDP Manager;
- Chief Financial Officer;
- Director: Corporate Services;
- Director: Planning and Social Development;
- All Managers

##### **Terms of Reference:**

- Provide terms of reference for various planning activities
- Commission research studies
- Consider and comments on input from committees/sector departments
- Process summaries and document output
- Makes content recommendations

#### **b) Representative Forum**

##### **Composition:**

- All members of the Steering Committee
- District councillors
- Representatives from each local Municipality
- NGO/ CBO and FBO (that are regionally based)
- Professional people when needed
- Representatives from various provincial government departments

#### Terms of reference:

- Represent interest of constituencies
- Provide organizational mechanism for discussion, negotiation and decision-making
- Ensure communication between the stakeholders representative
- Monitor the performance of planning and implementation process

### Mechanism and Procedure for Participation

A key feature of the IDP is the active involvement of the community and stakeholder organisations during the process. A two-pronged approach to the participation process of affected and interested parties was designed, twofold namely:

- ensuring that the IDP addresses the real issues experienced by District citizens; and
- Institutionalising the continued involvement of community organisations in the implementation of strategies, aimed at those issues.

In terms of chapter 4 of the Municipal Systems Act, 2000, the above issues are underpinned by the following important principles:

(a) A municipality must develop a culture of municipal governance that compliments formal representative government with a system of **participatory governance** through:

- (i) encouraging and creating conditions for the district community to participate in the affairs of the municipality,
- (ii) contributing to building capacity; and
- (iii) Using its available resources (physical and financial) as may be appropriate for the purpose of participation.

(b) A municipality must **communicate to its community** information regarding:

- (i) The available mechanisms, processes and procedures aimed at encouraging community participation;
- (ii) The matter on which participation is encouraged;
- (iii) The rights and duties of members of the district community; and
- (iv) Municipal governance, management and development.

The following participation principles must be applied in the formulation and adoption of the IDP:

- The elected councils of the various municipalities are the ultimate decision making forum in terms of the IDP for the specific municipality
- The role of the participatory democracy is to inform and negotiate with stakeholders and give the opportunity to provide input on decision taken by the council
- Appropriate conditions must be created to enable participation with all stakeholders
- Community structures such as Community Based Organisations (CBOs), Faith Based Organisations (FBOs) and Non-Government Organisations (NGOs) must be allowed to participate.
- A structured participation process will be followed
- Considering the geographical and demographical spread of the area, participation will be based on a principle of representation
- Existing public participation structures will be utilised
- Participation must be structured in such a way that it provides for the diversity of the area in terms of different cultures, gender, languages and education levels
- Participation cost must be kept at an acceptable level

- Participants will be made aware that it is in their own interest to be involved in the planning process and it is not a task they have to be paid for
- Participants are responsible to give report back to the structures they represent
- Appropriate forms of media will be utilized in order to reach as many people as possible
- Copies of the draft and final IDP documents will be accessible for all communities and stakeholders and adequate time provided for comment
- The council meeting regarding the approval of the IDP will be open to the public
- Ensure that elected community representatives will be able to represent all towns in the district
- In order to meet the legal requirements of the Municipal Systems Act, preference must be given to the elected members of ward committees in electing members for the steering committee.

## Action programme and resource plan

Process Plan: Action Programme and Resource Plan

MONTH	ACTIVITY	RESPONSIBILITY	MFMA/MSA REQUIREMENT
<b>Phase 1</b>			
<b>September 2016</b>	Feed back to the Mayor on IDP projects	IDP Manager, feedback by Municipal Manager	MSA Sec 27
<b>30 August 2016</b>	Time schedule of key deadlines submitted to Council for approval	Executive Mayor, MM & CFO	MFMA Sec 21(1)(b)
<b>31 August 2016</b>	Time schedule of key deadlines to be approved and sent to National treasury	Executive Mayor, MM & CFO	MFMA Sec 21(1)(b)
	Preparation and analysis phase of IDP	MM & IDP Manager	MSA Sec 27
	Sector Departments objectives and strategies alignment session ( December 2015) Sector plans request from Departments. Establishment of all IDP and Budget steering committee	District & Gogta ( IDP manager XDM)	
<b>September 2016</b>	Commence with elements of the IDP Process (Phases)	MM, IDP Manager & Director: Planning & Development	
<b>October 2016</b>			
	IDP & Budget Framework to be adopted by Council	Executive Mayor, MM, CFO & Director: Planning & Development	
<b>Phase 2</b>			

<b>November /December 2016</b>	Sector plans to be completed Housing, Waste, disaster, LED, HIV/AIDS Transport, Financial, Environmental, SDF, Commonage, Rural, public participation, Youth Development, Water services development plan, sports recreation plan, Comprehensive infrastructure plan (CIP), tourism plan.	CFO & Manager: Financial Services	MSA Section 74(1)
<b>03 December 2016</b>	Request departmental adjustments budget inputs.	Manager: Budget & CFO	
<b>07 December 2016</b>	Collect adjustments budget inputs and commence with the mid-year assessment and adjustments budget process.	Manager: Budget & CFO	
<b>Phase 3</b>			
<b>January-2017</b>	IDP & Budget Forum to be Finalized	Executive Mayor & MM	MFMA Circular 10 of 2004
<b>January 2017</b>	Revenue & Expenditure projections for the period to be ready for the Budget Forums	Manager: Budget & CFO	MFMA Section 21 (2)(b)
<b>January 2017</b>	1 <sup>st</sup> sitting of Budget Forum (for adjustments budget)	Executive Mayor	MFMA Circular 10 of 2004
<b>January 2017</b>	2 <sup>nd</sup> sitting of Budget Forum (for adjustments budget)	Executive Mayor	MFMA Circular 10 of 2004
	Strategic Workshop on Budget Pressures	Executive Mayor & MM	MFMA Circular 10 of 2004
<b>January 2017</b>	Request departmental inputs for the annual budget and collect revenue and expenditure information for the budget	Manager: Budget & CFO	
	All budget related policies to be completed	CFO	MFMA Section 21 (1)(a)



<b>February-2017</b>			
	IDP projects to be finalized and aligned with the Provincial Dep & Local Municipalities	MM, IDP Manager, Director: Planning & Development & CFO	MFMA Section 21 (2)(b)
	IDP, Budget and B2B alignment session		
<b>February 2017</b>	1st Sitting of Budget Forum (annual Budget)	Executive Mayor	MFMA Circular 10 of 2004
<b>February 2017</b>	2 <sup>nd</sup> sitting of Budget Forum (annual budget)	Executive Mayor	MFMA Circular 10 of 2004
<b>February 2017</b>	Tabling and approval of the adjustments budget by Council	Executive Mayor	MFMA Section 28
<b>March 2017</b>	3 <sup>rd</sup> Sitting of Budget Forum – Final Sitting	Executive Mayor	MFMA Circular 10 of 2004
<b>March 2017</b>	Draft Budget to be adopted by Council	Executive Mayor	
<b>March 2017</b>	Draft Reviewed IDP to be adopted by Council	Executive Mayor	
<b>April-2017</b>	Budget to be submitted to all Stakeholders for comments	CFO	MFMA Section 21 (2) (d,e)
	Stakeholders comments on the submitted Budget	Executive Mayor's Office	MFMA Section 23
<b>May-2017</b>	Final comments to be submitted by Stakeholders	Executive Mayor's Office	MFMA Section 23
<b>May 2017</b>	Final/Last Budget Forum sittings	MM, CFO & Executive Mayor's Office	MFMA Section 23
<b>May 2017</b>	Budget to be approved by Council	Executive Mayor	MFMA Section 24
<b>May 2017</b>	IDP and Budget to be approved by Council	Executive Mayor	MFMA Section 24

<b>June 2017</b>	Mayor must begin with Service Delivery and Implementation Plan (SDBIP) and Performance Agreements process.	Executive Mayor's Office	MSA Section 57(2)
<b>June 2017</b>	Mayor to submit the Service Delivery and Budget Implementation Plan (SDBIP) and Performance Agreements to Council	Executive Mayor's Office	MFMA Section 69 (2)
<b>July 201</b>	Mayor to submit the Service Delivery and Budget Implementation Plan (SDBIP) and Performance Agreements to the MEC and other Stakeholders		
		Executive Mayor	MFMA Section 53(3)a
<b>July 2017</b>	Monitor the implementation of the IDP, Budget and MTAS in line with the Delivery agreement for outcome 9		

### **Binding plans and planning requirements at Provincial and National level**

The set of legislation that is binding on all Local Municipalities, as well as the District Municipality, is listed in the Framework Plan.

### **IDP Review Budget & Implementation**

The municipality has conducted the IDP review sessions with communities and relevant stakeholders.

### **Conclusion**

The process plan gives methodological and practical guidance for the IDP process. The plan serves as a working document and will have to be amended as and when the steering committee deem fit.

The process has encountered some difficulties which were cited by the municipality as follows:

- No strategic guidance and direction from some provincial departments:-
- Some Strategic Plans not giving direction, *e.g.* It is expected of municipalities to have detailed information, timeously, for them to inform their IDP and budgetary processes.
- It is therefore difficult to localize strategies based on vague info that is in some of the provincial strategic plans. Some of them are skeletons of the ideal situation, *i.e.* a framework and not a plan.
- Again, the time period that is set for provincial strategic plans to be drafted is the same that municipalities are expected to have the strategies in place, that is, around October and November.
- Municipalities are expected to be through with their IDP Processes by the end of March each year, in order to inform their budgetary processes.
- The problem arises when municipalities have to align their strategies with those of the province. The strategic plans have to be approved and this happens in January or February. Where are municipalities then with their IDP processes?

## **CHAPTER 6: THE ORGANISATION (INSITUTIONAL PERSPECTIVE)**

The Municipal Demarcation Board assessment of capacity for the Xhariep District Municipality indicates that the district is performing the following functions:

- Local Tourism - specifically the maintenance of tourism sites;
- Municipal planning – the development and implementation of district-wide IDP framework;
- Cemeteries, funeral parlors and crematoria – Xhariep district is discharging an inspection function;
- Monitoring of refuse and waste disposal sites, for which it has one available staff member

This assessment indicates that out of 16 district functions, Xhariep district municipality is performing 7.89% of these functions. (Sources – COGTA Spatial Analysis Framework)

By the time the Spatial Analysis Framework was drafted, consideration was not given that Xhariep District Municipality has assumed other two functions of Environmental Health and Disaster Management respectively.

### **Financial capacity**

Municipality officials view this status largely as a function of the formula used to calculate equitable shares, which emphasizes population size thereby failing to take full cognizance of the vast size of XDM. This challenge is further compounded by a stagnant economic growth and an economy that is least diversified. The result has been a steady escalation of needs over time, thereby requiring even greater financial intervention.

Proposed interventions to address this situation include soliciting for and directing special grants towards specific projects that have an inherent revenue generation capacity for the DM; harnessing the DM's investment potential e.g. mining, a variety of water-based resources, alongside other aspects of the regions natural resource such its flora and fauna; enhancing the District's project implementation capacity and investing in a robust marketing strategy.

### **Skills-base**

This is as a result of the DM's inability to attract and retain skilled person power. In addition, the district faces great challenges with respect to skills development, particularly in aspects such as financial and technical skills. Proposed intervention to address XDM's weak skills-base include enhancing the aspects mentioned above, maximizing on opportunities that arise through National and Provincial government secondments and most critical, expanding capacity at the grassroots through a multivariate approach seeking to enable indigent communities, access various forms of training and skills development.

## **SECTION 53 ROLE CLARIFICATIONS**

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined.

### **(a) Municipal Council**

- a) Governs by making administering laws and taking decisions that affect people's rights;
- b) is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual councillors or officials;
- c) can delegate responsibilities and duties for the purposes of fast and effective decision making;
- d) must strive towards the constitutional objects of local government;
- e) must consult the community with respect to local government matters; and
- f) is the only decision maker on non-delegated matters such as the approval of the IDP and budget.

### **(b) Executive Mayor**

- a) Is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee;
- b) is the social and ceremonial head of the Municipality;
- c) must identify the needs of the Municipality and must evaluate progress against key performance indicators;
- d) is the defender of the public's right to be heard;
- e) has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- f) performs the duties and exercise the responsibilities that were delegated to him/her by the council.

### **(c) Mayoral Committee**

- a) Its members are elected by the Executive Mayor from the ranks of councillors,
- b) Its functional responsibility area is linked to that of the Executive Mayor to the extend that s/he must operate together with the members of the mayoral committee;
- c) Its primary task is to assist the Executive Mayor in the execution of his/her powers - it is in fact an "extension of the office of Executive Mayor"; and
- d) The committee has no powers of its own – decision making remains that of the Executive Mayor.

## THE COUNCIL AND COUNCIL COMMITTEES

The Xhariep District Municipal Council consists of 14 councillors:

Executive Mayor: Cllr MJ Sehanka (ANC)

Speaker: Cllr S Mqunquthu (ANC)

Chief Whip: Cllr J Moitse (ANC)

## DISTRICT COUCILLORS AND POLITICAL PARTIES THEY REPRESENT

NAME & SURNAME	POLITICAL PARTY	STATUS (DIRECT OR PR)
Cllr M.S Mogapi (F)	ANC	Direct
Cllr A.J.J Van Rensburg (M)	DA	Direct
Cllr J.K Sebeco (F)	ANC	Direct
Cllr T.S Tseuo (M)	EFF	Direct
Cllr M.J Moeketsi (M)	ANC	PR
Cllr B. Smit	DA	PR
Cllr M.J Phaliso (M)	ANC	PR
Cllr A.N November	ANC	PR
Cllr C. Burger (F)	DA	PR
Cllr T.D Mochechepa (M)	ANC	PR
Cllr I.S Riddle	DA	PR

## COUNCIL COMMITTEES

The Xhariep District Municipal Council consist of the following Committees:

### Mayoral Committee

NAME & SURNAME	PORTFOLIO COMMITTEE
Clr Motsheoa Sehanka (F)	Chairperson : Mayoral Committee
Clr Nunu Sebeco (F)	Chairperson : Finance & Budget
Clr Mongi Ntwanambi (M)	Chairperson : Corporate Service
Clr Teboho Mochechepa (M)	Chairperson : Planning & Social Development

### Finance & Budget

NAME & SURNAME	PORTFOLIO COMMITTEE
Cllr Nunu Sebeco (F)	Chairperson
Cllr M.J Phaliso (M)	Member
Cllr C. Burger (F)	Member
Cllr T.S Tseuo (M)	Member
Cllr M.J Moeketsi (M)	Member

## Corporate Services

NAME & SURNAME	PORTFOLIO COMMITTEE
Cllr Mongi Ntwanambi (M)	Chairperson : Mayoral Committee
Cllr J Moitse (M)	Member
Cllr B. Smit	Member
Cllr I.S Riddle	Member

## Planning and Social Development

NAME & SURNAME	PORTFOLIO COMMITTEE
Cllr Teboho Mochechepa (M)	Chairperson :
Cllr A.J.J Van Rensburg (M)	Member
Cllr M.S Mogapi (F)	Member
Cllr A.N November	Member

## Audit Committee

NAME & SURNAME	PORTFOLIO COMMITTEE
Mr. Vuyani Vaphi	Chairperson
Mrs. Refiloe Mocwaledi	Member
Mrs. Sijabulile Makhathini	Member

## ADMINISTRATION OF THE MUNICIPALITY

Roles And Responsibilities of Stakeholders in the Operation and Management of the Performance Management System

Municipal Council's political oversight roles and responsibilities

### ROLES AND RESPONSIBILITIES OF MUNICIPAL MANAGER

Monitoring			
Planning	Review	Reporting	Performance Audit
1. Adopts priorities and objectives of the Integrated Development Plan. 2. Adopts the PMS framework. 3. Adopts the municipal strategic scorecard that includes priorities and objectives of the IDP. 4. Assigns the responsibility for the management of the PMS to the Mayor. 5. Establish an over-	1. Proposes to Council, the annual review programme of the IDP, including the review of key performance indicators and performance targets. 2. Proposes the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard. 3. Proposes changes to the priorities, objectives, key performance indicators and performance targets of the municipality. 4. Quarterly evaluates the performance of	1. Receives monthly budget statement. 2. Receives performance reports quarterly from the internal auditor. 3. Receives performance reports twice a year from the Audit Committee. 4. Receives monthly and quarterly reports from the Municipal Manager on the performance of Directors and the rest of the staff. 5. Report to council on the mid-term review and the annual report on the performance of the	1. Submits the municipal annual audit plan and any substantial changes to council for approval. 2. Approves the implementation of the recommendations of the internal auditor with regard to both improvement in the performance of the municipality or improvement of the performance management system itself. 3. Receives performance audit report from the Auditor General and makes recommendations to Council.

sight committee for the purpose of the annual report.	the municipality against adopted KPIs and targets. 5. Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the	municipality. 6. Reports to Council on the recommendations for the improvement of the performance management system.	
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Monitoring				
Planning	Implementation	Review	Reporting	Performance Audit
1. Coordinates the process of needs identification and prioritization among all stakeholders, including community structures. 2. Coordinates the formulation and revision of the PMS framework. 3. Coordinates the formulation and revision of the municipal strategic scorecard. 4. Leads the process of the formulation and revision of the Service Delivery and Budget Implementation Plans. 5. Enters into a performance agreement with Directors on behalf of Council	1. Manages the overall implementation of the IDP. 2. Ensures that all role players implement the provisions of the PMS framework. 3. Ensures that the Departmental scorecards and departmental annual programmes serve the strategic scorecard of the municipality. 4. Ensures that annual programmes are implemented according to the targets and timeframes agreed to. 5. Implements performance improvement measures approved by the Mayor and the Council. 6. Ensures that performance objectives in the Directors' performance agreements are achieved.	1. Formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and the Mayor. 2. Formulation of the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard. 3. Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality. 4. Quarterly and annually evaluates the performance of Directors	1. Receives performance reports quarterly from the internal auditor. 2. Receives performance reports twice a year from the Performance Audit Committee. 3. Receives monthly departmental performance reports. 4. Reports once in two months to council committees and the Mayor on the performance of Departments. 5. Reports on the implementation of improvement measures adopted by the Mayor and Council. 6. Annually reports on the performance of Directors. 7. Submit the municipal annual report to the Mayor	1. Formulates the municipal annual audit plan. 2. Formulates a response to the recommendations of the internal auditor and the Audit Committee. 3. Formulates a response to performance audit report of the Auditor General and makes recommendations to the Mayor

The Municipal Manager is the Chief Accounting Officer of the Xhariep District Municipality. He is the head of administration, and primarily has to serve as chief custodian of service delivery and interpretation of political priorities. He is assisted by senior management, whose responsibility it is to help him deliver on his mandate.

The Office is also responsible for disaster management. These function is crucial in terms of creating a municipality that is aware of disasters and how to avoid them, as well as providing the capacity to respond to related emergencies and other forms of disaster.



## Roles and responsibilities of Council Committees

Monitoring			
Planning	Review	Reporting	Performance Audit
<p>1. Advise the Mayor on priorities and objectives of the Integrated Development Plan. 2. Deliberates and advice on the municipal strategic scorecard. 3. Participates in the formulation of the Top Level Service Delivery and Budget Implementation Plan. 4. Ensures that concerns of community structures are taken into account in discharging their responsibilities.</p>	<p>1. Participate in the formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets. 2. Participate in the formulation of proposals for the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard. 3. Quarterly evaluates the performance of their portfolios against adopted KPIs and targets. 4. Quarterly reviews the performance of their portfolios to improve the economy, efficiency and effectiveness of the municipality.</p>	<p>1. Receives Audit Committee performance reports from the municipal manager and make recommendations to the Mayor. 2. Receives quarterly reports from the Directors responsible for their portfolios before they are tabled at Exco. 3. Reports to the Mayor on the recommendations for the improvement of the performance management system. 4. Council adopts the oversight</p>	<p>1. Receives and note the annual audit plan. 2. Advices the Mayor on the implementation of the recommendations of the internal auditor with regard to both the improvement in the performance of the municipality and improvement of the performance management system itself.</p>

## Roles and Responsibilities of Heads of Departments

		Monitoring		
Planning	Implementation	Review	Reporting	Performance Audit
<p>1. Participates in the identification of IDP priorities and the whole IDP process. 2. Participates in the formulation and revision of the municipal strategic scorecard. 3. Participates in the formulation of the Top level SDBIP. 4. Develop Technical SDBIP. 5. Manages subordinates' performance measurement system. 6. Regularly reports to the Municipal manager.</p>	<p>1. Manages the implementation of the Departmental SDBIP. 2. Ensures that annual programmes are implemented according to the targets and timeframes agreed to. 3. Implements performance improvement measures approved by the Mayor and the Council. 4. Manages the implementation of subordinates' performance measurement system. 5. Ensures that performance objectives in the performance agreements are achieved.</p>	<p>1. Participates in the formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and the Mayor. 2. Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. 3. Quarterly and annually evaluates the performance of the department. 4. Participates in Mid-</p>	<p>1. Submit monthly and quarterly departmental performance reports. 2. Comments on the monthly reports in terms of any material variance. 3. Reports on the implementation of improvement measures adopted by the Mayor and Council. 4. Annually reports on the performance of the department.</p>	<p>1. Participates in the formulation of the response to the recommendations of the internal auditor and the Performance Audit Committee. 2. Participates in the formulation of the response to performance audit report of the Auditor General and makes recommendations to the municipal manager.</p>

7. Enters into a performance agreement with the Municipal Manager.		Term Review.		
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## Roles and Responsibilities of Staff

Monitoring			
Planning	Implementation	Review	Reporting
1. Participates in the development of the Technical SDBIP. 2. Participates in the development of their own performance measurement.	1. Executes individual work plans.	1. Participates in the review of departmental plans. 2. Participates in the review of own performance.	1. Reports to line manager.

## Roles and responsibilities of the Internal Audit Unit

Planning	Monitoring	Reporting
	Review	
1. Develop a risk and compliance based audit plan.	1. Measures the performance of departments according to KPIs and performance scorecards targets set in the municipal scorecard and departmental 2. Assess the functionality of the PMS. 3. Ensures that the system complies with the Act. 4. Audit the performance measures in the municipal scorecard and departmental scorecards. 5. Conduct compliance based audit.	1. Submit quarterly reports to the Municipal Manager. 2. Submit quarterly reports to the Performance Audit Committee.

## Roles and Responsibilities of the Audit Committee

Planning	Monitoring Review	Reporting
1. Receives and approves the annual audit plan.	1. Review quarterly reports from the internal audit committee.	1. Reports quarterly to the municipal Council.

## Roles and Responsibilities of the Municipal Public Accounts Committee

Planning	Monitoring	Reporting
	Review	
1. Check if Objectives, Targets and KPIs of the IDP and SDBIP are consistent	1. Receive and play oversight role on the quarterly, midterm and annual reports	1. Reports quarterly to the municipal Council after obtaining community

and SMART'		input
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## Roles and Responsibility of the Community

Planning	Monitoring	Reporting
	Review	
1. Participate in the drafting and implementation of the municipality's IDP through established forums 2. Participates in the setting of KPIs and targets for the municipality every year 3. Make representations on the draft annual budget	Participate in the annual review of performance through their involvement in the development of the Oversight Report.	1. Receive annual performance and budget reports from council 2. Participate in the development of the Oversight report 2. Participate in the development of the Oversight report

## Human Resource Development

### *Staffing and Remuneration*

The municipality has employed competent staff in various departments to provide efficient service delivery, and its remuneration policy has attracted the requisite talents capable of responding to the needs of the municipality.

The municipality will, however, constantly research trends in local government both in the areas of staffing and remuneration to make sure that the municipality is permanently adaptable to challenges of service delivery and policy changes.

The remuneration policy of the municipality will also address market trends to sufficiently respond to poaching of staff. The municipality's staffing and remuneration policy does not exclusively pre-occupy itself with attracting the right people, but also focuses on people on the internal issues in terms of ongoing training and development programmes, and how to deal with staff misplacements over the next five years.

The 2017 - 2022 Mayoral Term will be characterized by further enhancements and improvements in staffing and remuneration.

### *Succession Planning*

Due to the realisation that in some specific categories, specialised staff can be easily attracted by the private sector for their skills, the succession planning project will be consolidated and enhanced to develop a remuneration strategy to retain staff. Talent management is being developed to retain staff and improve skills.

Succession planning is also characterised by an aggressive career pathing, where staff would be continuously alerted of the opportunities for growth in the municipality. Succession planning also aims to create conditions where the departure of a leadership does not signal collapse in organisational leadership. Every leadership level should be immediately replaceable internally, through a properly managed succession planning process.

### *Skills Development*

The municipality has developed a programme to address the skills and competency needs of staff. New challenges demand that staff perform optimally to meet the identified needs. Changes also impact on processes, necessitating rapid adjustment by the departments.

In the 2017 – 2022 Mayoral Term, the municipality aims to invigorate the progress around skills development driven by the programme priorities rather than the compliance requirements of the Skills Development Act. Skills development programmes will be aggressively undertaken by the municipality to ensure that staffs already in the employ of the municipality are ready for deployment to new responsibilities and/or added demands to their existing functions. This will be driven mainly by the programmes mentioned in the 2017 - 2022 IDP. A vigorous campaign for Skills Development in our communities, in partnership with provincial government will be enhanced.

### ***Employment Equity***

The Employment Equity Act dictates that all workplaces promote equity in terms of gender, race and disability. A programme will be developed to assess the accessibility of all Council's main facilities, with a view of taking corrective action to redress impediments. In dealing with disability, the programme is aimed at creating understanding and acceptance of people with disabilities and how to accommodate them in the workplace. This is in addition to targets for the employment of people with disabilities to promote sensitivity towards disability and to manage stereotypes.

In the next five years, the municipality will be vigilant in attaining the targets set up by the municipality's Employment Equity Plan. The municipality will, however, make it a point that employment equity goes beyond aggregates, and instead focuses on representativeness across all sectors and units of the Xhariep District Municipality

### ***Conditions of Service***

The local government context presents a highly formalised structural arrangement of bargaining and engagement with organised labour. The municipality is represented by the South African Local Government Association (SALGA) in the South African Local Bargaining Council (SALBC).

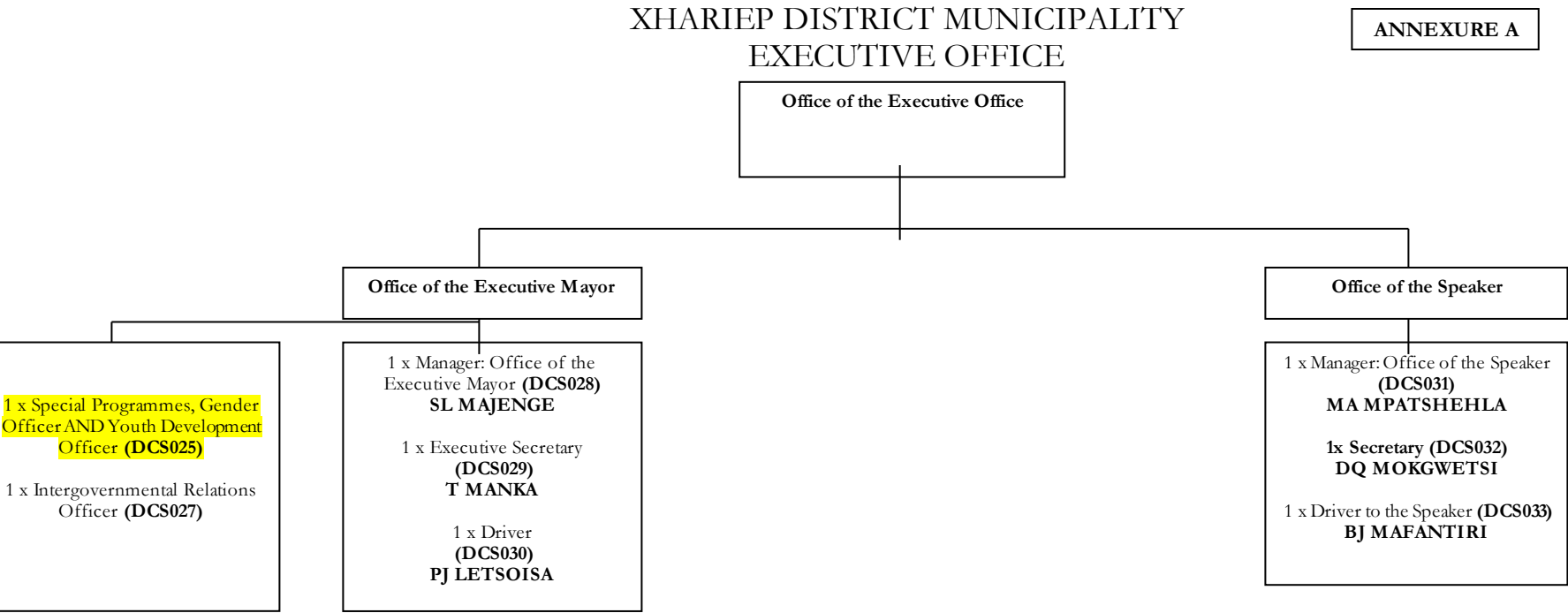
SALGA ensures that collective bargaining strategies support the overall organisational strategies through a consistent approach to employee-related matters, and the engagement with labour is meaningful to promote cordial relationships in the workplace.

All current and envisaged policies and related strategies take into account all the municipality's variables so that labour can be managed in an integrated basis. The management of organisational issues which impact on employees' interests are also done in a consultative/co-operative manner and, when necessary, on a joint decision-making basis with representatives of the unions.

To streamline such arrangements, a new set of conditions of employment has been introduced nationally. These have prompted synergy as well as parity, to a greater extent. The new conditions of service will also address the legacy of the past imbalances in terms of fairness, and deal with the municipality's unfunded mandate.

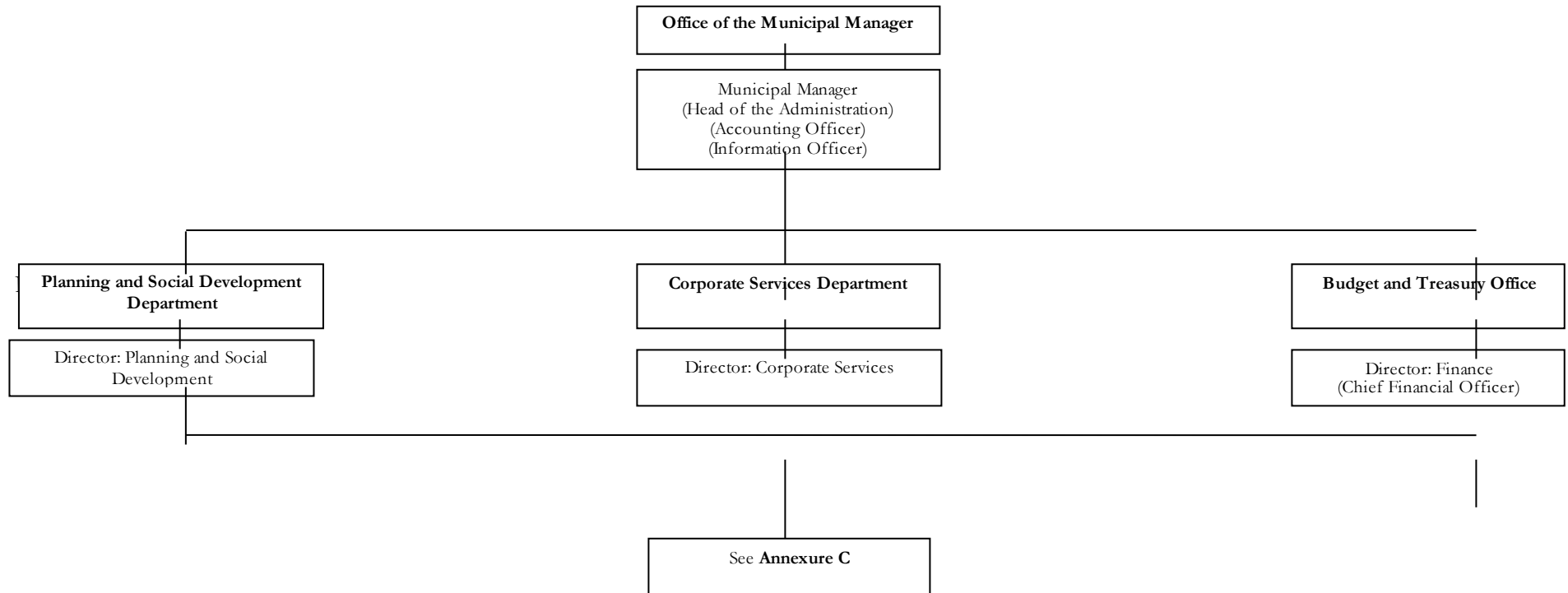
# Organizational Structure

The organisational structure shown below is developed in compliance with legislative requirements and with a view to ensuring that the District has appropriate and adequate human resource capacity to deliver



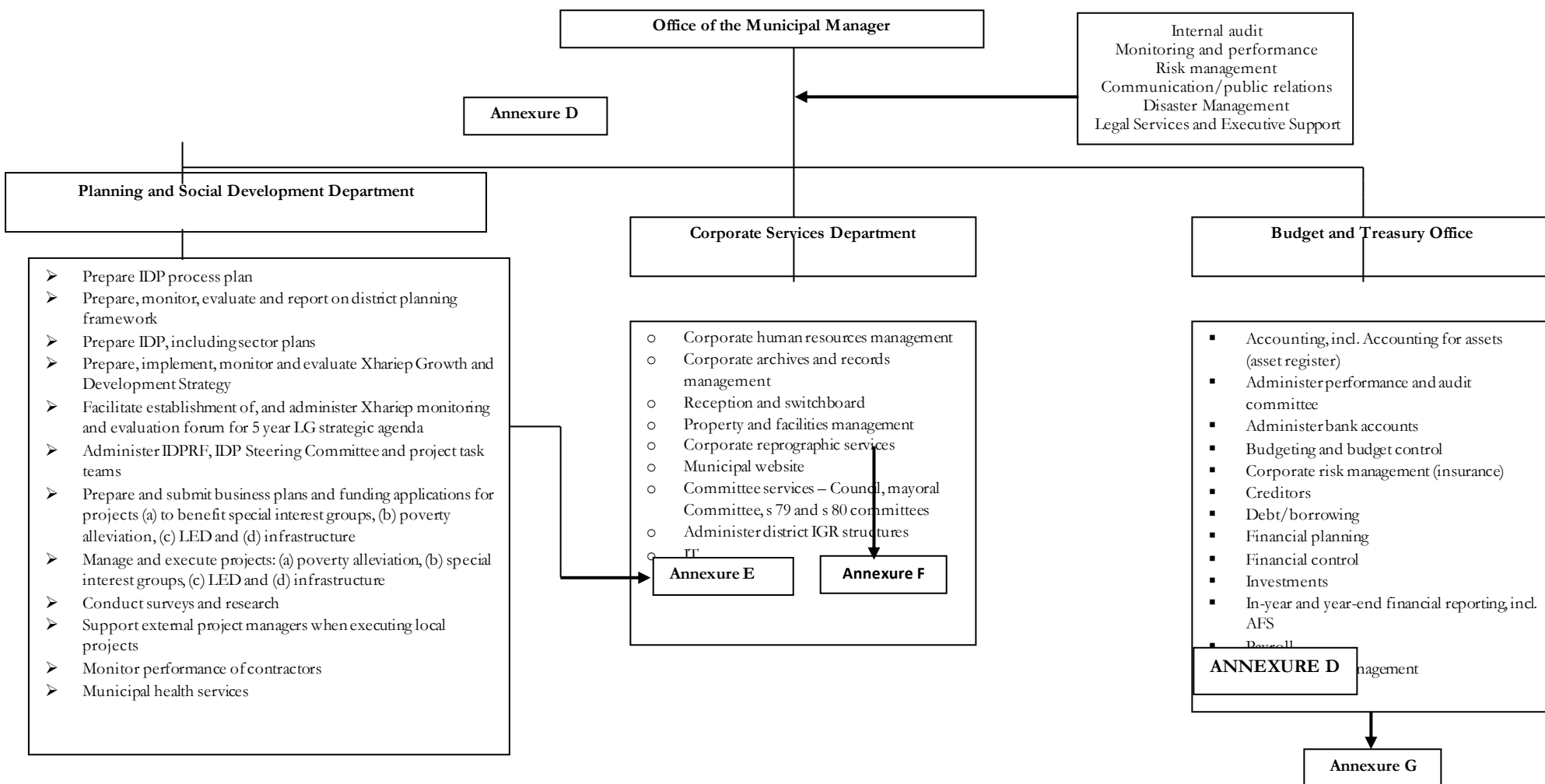
## XHARIEP DISTRICT MUNICIPALITY MACRO-STRUCTURE

ANNEXURE B

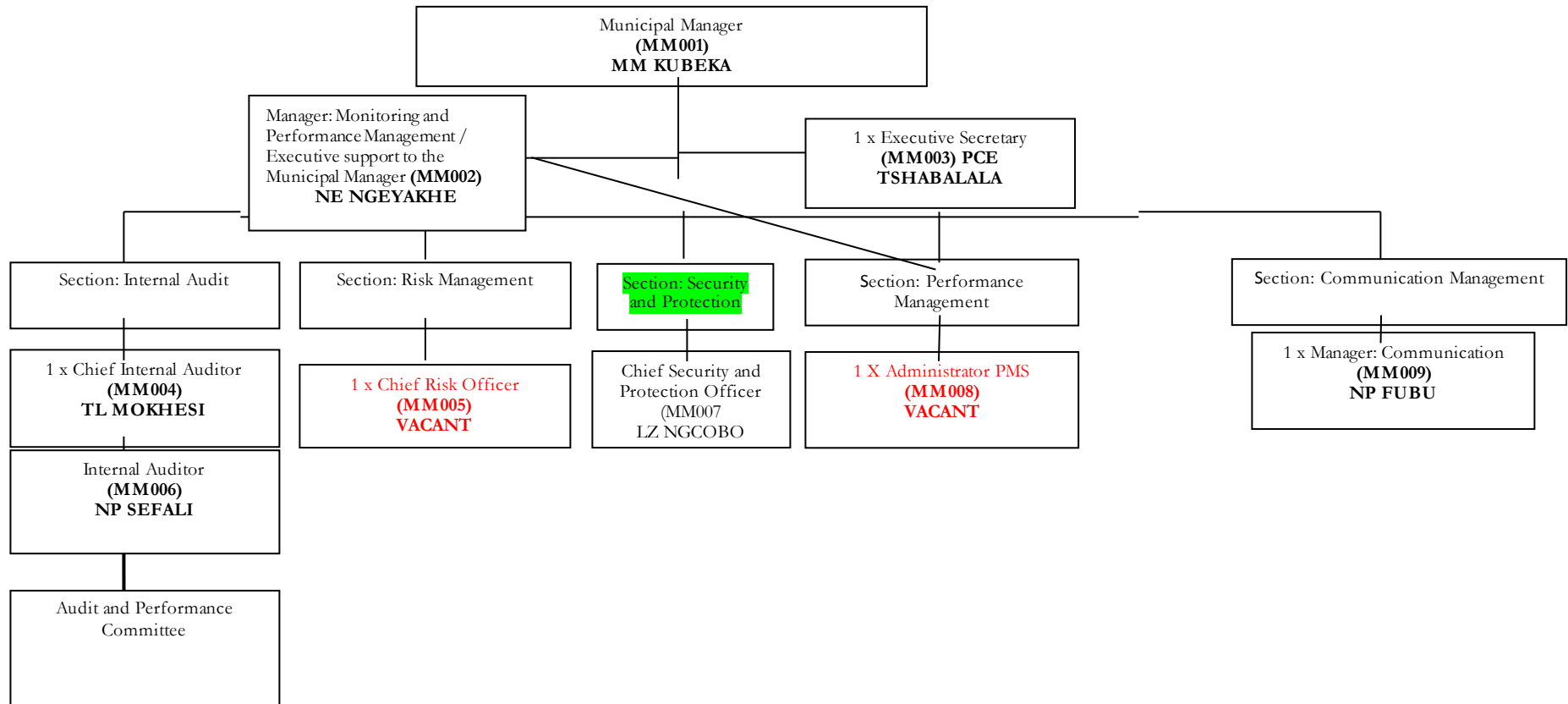


# XHARIEP DISTRICT MUNICIPALITY FUNCTIONAL STRUCTURE

ANNEXURE C



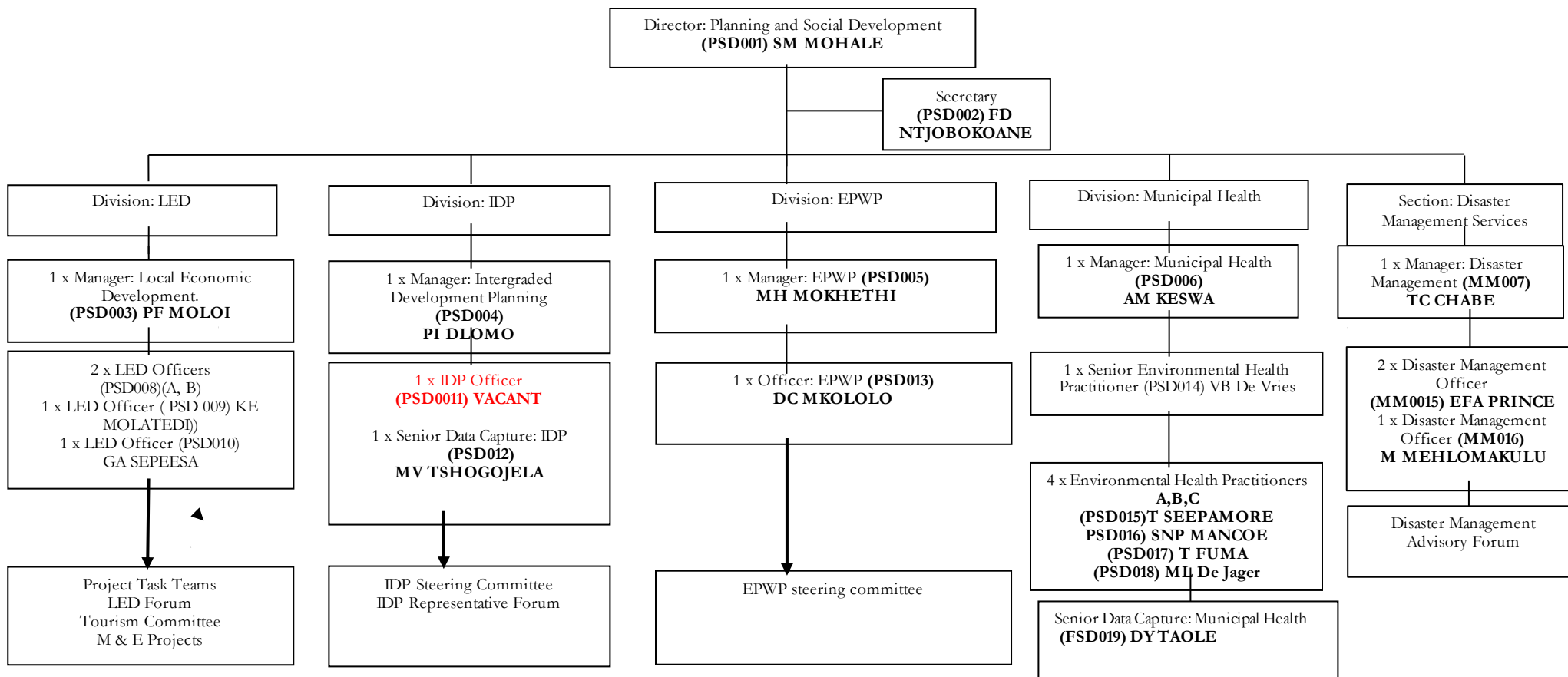
# XHARIEP DISTRICT MUNICIPALITY OFFICE OF THE MUNICIPAL MANAGER





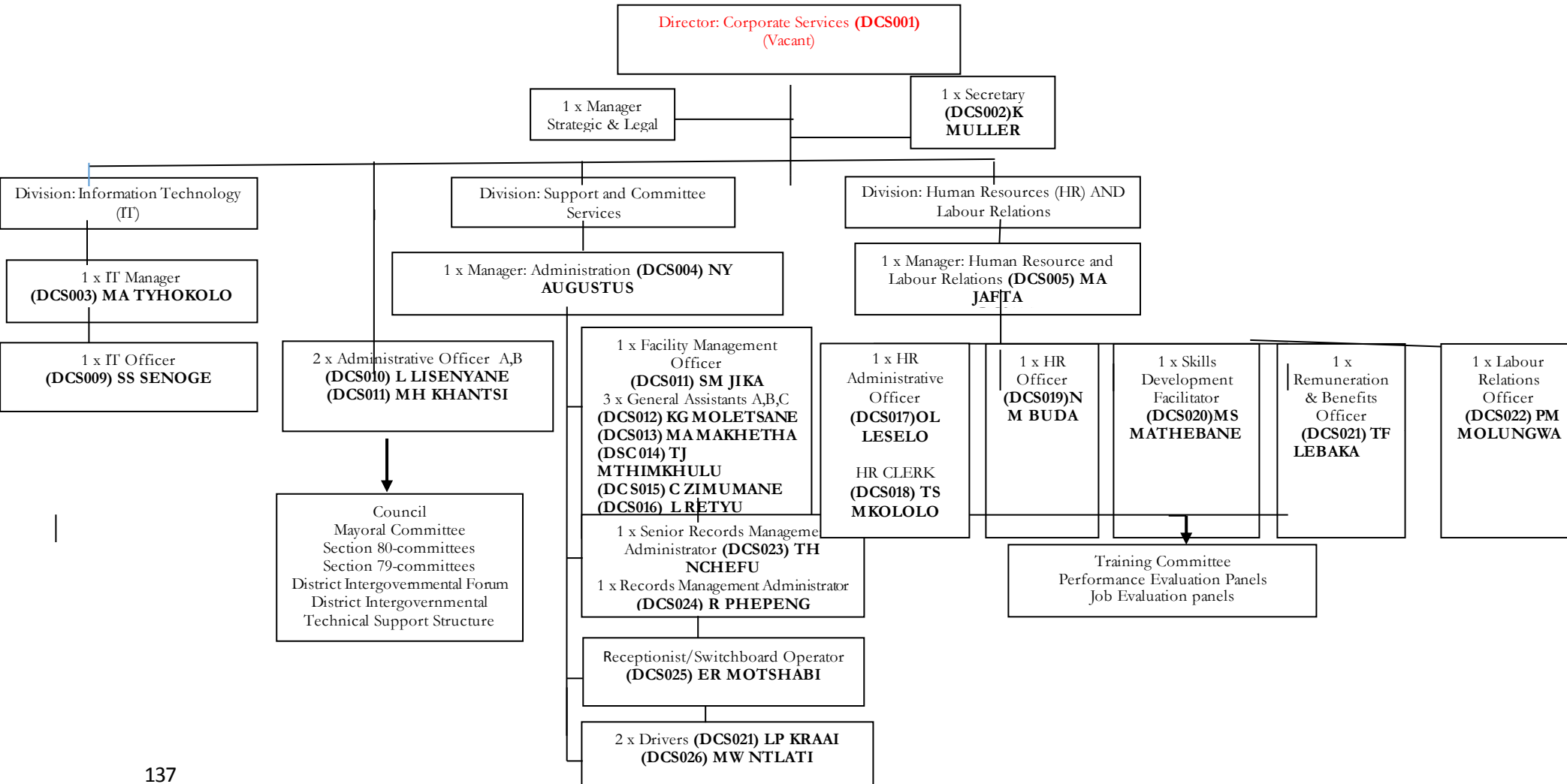
# XHARIEP DISTRICT MUNICIPALITY PLANNING AND SOCIAL DEVELOPMENT

ANNEXURE E



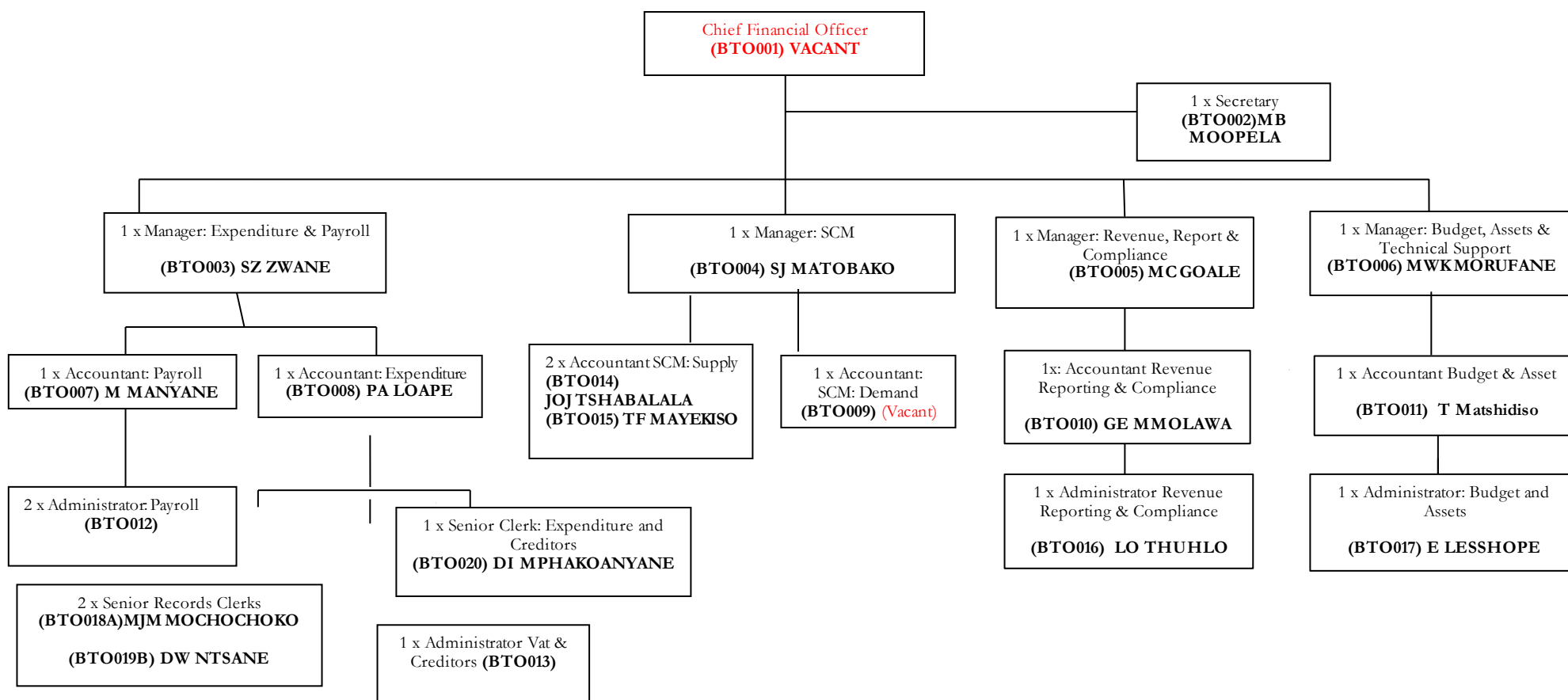
# XHARIEP DISTRICT MUNICIPALITY CORPORATE SERVICES

ANNEXURE F



# XHARIEP DISTRICT MUNICIPALITY BUDGET AND TREASURY OFFICE

ANNEXURE G



## **CHAPTER: 7 MUNICIPAL PROGRAMMES AND PROJECTS (2017/2018)**

Project Name	Project Description	Area/Town	Project value	KPA and Strategic Objective	Grant	Financial Years Medium Term Revenue and Expenditure Framework (MTREF)		
						2017/ 2018	2018/ 2019	2019/ 2020
Rural Road Asset Management System (RRAMS)	Collection of road and bridge inventory data, condition assessment and traffic information	Entire District	R 1,9 mil	<b>Key Performance Area:</b>  Local Economic Development	RRAMS Grant	R 1 961 00	R 2 059 00	R 2 200 00
				<b>Strategic Objective:</b>  Vibrant, equitable, sustainable rural economic communities				
Access Controllers	Registering and Ushering visitors to relevant offices	Trompsburg	R120 000	<b>Key Performance Area:</b> Basic service and infrastructure	Incentive Grant	R1 000 000	R1080 000	R1 111 000
				<b>Strategic Objective:</b> Ensure safety of residents of Xhariep Community				

Cleaning and Greening	Cleaning of streets, graveyards, open spaces and buildings	Entire District	R472 000	<b>Key Performance Area:</b>  Local Economic Development <b>Strategic Objective</b> Improved employment opportunities	Incentive Grant	R1 000 000	R1080 000	R1 111 000
Tourism Ambassadors	Promoting Springbok Route, collecting data from guest houses and tourism attractions within the district	Entire District	R204 000	<b>Key Performance Area:</b>  Local Economic Development <b>Strategic Objective:</b>  Sustainable tourism destinations	Incentive Grant	R1 000 000	R1080 000	R1 111 000
Learner's Mentors	Assisting learners with homework and training them with sports after hours	Entire District	R204 000	<b>Key Performance Area:</b>  Local Economic Development <b>Strategic Objective:</b>  Vibrant, equitable, sustainable rural economic communities	Incentive Grant	R1 000 000	R1080 000	R1 111 000

Environmental Health services	Drinking water	Xhariep District	30 000	<b>Key Performance Area:</b> Basic service and infrastructure  <b>Strategic Objective:</b> Facilitate provision of water and sanitation services to all residents of Xhariep	Equitable Share	30 000	255 000	280 000
Environmental Health services	Surface water (Audit)	Xhariep District	0	<b>Key Performance Area:</b> Basic service and infrastructure  <b>Strategic Objective:</b> Provide environmental health services to the residents of Xhariep	Equitable Share	0	40 000	50 000
Environmental Health services	Waste water	Xhariep District	R42 000	<b>Key Performance Area:</b> Basic service and infrastructure  <b>Strategic Objective:</b> Provide environmental health services to the residents of	Equitable Share	42 000	80 000	100 000

				Xhariep				
Environmental Health services	Food sampling & Milk sampling (compliance)	Xhariep District	70 000	<b>Key Performance Area:</b> Basic service and infrastructure <b>Strategic Objective:</b> Provide environmental health services to the residents of Xhariep	Equitable Share	70 000	60 000	60 000
Environmental Health services	Health Hygiene & awareness	Xhariep District	20 000	<b>Key Performance Area:</b> Basic service and infrastructure <b>Strategic Objective:</b> Provide environmental health services to the residents of Xhariep	Equitable Share	20 000	30 000	35 000
Environmental Health services	Outbreak response Lab,	Xhariep District	-	<b>Key Performance Area:</b> Basic service and infrastructure <b>Strategic Objective:</b> Provide environmental health services to the residents of Xhariep	Equitable Share	-	150 000	80 000

Agri-park		Springfont ein		<b>Key Performance Area:</b>  Local Economic Development <b>Strategic Objective:</b> Create enabling environment of investment	External Funding (DRDLR)				
District Solar Hub		Bethulie		<b>Key Performance Area:</b>  Local Economic Development <b>Strategic Objective:</b> Create enabling environment of investment	External Funding (DESTEAL)				
Support for SMME's	Formalisation of business	District wide	R20 000	<b>Key Performance Area:</b>  Local Economic Development  <b>Strategic Objective:</b> Improved employment opportunities	Equitable share	R20 000	R60 000	R75 000	



Tourism Indaba	To market the District tourists attraction nationally and internationally	District wide	R60 000	<b>Key Performance Area:</b>  Local Economic Development  <b>Strategic Objective:</b>  Sustainable tourism destinations	Equitable share	R60 000	65 000	R70 000
Tourism development	Heritage event	Zastron	R500 000	<b>Key Performance Area:</b>  Local Economic Development  <b>Strategic Objective:</b> Create enabling environment of investment	Equitable share	R500 000	R600 000	R650 000
Training	Training on basic business skills	District wide	-	<b>Key Performance Area:</b>  Local Economic Development  <b>Strategic Objective:</b>  Vibrant, equitable, sustainable rural economic communities	Equitable share	-	R150 000	R200 000

Mentorship	Mentor all projects that the district will be implementing	District wide	-	<b>Key Performance Area:</b> Local Economic Development <b>Strategic Objective:</b> Vibrant, equitable, sustainable rural economic communities	Equitable share	-	R150 000	R200 000
Disaster Management centre	To cater for disaster management in the district	Entire district	R 200 000	<b>Key Performance Area:</b> Basic service and infrastructure  <b>Strategic Objective:</b> Provide disaster management, Fire and Rescue Services to the residents of Xhariep	External funding	R 200 000	-	-
Education and awareness programme	To make learners and community aware on disaster management issues	District wide	R 20 000	<b>Key Performance Area:</b> Local Economic Development <b>Strategic Objective:</b> Vibrant, equitable, sustainable rural economic communities	Equitable share	R 20 000	-	-

Public participation		Selected towns	R 50 000	<b>Key Performance Area:</b> good governance and public participation  <b>Strategic Objective:</b> Improve public participation	Equitable share	R 50 000	R 56 529.97	R 58 171.60
Youth development programmes		Xhariep District	R120 000	<b>Key Performance Area:</b>    <b>Strategic Objective:</b>	Equitable share	R120 000	R 135 671.93	R 139 611.83
Special programmes		Xhariep District	R 45 000		Equitable share	R 45 000	R 50 876.97	R 52 354.44

IGR		Xhariep District	R 3000 .00	<b>Key Performance Area:</b> good governance and public participation  <b>Strategic Objective:</b> Improve Intergovernmental Relations	Equitable share	R 3000.00	R 3 391.80	R 3 490.30
Social Responsibility fund		Xhariep District	R 150 000.00	<b>Key Performance Area:</b>   <b>Strategic Objective:</b>	Equitable share	R 150 000.00	R 169 589.91	R 174 514.79
District Council	AIDS	Xhariep District	R 30 000. 00		Equitable share	R 30 000. 00	R 33 917.98	R 34 902.96

OR Tambo games		Xhariep District	R 130 000	<b>Key Performance Area:</b> Local Economic Development  <b>Strategic Objective:</b> Improved quality of sport, arts and culture for economic benefits	Equitable share	R 130 000	R 146 977.92	R 151 0246.15
Occupational Health and safety		Xhariep District	R 30 000	<b>Key Performance Area:</b> Basic service and infrastructure  <b>Strategic Objective:</b> Ensure safety of residents of Xhariep Community	Equitable share	R 30 000	R 33 917.98	R 34 902.96
Employee wellness		Xhariep District	R 30 000	<b>Key Performance Area</b> municipal transformation and organisation development  <b>Strategic Objective:</b> Improve institutional performance	Equitable share	R 30 000	R 33 917.98	R 34 902.96

Performance evaluation		Xhariep District	R 30 000	<b>Key Performance Area</b> municipal transformation and organisation development  <b>Strategic Objective:</b> Strengthening monitoring and evaluation	Equitable share	R 30 000	R 33 917.98	R 34 902.96
IDP review		Xhariep District	R 30 000		Equitable share	R 30 000		
Equitable share		Xhariep District			Equitable share	R 33 306 99.95	R 40 418 00.00	

## SECTOR PRIORITIES FOR PROVINCIAL GOVERNMENT INVESTMENT

Municipality	Town/Area	Project Description	Intervention / Project or Funding Allocated	Phasing of Project Allocation			Responsible Department
				2017/18	2018/19	2019/20	
Xhariep DM		Buildings and Other Fixed Structures(Clinic and CHS)		1,261	3,000	-	Department of Health
Xhariep DM		Refurbishment of Clinics: Xhariep District		7,714	4,875	4,795	Department of Health
Xhariep DM	Areas with railway line	SIP 7 - Introduction of a passenger line, which will connect the Eastern Cape with the Free State via Xhariep district	Not specified	-	-	-	DESTEA
Xhariep DM		Establishment of the solar park.	Not specified	-	-		DESTEA
Xhariep DM		Establishment of the brick	Not specified		-	-	DESTEA

		manufacturing plant.					
Xhariep DM		Establishment of leather and tannery plant.	Not specified	--	-	-	DESTEa
Xhariep DM	Jagersfontein	Development of the Big Hole as a tourist attraction in Jagersfontein.	Not specified	-	-		DESTEa
Xhariep DM	Gariep dam	Expansion of leisure and water sports tourism in the Gariep dam as well as Tussen die riviere and	Not specified	-	-	-	DESTEa
Xhariep DM	Gariep dam	Development of an airstrip for small charter flights between Gariep dam and Bloemfontein	Not specified	-	-	-	DESTEa
Xhariep DM	Koffiefontein and Jagersfontein	Diamond mining value addition.	Not specified	-	-	-	DESTEa
Xhariep DM	Springfontein	Establishment of an Agri-park	Not specified	-	-	-	DESTEa



		in Springfontein					
Xhariep DM	Trompsburg	Trompsburg Transport Centre		R15m	-	-	Police, Roads and Transport
Xhariep DM		Re-Gravelling in Xhariep		R15m	-	-	Police, Roads and Transport
Xhariep DM		Fogspray Projects in the Free State		R32m	-	-	Police, Roads and Transport
All districts		Maintenance of 79 conditionally registered ECD Centres (All assessed and costed)		R100 000 per structure (ECD Centre	-	-	Social Development
Xhariep DM	Bethulie and Petrusburg	Learnership		Training- R6 202 300 Stipends- R1,7 m	-	-	Social Development
Xhariep DM	Zastron	New school	Not specified	-	-	-	Department of Education
Xhariep DM	Rouxville	Infrastructure- clinic		R6 168 000	R11 690 000	R 11 690 000	Public works and Infrastructure
Xhariep DM	Jagersfontein	Township revitalisation		R7 000 000	R7 000 000	R7 000 000	Public works and Infrastructure
Xhariep DM		Community Work Programme	Not specified	-	-	-	Public works and Infrastructure
Xhariep DM	Jagersfontein/ Fauresmith	Bulk Water Supply Phase 2		R3 000 000	-	-	Department of Water and Sanitation

Xhariep DM	Rouxville	Bucket eradication		R1 685 000	-	-	Department of Water and Sanitation
Xhariep DM	Letsemeng LM	WSIG		R25 000 000	-		Department of Water and Sanitation
Xhariep DM	Kopanong LM	WSIG		R20 000 000	-	-	Department of Water and Sanitation
Xhariep DM	Mohokare LM	WSIG		R30 000 000	-	-	Department of Water and Sanitation
Xhariep DM		Expansion of vegetable production. Inputs - seed, fertiliser, chemicals, packaging, running costs		R5 200 000	-	-	Department of Agriculture and Rural Development
Xhariep DM	Trompsburg and Jagersfontein	Construction of stock water	R 2 000 000.00	R 2 000 000.00	-	-	Department of Agriculture and Rural Development
Xhariep DM	Rouxville and Edenburg	Construction of stock water	-	-	R 2 000 000.00	-	Department of Agriculture and Rural Development
Xhariep DM	Springfontein Agri-park	Construction of Auction facility at	R 1 500 000.00	R 1 500 000.00	-	-	Department of Agriculture and Rural Development
Xhariep DM		Construction of Packhouse (fodder bank, Agro-processing plant and Input distribution		-	R 5000 000.00	-	Department of Agriculture and Rural Development

Xhariep DM	Petrusburg	Ostrich Infrastructure and Production inputs	R 900,000,00	R 900,000,00	-	-	Department of Agriculture and Rural Development
Xhariep DM	Petrusburg	Production Inputs, Irrigation system and erection of tunnel structure for vegetables	R 700,000.00	R 700,000.00	-	-	Department of Agriculture and Rural Development

## **CHAPTER: 8 XDM BUDGET AND FINANCIAL PLAN**

### **Introduction**

The financial strategies of a municipality should recognize the Constitutional and legislative mandate of local government in respect of developmental local governance (budget alignment to IDP priorities), as well as various financial reforms applicable to local government (implementation of MFMA, GRAP etc.) – which now forces a paradigm shift in respect of municipal financial planning and management.

This plan is prepared in terms of Section 26 (h) of the Local Government: Municipal Systems Act, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

The financial plan includes an Operating Budget and the Sources of Funding for all the programmes, financial strategies and programmes, various financial management policies adopted by Council, key financial targets and a budget according to the IDP priorities. The financial plan does not include any Capital Projects as the municipality does not render any basic service related to the infrastructure projects.

### **Objective**

To create a medium term strategic financial framework for allocating municipal resources, through the municipal budgeting process in order to ensure the financial viability and sustainability of the municipality's investments and operations.

### **Financial Plan**

The focus here is to outline the role forecasting as a critical tool of local government finance and to provide guidelines to strengthen local public finances in improving the financial management. In particular, proper financial management must: adequately control the total level of revenue and expenditure, appropriately allocate public resources among functional areas and programs, and, ensure that departments operate as efficiently as possible.

The three-year Financial Plan includes an operating Budget that are informed by the IDP priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP.

The key benefit of financial planning and budgeting is that it gives stakeholders the opportunity to stand back and review their organizational performance and the factors affecting operational requirements.

These can include:

- Greater ability to make continuous improvements and anticipate problems
- Sound financial viability and information on which to base decisions
- Improved clarity and focus
- A greater confidence in your decision making
- Greater accountability and transparency

## **Financial Management**

It is important to note that the priority issue from a financial perspective is the viability and sustainability of the District. This goal can best be achieved through effective and efficient financial management. The plans and the strategies that have been formulated were prepared with this in mind.

Maintaining a healthy financial base that fully supports district services; this work is reflected in restructuring and reshaping district services, implementing financial management systems, securing sound recurring revenues, and making responsible spending adjustments in light of revenue growth limitations.

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in the total Operating Budget. Various government departments also affect municipal service delivery through the level of grants and subsidies.

## **Capital and Operating Budget Estimates**

The financial plan includes an Operating Budget (Table 1), the Capital Investment Programme per GFS Classification (Table 2), the Capital Investment Programme per Department (Table 3), and the Capital Investment Programme per Funding Source (Table 4) for the three years ending 30 June 2018.

DC16 Xhariep - Table A1 Budget Summary

Description  R thousands	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Financial Performance</u></b>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	284	110	338	–	–	–	–	–	–
Transfers recognised - operational	38,596	55,360	50,521	51,774	51,774	51,774	52,044	54,669	56,276
Other own revenue	505	875	1,066	563	605	605	574	632	696
<b>Total Revenue (excluding capital transfers and contributions)</b>	39,385	56,345	51,924	52,337	52,379	52,379	52,618	55,301	56,972
Employee costs	30,159	34,018	33,386	37,155	36,712	36,712	37,945	40,222	42,635

Remuneration of councilors	3,318	3,625	3,754	3,658	3,858	3,858	3,959	4,196	4,448
Depreciation & asset impairment	3,648	2,309	2,175	3,300	3,300	3,300	1,800	1,700	1,550
Finance charges	287	71	—	—	—	—	—	—	—
Materials and bulk purchases	—	—	—	—	—	—	—	—	—
Transfers and grants	—	—	—	—	—	—	—	—	—
Other expenditure	33,332	20,024	17,488	11,524	11,810	11,810	10,714	10,883	9,889
Total Expenditure	70,744	60,046	56,803	55,637	55,679	55,679	54,418	57,001	58,522
Surplus/(Deficit)	(31,359)	(3,701)	(4,878)	(3,300)	(3,300)	(3,300)	(1,800)	(1,700)	(1,550)
Transfers recognised – capital	—	—	—	—	—	—	—	—	—
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(31,359)	(3,701)	(4,878)	(3,300)	(3,300)	(3,300)	(1,800)	(1,700)	(1,550)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—

Surplus/(Deficit) for the year	(31,359)	(3,701)	(4,878)	(3,300)	(3,300)	(3,300)	(1,800)	(1,700)	(1,550)
<b><u>Capital expenditure &amp; funds sources</u></b>									
Capital expenditure	20,077	482	—	—	—	—	—	—	—
Transfers recognised – capital	20,077	482	—	915	385	385	5	5	6
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	—	—	—	—	—	—	—	—	—
<b>Total sources of capital funds</b>	<b>20,077</b>	482	—	915	385	385	5	5	6
<b><u>Financial position</u></b>									
Total current assets	<b>2,790</b>	3,462	4,051	115	115	115	2,580	3,100	1,965
Total non current assets	<b>21,629</b>	20,095	20,718	15,577	15,577	15,577	17,918	16,218	15,018
Total current liabilities									



	<b>7,304</b>	7,502	10,664	7,150	7,150	7,150	9,000	9,450	8,685
Total non current liabilities	<b>879</b>	1,113	1,347	850	850	850	1,400	1,470	1,350
Community wealth/Equity	—	16,236	—	—	—	—	—	—	—
<b><u>Cash flows</u></b>									
Net cash from (used) operating	<b>(11,886)</b>	(652)	—	—	—	—	(1,800)	(1,700)	(1,550)
Net cash from (used) investing	<b>(1,411)</b>	(408)	—	—	—	—	—	—	—
Net cash from (used) financing	<b>(363)</b>	(272)	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the year end</b>	<b>5,997</b>	4,665	—	(9,300)	(9,300)	(9,300)	(1,800)	(3,500)	(5,050)
<b><u>Cash backing/surplus reconciliation</u></b>									
Cash and investments available	<b>1,819</b>	770	1,733	—	—	—	2,000	2,520	1,500
Application of cash and investments	<b>7,452</b>	7,242	10,664	7,185	7,193	7,193	8,440	8,890	8,235
<b>Balance - surplus (shortfall)</b>									

	(5,632)	(6,473)	(8,931)	(7,185)	(7,193)	(7,193)	(6,440)	(6,370)	(6,735)
<b><u>Asset management</u></b>									
Asset register summary (WDV)	20,822	20,256	—	—	—	—	—	—	—
Depreciation & asset impairment	3,648	2,309	2,175	3,300	3,300	3,300	1,800	1,700	1,550
Renewal of Existing Assets	—	—	—	—	—	—	—	—	—
Repairs and Maintenance	1,271	1,596	—	276	218	218	254	254	270
<b><u>Free services</u></b>									
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	—	—
<b><u>Households below minimum service level</u></b>									
Water:	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—

Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-



## Capital Budget Forecast

The Capital Budget reflects the investments that the municipality will make in the next three financial year on new infrastructure such as water reticulation, roads, sport facilities, waste management's etc. The table below provides some detail of capital expenditure for the various departments (votes) of Xhariep District Municipality.

**DC16 Xhariep - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b><u>Revenue By Source</u></b>										
Property rates	2	—	—	—	—	—	—	—	—	—
Property rates - penalties & collection charges										
Service charges - electricity revenue	2	—	—	—	—	—	—	—	—	—
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—
Service charges - sanitation	2									

revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–
Service charges – other										
Rental of facilities and equipment		433	525	395	461	461	461	463	510	561
Interest earned - external investments		284	110	338						
Interest earned - outstanding debtors			162							
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		38,596	55,360	50,521	51,774	51,774	51,774	52,044	54,669	56,276
Other revenue	2	73	113	671	102	144	144	111	122	135
Gains on disposal of PPE			74							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>39,385</b>	<b>56,345</b>	<b>51,924</b>	<b>52,337</b>	<b>52,379</b>	<b>52,379</b>	<b>52,618</b>	<b>55,301</b>	<b>56,972</b>

<b><u>Expenditure By Type</u></b>	-									
Employee related costs	2	30,159	34,018	33,386	37,155	36,712	36,712	37,945	40,222	42,635
Remuneration of councillors		3,318	3,625	3,754	3,658	3,858	3,858	3,959	4,196	4,448
Debt impairment	3	10,778	187							
Depreciation & asset impairment	2	3,648	2,309	2,175	3,300	3,300	3,300	1,800	1,700	1,550
Finance charges		287	71							
Bulk purchases	2	–	–	–	–	–	–	–	–	–
Other materials	8									
Contracted services		–	–	–	–	–	–	–	–	–
Transfers and grants		–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	22,555	19,837	17,488	11,524	11,810	11,810	10,714	10,883	9,889
Loss on disposal of PPE										
<b>Total Expenditure</b>		<b>70,744</b>	<b>60,046</b>	<b>56,803</b>	<b>55,637</b>	<b>55,679</b>	<b>55,679</b>	<b>54,418</b>	<b>57,001</b>	<b>58,522</b>

<b>Surplus/(Deficit)</b>		<b>(31,359)</b>	<b>(3,701)</b>	<b>(4,878)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(1,800)</b>	<b>(1,700)</b>	<b>(1,550)</b>
Transfers recognised - capital										
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(31,359)</b>	<b>(3,701)</b>	<b>(4,878)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(1,800)</b>	<b>(1,700)</b>	<b>(1,550)</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>(31,359)</b>	<b>(3,701)</b>	<b>(4,878)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(1,800)</b>	<b>(1,700)</b>	<b>(1,550)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(31,359)</b>	<b>(3,701)</b>	<b>(4,878)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(1,800)</b>	<b>(1,700)</b>	<b>(1,550)</b>
Share of surplus/ (deficit) of associate	7									
<b>Surplus/(Deficit) for the year</b>		<b>(31,359)</b>	<b>(3,701)</b>	<b>(4,878)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(3,300)</b>	<b>(1,800)</b>	<b>(1,700)</b>	<b>(1,550)</b>



The Capital Investment Programme will be subject to the availability of funding.

## **Financial Strategy**

Managing municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies, and tools to implement its strategic plan.

As mentioned at the beginning of this plan, the priority from the financial perspective is the viability and sustainability of the Municipality. The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas, which have been identified, are detailed below.

### **➤ The Financial Framework**

#### **i. Revenue Adequacy and Certainty**

It is essential that the Municipality has access to adequate sources of revenue, from both 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 source, amount and timing of revenue. The Division of Revenue Act has laid out the level of funding from National Government that will be received for the 2017/18 to 2019/20 financial years as follows:

<b>Grants:</b>	<b>DORA Allocations_2016 /17</b>	<b>DORA Allocations_2017 /18</b>	<b>DORA Allocations_2018 /19</b>
Equitable Share	<b>R 29 739 000</b>	<b>R 30 821 000</b>	<b>R 32 032 000</b>
Finance Management Grant	<b>R 1 250 000</b>	<b>R 1 250 000</b>	<b>R 1 505 000</b>
Municipal Systems Improvement Grant	<b>R 1 041 000</b>	<b>R 1 636 000</b>	<b>R 1 636 000</b>
Expanded Public Works Programme Incentive Grant	<b>R 1 053 000</b>	<b>R 1 053 000</b>	<b>R 1 053 000</b>
Financial Assistance Grant	<b>R 17 000 000</b>	<b>R 17 850 000</b>	<b>R 17 850 000</b>
Rural Roads and Asset Management Grant	<b>R 1 961 000</b>	<b>R 2 059 000</b>	<b>R 2 200 000</b>
	<b>R 52 044 000</b>	<b>R 54 669 000</b>	<b>R 56 276 000</b>

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 phase that the municipality is in.

Knowledge of the sources of funds will illustrate the Municipality's position more accurately, its ability to secure loans relative to its income streams and its borrowing capacity.

**ii. Cash / Liquidity Position**

Cash and cash management is vital for the short and long term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the Municipality are:

The current ratio expresses the current assets as a proportion to current liabilities. “Current” refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. A current ratio in excess of 1: 0.43 is considered to be unhealthy.

**iii. Sustainability**

The Municipality needs to ensure that its budget is balanced (income covers expenditure). As there are limits on revenue, coupled with the increased reliance on government grants to fund operational needs, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered.

**iv. Effective and Efficient Use of Resources**

In an environment of limited resources, it is essential that the Municipality makes maximum use of the resources at its disposal by using them in an effective, efficient and economical manner.

**v. Accountability, Transparency and Good Governance**

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

**vi. Equity and Redistribution**

The Municipality should be treated equitably by national and provincial government when it comes to inter-governmental transfers

**vii. Development and Investment**

In restructuring the financial systems of the Municipality, the underlying policies should encourage the maximum degree of private sector investment.

#### **viii. Macro-economic Investment**

As the Municipality plays a significant role in the area, it is essential that it operates efficiently within the national macro-economic framework. The Municipality's financial and developmental activities should therefore support national fiscal policy.

#### **ix. Borrowing**

The strong capital market in South Africa (banks and other lending institutions like DBSA, INCA, etc.) provides an additional instrument to access financial resources. However, it is clear that the Municipality cannot borrow for long term period to balance its budget and pay for overspending. Safeguards need to be put in place to ensure that the Municipality borrows in a responsible way. In order to have access to this market, the Municipality will need to have accurate and appropriate financial accounting policies and procedures and effective reporting systems. The manner in which the Municipality manages debt or takes on new debt to finance activities will have a significant impact on the solvency and long-term viability of the Council.

#### **Strategies and Programmes**

With the above financial framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective – the financial viability and sustainability of the Municipality. In terms of time frames, each of the projects that have been identified will be embarked on and completed during the five year plan.

##### **➤ Revenue Raising Strategies and Programmes**

The following are some of the more significant programmes that have been identified:

- Environmental Health By-laws;
- Water service authority;
- distribution of water from Gariep Dam throughout the District/Province;
- installation of traffic camera on the N1 route within the District jurisdiction;
- administration of infrastructure projects within the District above 1 million rands;
- financial assistance in building of a Disaster Management Plant in Xhariep;
- full administration of EPWP Grant for the whole Xhariep District.

## ➤ **Asset Management Strategies and Programmes**

The following are some of the more significant programmes that have been identified:

- The implementation of a fixed asset register and asset control system as well as the maintenance thereof

This programme will involve the amendment /update of the asset register to be in line with the current reforms, capacitation of the asset management unit in order to maintain GRAP requirements

- The implementation of a disaster recovery plan

This plan will detail the procedures to be followed with regard to the operations and administration of the Municipality in the event of a disaster, to ensure that there is the least possible disruption and loss of service rendition. The plan will detail alternative locations, IT arrangements, back-up/start-up procedures, etc.

- The establishment of a disaster management centre

The building and/or equipping of an alternative site from which to manage the Municipality's operations, in the event of a disaster rendering the current operational centres unusable.

- The development and implementation of a repairs and maintenance policy

Such a policy will set out the details with regard to repairs and maintenance of all asset categories e.g. Furniture & Equipment, etc. The intention is to ensure that planned and preventative maintenance is always on-going.

- The integration of all other computerised systems to this financial management system, and the acquisition of the required hardware and software must be finalized to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the Municipality.

## ➤ **Operational Financing Strategies and Programmes**

Council's policy is to fund operation expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings. It is council's intention to maintain a strong base through good working capital management including setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principles as currently apply to contributions to existing statutory funds.

## ➤ **Strategies to Enhance Cost-effectiveness**

The following are some of the more significant programmes that have been identified:

The establishment of benchmarks and performance indicators are paramount. This will include:

- Training and development of financial (and other) staff  
The aim of this project will be to constantly ensure that the Financial (and other) staff receive the training they require to ensure a cost-effective and efficient service to the Municipality.
- Enhanced budgetary controls and timeliness of financial data  
To improve the operation of the Budget Office, in respect of producing financial information and the monitoring and reporting of budget variances. Some of the more significant measures of acceptable performance in this area will be: Financial bottom line matched to forecasts to a 10% variance level, Receipt of unqualified audit reports, Monthly financial statements produced within 10 days of month-end, etc.

## **Financial Management Policies**

### ➤ **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;
- adjust efficiently to the community's changing service requirements;
- manage the Municipality's budget and cash flow to the maximum benefit of the community;
- prudently plan, coordinate and implement responsible and sustainable community development and growth;
- provide a high level of social services to assure public health and safety.

Xhariep District Municipality's financial policies shall address the following fiscal goals: -

- keep the Municipality in a fiscally sound position in both the short and long term;
- maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;

- operate utilities/entities in a responsive and fiscally sound manner;
- provide a framework for the prudent use of debt financing;
- direct the Municipality's financial resources toward meeting the goals of the Municipality's Integrated Development Plan.

The following, amongst others, are financial policies and procedure manuals of Xhariep District Municipality submitted to council for approval and adoption:

- Bad Debts Policy;
- Banking and Investment Policy;
- Credit Control and Debt Collection Policy;
- Journal Processing Procedure Manual;
- Transaction Processing Procedure Manual;
- Budget and Virements Policy;
- Cell-phone Policy;
- Fixed Asset Policy;
- Funding and Reserves Policy;
- Laptop/Ipad Policy;
- Tariff Policy;
- Supply Chain Management Policy;

### ➤ **Budget Policies**

The annual budget is the central financial planning document that embodies all operating revenue and expenditure, and capital budget decisions.

It establishes the level of services to be provided by each department.

The Municipal Manager shall incorporate the Xhariep District Municipality's priorities in the formulation of the preliminary and final budget proposal.

The budget will be subject to monthly control and be reported to Council with recommendations of action to be taken to achieve the budget's goal. The budget will be subject to a mid-term review, which may result in an Adjustment Budget.

Adequate maintenance and replacement of the Municipality's capital property, plant and equipment will be provided for in the annual budget.

The budget shall balance recurring operating expenses to recurring operating revenues.

### ➤ **Investment and Cash Management Policies**

In terms of the Municipal Finance Management Act, Act 56 of 2003, and Section 13(2): “Each Municipal Council shall adopt by resolution an investment policy regarding the investment of its money not immediately required.”

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 the principal amount is the foremost objective of the investment program.

The Municipality will continue the current cash management and investment practices, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.

Investments shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal amount and maintain the liquidity needs of the Municipality. The standard of prudence to be used by the Investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall Investment portfolio.

Investment officials are required to:

- a) Adhere to written procedures and policy guidelines.
- b) Exercise due diligence.
- c) Prepare all reports timeously.
- d) Exercise strict compliance with all legislation.

The Municipality shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Municipality will not directly invest in securities maturing more than two years from the date of issue.

The Municipality’s financial information system will provide adequate information concerning cash position and investment performance. The non-integrated financial systems currently being utilised by the Municipality are as follows:

- VIP;
- Pastel;
- Caseware;
- Document Management System.

The Municipality will not invest monies in contradiction to the policy guidelines as adopted by Council.

The Minister of Finance may identify by regulation in terms of Section 168 of the Municipal Finance Management Act, instruments or investments other than those referred to below in which a Municipality may invest:

- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Securities issued by the National Government;
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
- Listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency;
- Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Bankers acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- Municipal Bonds issued by a Municipality
- Guaranteed endowment policies with the intention of establishing a sinking fund; and
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

#### ➤ **Debt Management Policies**

The Municipality will incur short-term debt only when it is provident to settle it within the same financial year in line with the prescripts of section 45 of the MFMA.

#### ➤ **Asset Management Policies**

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (PPE), which are fixed assets of Xhariep District Municipality.

A summary of the Principles supported in this policy are:

- A fixed asset shall mean a movable asset, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in-service delivery, over a period extending beyond 12 months.
- The fixed asset register shall comply with the requirements of Generally Recognized Accounting Practice (GRAP) and any other accounting requirements, which may be prescribed.
- Fixed assets are classified under the following headings:



- Buildings
- Furniture and Fittings
- Computer Equipment
- Heritage Assets
- Investment Properties
- Other Assets
- Every Head of Department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.
- PPE is stated at cost less accumulated depreciation, or fair value at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.
- Subsequent expenditure relating to property, plant and equipment is capitalized if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset, so that its use is expanded or, the further development of an asset so that its original life is extended, are examples of subsequent expenditure, which should be capitalized.
- Assets are capitalized according to a capitalization criteria and all expenditure below a capitalization threshold, as determined in the approved policy, is expensed when incurred.
- Depreciation is calculated on cost, using the straight-line method, over the estimated useful lives of the assets.
- Heritage assets, which are defined, as culturally significant resources, are not depreciated as they are regarded as having an infinite life.
- The carrying amount of an item or a group of identical items of PPE will be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount will be reduced to the recoverable amount (also termed as impairment of assets). The amount of the reduction will be recognized as an expense immediately, unless it reverses a previous revaluation, in which case it will be charged to the revaluation non-distributable reserve.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the statement of financial performance.

## **Report of the auditor-general to Free State Legislature and the council on the Xhariep District Municipality**

### **Report on the financial statements**

#### **Introduction**

1. I have audited the financial statements of the Xhariep District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor-general's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Xhariep District Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

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

## **Restatement of corresponding figures**

8. As disclosed in note 31 to the financial statements, the corresponding figures for the 30 June 2015 have been restated as a result of errors discovered during 2015-16 in the financial

statements of the municipality at, and for the year ended, 30 June 2015.

### **Irregular Expenditure**

9. As disclosed in note 37 to the financial statements, the municipality incurred irregular expenditure of R4 653 888 (2015: R3 710 358) in 2015-16 due to non-compliance with supply chain management (SCM) regulations.

### **Unauthorised Expenditure**

10. As disclosed in note 35 to the financial statements, the municipality incurred unauthorised expenditure of R2 797 621 (2015: R746 110) during 2015-16 due to expenditure that exceeded the limit of the amount provided for in the main division of the approved budget.

### **Going concern**

11. Note 33 to the financial statements indicates that the Xhariep District Municipality incurred a net loss of R6 937 981 during the year ended 30 June 2016 and, as of that date, the municipality's current liabilities exceeded its current assets by R9 763 148. These conditions, along with other matters as set forth in the note 33, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

### **Additional matters**

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

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Unaudited disclosure notes**

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

### **Report on other legal and regulatory requirements**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do

not express an opinion or conclusion on these matters.

### **Predetermined objectives**

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected key performance areas presented in the annual performance report of the Xhariep District Municipality for the year ended 30 June 2016:
  - Key performance area : Local economic development on pages x to x
  - Key performance area : Basic service delivery on pages x to x
  - Key performance area : Public participation and good governance x to x
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following key performance areas:
  - Basic service delivery
  - Local economic development
  - Public participation and good governance

### **Additional matter**

20. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected key performance areas, I draw attention to the following matters:

#### Unaudited supplementary schedules

21. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report on them.

### **Compliance with legislation**

22. I performed procedures to obtain evidence that the Xhariep District Municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows

### **Annual financial statements**

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, liabilities, expenditures and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### **Expenditure management**

24. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
25. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA.
26. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.
27. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

### **Asset management**

28. Capital assets were transferred without the approval of the council as required by section 14(2)(a) of the MFMA.

### **Conditional grants received**

29. The provincial infrastructure grant and Motheo disestablishment grant allocation was not spent in accordance with the applicable grant framework, in contravention of section 17(1) of the DoRA.

### **Human resource management and compensation**

30. Sufficient appropriate audit evidence could not be obtained that the municipality developed and adopted appropriate systems (policies) and procedures to monitor, measure and evaluate performance of staff as required by section 67(d) of the Municipal Systems Act.

### **Consequence management**

31. Unauthorised expenditure by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the Municipal Finance Management Act.
32. Irregular expenditure by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the Municipal Finance Management Act.
33. Fruitless and wasteful expenditure by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the Municipal Finance Management Act.

#### **Liability management**

34. An effective system of internal control for liabilities (including a liability register) was not in place, as required by section 63(2)(c) of the MFMA.

#### **Procurement management**

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

#### **Internal control**

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for unqualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

#### **Leadership**

37. There has been a slow response from the leadership in implementing and monitoring the audit action plan to address qualification areas and internal control deficiencies identified during the previous audits and as a result it was again a last minute effort to avoid audit report matters.
38. The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, as none of the unauthorised, irregular as well as fruitless and wasteful expenditure incurred was investigated during the financial year.
39. The leadership did not ensure that vacancies in key positions were filled to facilitate sound financial management, as the position of chief financial officer and director corporate services remained vacant during the financial year under review.

#### **Financial and performance management**

40. The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. This resulted in material adjustments being made to the financial

statements. It was also identified through the audit that some officials were not sufficiently skilled to ensure that the daily financial transactions were recorded fully and correctly. Internal reviews and reconciliations of all financial records and transactions were noted to be inadequate.

41. The municipality did not always comply with applicable legislation. No formal processes were in place to monitor compliance with legislation, which resulted in the number of reported non-compliance issues. Consequences for poor performance and non-compliance with legislation were lacking.

## **Governance**

42. The accounting officer did not ensure that there is an adequately resourced and functioning internal audit unit throughout the year that identifies internal control deficiencies and recommends corrective action effectively.
43. Audit committee does not adequately promote accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislations, due to limited reports submitted from the internal audit unit.

## **CHAPTER: 9 SECTOR PLANS INTEGRATION IN TERMS OF SECTION 26 OF THE MUNICIPAL SYSTEMS ACT**

Xhariep District Municipality is responsible for the delivering of municipal functions as specified in Schedule 4B and 5B of the Constitution of South Africa. All the strategic planning processes to address these functions should be aligned and fully integrated to ensure sustainable growth and development. It is therefore required that all the sector plans are considered as these plans should guide the departments on specific issues to be addressed during planning and implementation of the IDP.

The sector plans focus on specific sectors within the context of local government. The alignment of sector plans between all spheres of government is important in ensuring integration of programmes and maximum utilization of available resources. The following table highlights the status of the sector plans which after each of the sector plans are discussed in more detail:

<b>Sector Plan</b>	<b>Objectives of Plan</b>	<b>Status of Plan</b>	<b>Implementing Directorate</b>
Rural Development Plan	Create a living environment that offers improved quality of life for the district population residing in the district towns and the rural areas	The plan was approved and adopted by Council	Planning and Social Development: IDP Unit
Spatial Development Framework (SDF)	To make spatial provision for IDP and other strategic planning objectives of Xhariep in line with the principles of Sustainable Development	The plan was approved and adopted by Council. The IDP unit has made a request for the plan to be reviewed since it includes Naledi Local Municipality.	Planning and Social Development: IDP Unit
Local Economic Development Strategy (LEDS)	Strategy to create a conducive environment for all stakeholders to stimulate economic growth and create decent job opportunities	The plan was approved and adopted by Council	Planning and Social Development: LED Unit
Disaster Management Plan	A plan to pro-actively identify risks and prevent disasters from happening or minimising the impact of such disasters if it cannot be avoided	Approved and in process of being implemented. The Disaster Management Plan is also reviewed annually	Planning and Social Development: Disaster Management Unit
<b>Sector Plan</b>	<b>Objectives of Plan</b>	<b>Status of Plan</b>	<b>Implementing Directorate</b>
Integrated Waste Management Plan (IWMP)	To integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all residents within Xhariep	The plan was approved and adopted by Council	Planning and Social Development: Environmental Health Management Unit



Environmental Management Framework (EMF)	The main objective of an EMF is to pro-actively identify areas of potential conflict between development proposals and critical/sensitive environments.	The plan was approved and adopted by Council	Planning and Social Development: Environmental Health Management Unit
Long Term Financial Plan	A financial plan that will ensure the financial viability of the municipality in order to give effect to the strategic objectives of Council as portrayed in the IDP	The Financial Plan is still in a draft form and will be adopted with the final IDP	Budget and Treasury: Chief Finance Office
Asset Management Plan	To record all assets of the municipality and make recommendations for the optimal economic utilisation of such assets	The plan was approved and adopted by Council	Budget and Treasury: Chief Finance Office
Performance Management Policy Framework	Establishing a culture of performance throughout the whole organisation	The framework was approved and adopted by Council	Office of the Municipal Manager
Risk Management Plan	To identify potential risks in all systems and procedures of the municipality and develop proactive risk reduction strategies	Approved and in process of being implemented. Currently the position of Chief Risk Officer is vacant	Office of the Municipal Manager
<b>Sector Plan</b>	<b>Objectives of Plan</b>	<b>Status of Plan</b>	<b>Implementing Directorate</b>
Anti-fraud and Corruption Plan	To minimize fraud and corruption within the municipality	Approved and in process of being implemented. Currently the position of Chief Risk Officer is vacant	Office of the Municipal Manager
Internal Audit Charter	Improve good governance and administration within the municipality	The plan was approved and adopted by Council	Office of the Municipal Manager
Integrated HIV/Aids Plan	To facilitate awareness and pro-active strategies to combat HIV/Aids and provide support to people infected and affected by HIV/Aids	To be developed. The current plan has reached its sell-by date.	Office of the Executive Mayor
Employment Equity Plan	To ensure that targets are being set for transformation of the staff structure of the municipality in order to reflect the demographic composition of the area	The plan was approved and adopted by Council	Corporate Services: Human Resource
Workplace Skills Plan	To co-ordinate training and capacity building of municipal staff as per their personal career objectives	The plan was submitted to LGSETA	Corporate Services: Human Resource
EPWP Policy	To have EPWP as an approved delivery strategy for	The policy was approved and adopted by Council	Planning and Social Development: LED Unit

	projects implementation, employment creation and skills development, by ensuring that EPWP guidelines and principles are adhered to in the implementation of any municipal project		
Climate Change Response Plan	Actions are required to reduce carbon emissions (mitigation), and prepare for the changes that are projected to take place (adaptation) in the District.	The plan was submitted to Council as a draft	Cut across all departments

Status of sector plans: XDM

A brief summary of sector plans is provided below:

### **XHARIEP RURAL DEVELOPMENT PLAN (XRDP)**

The Department of Rural Development and Land Reform (DRDLR) was mandated by the President of the Republic of South Africa to champion Rural Development Programmes in the Country. To achieve this, the department is required to develop plans that will address the needs of people who live in extreme poverty and who are subjected to underdevelopment in rural parts of South Africa.

Xhariep District is among the Districts identified as poor and needing special attention through an RDP. The Xhariep Rural Development Plan (XRDP) provides a mechanism to accelerate development through integrated spatial, economic and social development interventions using a multi-sectoral approach that is anchored on sustainable development principles.

The notion of integration is particularly important to the XRDP. Spatial and economic linkages between the rural areas of the district and the towns need to be strengthened. Planning for functional areas where strategic resources exist across municipal boundaries needs to be encouraged. Value chains for various products in the district need to be enhanced.

Planned interventions need to exploit latest knowledge and technologies to ensure that Xhariep District pursues a “green” path to development. We propose that Xhariep rural development plan be anchored a strong “Xhariep brand” that involves use of green production processes, packaging and marketing tourism and agricultural products in a way that reflects the natural and organic uniqueness of the district.

It is a synthesis of various preceding documents that have been produced and discussed with stakeholders namely the vision and mission document, the status quo and functional regions report. This report should be read together with the spatial representation of the rural development plan that accompanies this document.

The document is attached as “**Annexure**” to the IDP Document

## LOCAL ECONOMIC DEVELOPMENT STRATEGY

The social and demographic profile of Xhariep District Municipality indicates that there is a large youth population who are unemployed. There is a definite need to address education and skills requirements amongst the economically active population. This will help decrease unemployment and increase household income.

Infrastructure backlogs in Xhariep DM should be resolved especially the sanitation backlogs within the different municipalities. Providing proper basic services and infrastructure is an important component of local economic development.

Agriculture is the largest contributor to the district economy accounting for the highest GDP contributor and the main source of income and employment for the largest population of the District. New developments such as the Agri-Park provide opportunity for local farmers to have better access to markets.

**Manufacturing:** Expanding existing industries and developing new niche industries will not only benefit the manufacturing sector but also promote local exports. Food and beverages, non-metallic mineral products, fuel, petroleum and chemical products. The district also has various products that are produced as shoes manufacturing factory. There's also game meat industry such as biltong hunting throughout the district. There is also water harvesting by Water Affairs to generate hydro-electricity.

**Mining:** The district has a mining sector that contributes approximately 16% of the total GDP, with an average annual growth of 8.1% (2001-2005). The mining activities are mainly concentrated at Jagersfontein and Koffiefontein areas and the mines produce mainly diamond and other precious and semi-precious minerals.

**Trade:** This important sector requires the necessary pro-active measures to ensure that the district can grow as the regional trade hub. There are various

**Tourism:** This sector's influence spans over a multitude of economic sectors and has a significant multiplier effect. The existing, numerous, tourism assets in Xhariep District Municipality should be optimally promoted and developed. The district boasts some of the country's largest man-made lakes, such as the Gariep Dam, which has already established a fish hatchery project.

There are also tourism routes that support development focusing on hospitality and tourism in Xhariep such as:

- Diamond and mine route
- Gariep and Maluti routes.
- N6 Route

- Griqua Route (Philippolis route)
- Springbok Route
- **Construction:** New developments such as the Tromsburg Hospital, Agri-Park infrastructure investment by government also provide opportunity for local construction companies to benefit.
- **Transport:** The district is stands as a central location of the province which has potential in terms of transport linkages, it is located centrally along the national road networks including the N1 to Cape Town, Bloemfontein and Gauteng, the N6 to East London and the N10 to Port Elizabeth, N8 Kimberley.

***Some anchor projects identified by project prioritization include:***

- Reduction of service delivery backlogs
- SMME incubator
- Agriculture beneficiation and development projects
- New tourism developments in existing conservation areas
- Organic waste beneficiation
- Solar geysers in housing developments
- Rain water harvesting in rural communities and new business developments.

The entire LED Strategy Document for Xhariep District Municipality is attached as “Annexure” to the IDP Document.

## **CLIMATE CHANGE RESPONSE PLAN**

Xhariep District Municipality acknowledges that climate change poses a threat to the environment, its residents, and future development. Actions are required to reduce carbon emissions (mitigation), and prepare for the changes that are projected to take place (adaptation) in the District. Xhariep District Municipality has therefore prioritized the development of a Climate Change Vulnerability Assessment and Climate Change Response Plan.

### **Biodiversity and Environment**

Changes in climate are predicted to result in the shifting of bioregions across South Africa. In the Xhariep District Municipality, it is projected that with the warmer temperatures that there will be a replacement of grassland and nama karoo biomes with savanna. A large amount of grassland and nama karoo, and related species will be lost.

## **Human Health**

There are a number of different ways that climate change will impact human health in the Xhariep District Municipality. Projected increases in temperatures due to climate change will impact negatively on the young and elderly. People working in the informal sector usually work outdoors and will therefore be particularly vulnerable to increases in temperature. A changing climate may also result in reduced food production and lead to issues of food insecurity.

The entire plan is attached to the final IDP Document for any reference.

## **DISASTER MANAGEMENT PLAN**

The purpose of the Xhariep District Municipality Disaster Risk Management Plan (DRMP) is to document the institutional arrangements for disaster risk management planning, including the assignment of primary and secondary responsibilities for priority disaster risks, posing a threat in the Xhariep District Municipality. It further provides the broad framework within which the departments will implement the disaster risk management planning requirements of the Act and other entities included in the organisational structure of the Xhariep DM. It establishes the operational procedures for disaster risk reduction planning as well as the emergency procedures to be implemented in the event of a disaster occurring or threatening to occur in a Council's area

This disaster risk management plan is in line with the National Disaster Management Framework and addresses disaster risks through the four Key Performance Areas (KPA's) and three Enablers:

- KPA 1: Integrated Institutional Capacity for Disaster Risk Management
- KPA 2: Disaster Risk Assessment
- KPA 3: Disaster Risk Reduction
- KPA 4: Response and Recovery
- Enabler 1: Information Management and Communication
- Enabler 2: Education, Training, Public Awareness and Research
- Enabler 3: Funding arrangements for Disaster Risk Management

The relationship between and different roles and responsibilities of the Xhariep District Disaster Management Centre (DRMC) and the PDRMC of the Free State Province are alluded to. This plan also gives guidance in relation to the declaration of a local state of disaster, disaster classification and the institutional arrangement necessary for the successful implementation of the Act. Each section of this plan contains a number of *Actions to be taken*, which need to be considered and implemented in order for the Xhariep DM to obtain the outcomes envisaged by this plan.

### **The custodian of the plan**

The Head of the Xhariep DM Disaster Management Centre (DRMC) is the custodian of the disaster risk management plan for the Xhariep DM Municipality and is responsible to ensure the regular review and updating of the plan. The plan is attached in the final IDP Document for reference.

## **INTEGRATED WASTE MANAGEMENT PLAN (IWMP)**

The scope of work primarily required the development of a district waste management plan, by aligning all municipal plans and mapping of related priority data. The final plan is characterized by the following:

- Alignment of municipal waste management plans within the district;
- Identification of strategic and critical situational features through site visits, interviews and research;
- Consolidation of the waste management plans of local municipalities into a district IWMP;
- A district integrated waste management plan with recommendations and implementation strategy and/or project proposals on problem areas identified in the exercise;
- Development of priority based implementation plans using a phased approach;
- The consolidation of sector (sector that generates, manages and/or handle waste) departmental strategies into a district plan.

The objective of the district IWMP is to direct the district and its constituent municipalities to synergistically develop appropriate waste management systems and build management capacity in order to maximize efficiency in waste management, minimize environmental impacts and associated financial costs within the district. The implementation of the plan should lead to healthier and cleaner environment able to sustain an improved quality of life for all.

The IWMP sets targets for waste minimization and milestones to be achieved. It also sets out the review and subsequent reporting processes as articulated in the NEM: Waste Act, 2008. The IWMP of Xhariep District Municipality would be submitted to the DETEA for approval and be incorporated into the district IDP as a sector plan.

## **ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)**

An EMF is a framework of spatially represented information, connected to parameters such as ecology, hydrology, infrastructure and services. The main purpose of an EMF is to pro-actively identify areas of potential conflict between development proposals and critical/sensitive environments.

Therefore, the purpose of this EMF is to provide a framework which will inform the Integrated Development Planning (IDP) process and Spatial Development Frameworks (SDF) within Xhariep District Municipality, as well as to provide a framework for decision making through:

- ❖ Providing definite criteria for decision making,
- ❖ Providing an objective environmental sensitivity overview,
- ❖ Defining and categorisation of environmental, social and heritage resources, economic and institutional aspects, and

❖ Formulation of management guidelines.

Xhariep DM has responsibility for environmental management and planning. Better ways of managing the environment can increase opportunities for a balanced natural resource utilisation and also contribute to improved Eco-Tourism sector development which is needed by the local economy. The plan is attached as annexure to the document.

## **EXPANDED PUBLIC WORKS PROGRAMME POLICY**

EPWP is South African Government initiated programme aimed at creating 6 million work opportunities by 2019. The programme is implemented by all spheres of government, across four (4) defined sectors, namely Infrastructure, Social, Non-State and Environment and Culture. The programme is co-ordinated by the National Department of Public Works, as mandated by Cabinet.

The programme is not implemented in isolation with other Government strategic initiatives, the NGP outlines Key Job drivers, such as targeting more labour-absorbing activities across the main economic sectors, and substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy. EPWP work opportunities are all linked to the NGP Job drivers and expected to contribute to the NGP targets through its FTE targets.

The National Development Plan Vision 2030 through the Diagnostic Report identified nine main challenges facing South Africa, amongst others are: few people work and the quality of education available to the majority is poor. The persistently high rate of unemployment in South Africa (23.9%) is one of the most pressing socio-economic challenges facing government. High youth unemployment in particular means young people are not acquiring the skills or experience needed to drive the economy forward. This inhibits the country's economic development and imposes a larger burden on the state to provide social assistance.

No single policy offers the solution; what is needed is a sustained period of accelerated and inclusive economic growth and a comprehensive set of short-term and long-term policy reforms and initiatives that encompass increasing demand for labour, improving education and skills, and labour market interventions that improve the employability of young people. Expanded Public Works Programme is one of those short-term initiatives by Government aimed to create work opportunities for the marginalised: women, youth and people with disabilities.

The incentives grant was introduced during the second phase of the Programme with the aim of reinforce and reward public bodies that implement labour intensive methods and utilise their existing budget allocations effectively to increase the labour content of service delivery; also to encourage public bodies to meet their EPWP targets and rapidly expand job creation.

## **SPATIAL DEVELOPMENT FRAMEWORK (SDF)**

### **Legal Framework** (*Current Case Law*)

Recent case law, e.g. Johannesburg v Gauteng Development Tribunal, Lagoon Bay, Clairisson's and finally the Habitat Council case, some of which went to the Constitutional Court, indicate that the primary responsibility for land use management and consideration of applications lies with local government.

Until 04 August 2013 (Habitat Council case) the planning authority in the Western Cape vested ultimately with the Provincial Government, in terms of the Land Use Planning Ordinance, 1985, Ordinance 15 of 1985 (LUPO). This long awaited and much applauded clarification of the Constitutional functions of the local sphere of government has numerous implications for all municipalities.

**Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)** The new Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) was promulgated on 5 August 2013.

**Institutional Organization:** SPLUMA further intends to address the failures of the “old order” planning ordinances and legislation, the majority of which predate 1994. SPLUMA intends to create a coherent regulatory framework for spatial planning and land use management, amongst others by legislating actions to ensure justice and equity in the application of spatial development planning and land use management systems. Amongst others SPLUMA requires Spatial Development Frameworks (SDF's) to be completed by all three spheres of government for respectively, the country, a province or a municipal area.

The process of compiling SDF's becomes an involved process in which local government places a central role, primarily because it must provide the data / information for the planning. SDF's will form the basis of all future decisions in terms of the SPLUMA and they will be taken by tribunals, which are non-political / technical bodies, established in terms of Section 35 of SPLUMA. It broadly determines that a municipality or municipalities jointly, must constitute a Planning Tribunal to consider all land use planning applications.

The SPLUMA prescribes the membership of tribunals, which consists of no less than five members, with no councillors in attendance. Councils now become the appeal authorities. These tribunals are the sole responsibility of the municipalities, who must bear the cost of the meetings and the



administration relevant thereto. Every municipality must develop and/or adopt a Municipal Planning By-Law, which can be a unique document specific to the municipality, or a general one, based on a model that is being prepared by the Free State Government for the Free State municipalities.

By-laws will forthwith determine the procedural and administrative aspects of land use planning and management, instead of the Provincial Regulations. The Minister / MEC now only comments on and when appropriate concurs with a municipality's land use planning decision which subsequently means that appeals are thus decided by Council. The MEC will only consider the procedural aspects of the appeals and cases before him.

Where a municipality has made a procedural error in dealing with the case, e.g. not following due process or not taking relevant information into account, the MEC will advise that the decision of the municipality be set aside and referred back to it for re-processing and re-consideration. No right of appeal will be established in such instance. One of the consequences of the new planning legislation and processes is that a municipality now becomes legally accountable for decisions, i.e. an applicant or aggrieved party will no longer sue the MEC and add the municipality as a respondent. Instead, the municipality will be sued and it must provide for the costs and administration of such legal cases.

- Financial Implications of SPLUMA
- Tribunal operational costs;
- Legal costs;
- Planning and Land use management bylaws;
- Human resources.

**Development Principles:** One of the main objectives of this act is to provide a framework for spatial planning and land use management to address past spatial and regulatory imbalances. The act sets out the following 5 main development principles applicable to spatial planning, land use management and land development:

- (a) Spatial justice (improved access to and use of land with an emphasis on informal settlements and disadvantaged communities);
- (b) Spatial sustainability (protection of prime and unique agricultural land, development in locations that are sustainable, limit urban sprawl and creation of viable communities);
- (c) Efficiency (optimising the use of existing resources and infrastructure)
- (d) Spatial resilience (allow for flexibility in spatial plans)
- (e) Good administration.

**Municipal SDF:** Section 21 of the Act provides a detailed description of information to be included in a municipal SDF, including: - a 5 year and long term (10 – 20 year) spatial vision, structuring and restructuring elements, housing demand, planned location and density of future housing projects, - identify areas for inclusionary housing, population growth, economic trends and infrastructure requirement estimates for the next 5 years, - environmental assessment, identify areas for incremental upgrading, capital expenditure framework and include and implementation plan.

## **WORKPLACE SKILLS DEVELOPMENT PLAN**

Xhariep District Municipality has a skills development plan which is updated and reviewed annually in line with the prescripts of the Skills Development Act of 1998. The Act aims to improve the quality of life of the labour force, to encourage the labour force to be self-motivated and to encourage workers to participate in leadership and other programmes.

The municipality promotes and implements skills development strategies to facilitate the implementation of the objectives of the Integrated Development Plan. Although the Directorate: Corporate Services drives the Workplace Skills Plan, every municipal department is required to implement the plan and allocate budgets accordingly. This WSP also need to identify areas where skills shortages exist with a strong focus of developing scarce skills internally which will also assist to stimulate the local economy. The plan is submitted to LGSETA on the 30<sup>th</sup> April each year.

## **RISK MANAGEMENT PLAN (RMP)**

Risk Management is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organization to minimize losses and maximize opportunities.

In order to ensure the inclusion of all the factors impacting on Risk Management within the Municipality it is important to identify the environment within which the municipality operates. As with most municipal disciplines the risk management environment has altered substantially and requires a complete review of current policies, practices and assumptions.

## **FINANCIAL MANAGEMENT POLICIES**

Council's financial policies are reviewed annually and amended according to need and/or legislative requirements. One such policies are SCM Policies. The salient points of all our policies are that the budget must be cash-funded, tariff adjustments must be fair, employee related costs must be all inclusive and the conditions of all provisions must be cash met where required.

A number of indicators are also highlighted to ensure the municipality has enough cash to continue operations. The financial requirements of the policy have been reported upon each month within the broader Section 71 report. It is a report that is easily understandable to the man in the street.

The future budgets of Council will take the very important step of introducing for the first time a Budget Policy. This policy reinforces much of what is contained in the MFMA and regulates inter alia:

- The preparation of the budget;
- The shifting or virement of funds;
- The timing and nature of Adjustment budgets;
- Unforeseen and unavoidable expenditure; and
- Establish and maintain procedures to adhere to budget processes.

The main principles underpinning the policy are:

- that the municipality may not budget for a cash deficit;
- expenses may only be incurred in terms of an approved budget;
- the budget must always be within the IDP framework;

By following this policy Council should be able to produce future budgets that are realistic, practical and affordable to the residents which in itself is already a major step forward for the municipality. In respect of the other budget policies there have been minor changes as always, mainly to increase local supply chain rules and to redefine basic service provision.

A comprehensive Financial Plan is attached in the document.

## **PERFORMANCE MANAGEMENT SYSTEM**

This Chapter deals with the implementation and monitoring of the IDP projects and programmes aimed at achieving the vision and objectives of Xhariep District Municipality as set out in this document. The IDP and Budget are implemented through a Service Delivery and Budget Implementation Plan (SDBIP). The Top Layer SDBIP is used as a scorecard to measure, monitor, evaluate and report on institutional performance (monthly, quarterly, bi-annual and annual basis). The Departmental SDBIP measures the performance of the departments and performance agreements and plans are used to measure the performance of employees.

The Performance Management System implemented at Xhariep District Municipality is intended to provide a comprehensive, step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget. The performance management policy framework as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels.

The organisational performance of the municipality is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels. The Top Layer SDBIP set out consolidated service delivery targets and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities as determined by the IDP review process. The departmental SDBIP capture the performance of each defined department which reflects on the strategic priorities of the municipality. The SDBIP provides detail of each outcome for which the senior management is responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate.

### **Performance Indicators (PIs)**

Section 38 (a) of the Systems Act requires Municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the community development priorities and objectives set out in its Integrated Development Plan.

Section 9 (1) of the Regulations to this Act maintains in this regard, that a Municipality must set performance indicators, including input indicators, output indicators and outcome indicators in respect of each of the development priorities and objectives. Every year, as required by Section 12 (1) of the Regulations to the Systems Act, the Municipality also set performance targets for each of the key performance indicators. The IDP process and the performance management process are therefore seamlessly integrated.

### **Performance Reporting**

Performance is reported on a regular basis and it includes the evaluation of performance, the identification of poor performance and corrective actions to improve performance.

### **Quarterly Reports**

Reports on the performance in terms of the Top Level SDBIP are generated and submitted to Council. These reports must be published on the municipal website on a quarterly basis.

### **Mid-Year Assessment**

The performance of the first 6 months of the financial year assessed and reported on in terms of section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of PI's, if necessary. The format of the report complies with the section 72 requirements. This report is submitted to Council for approval before the end of January of each year and published on the municipal website.

### **Integrated HIV/Aids Plan**

A comprehensive HIV/Aids Strategy needs to be developed to address the challenges of the evolving epidemic of HIV/AIDS and tuberculosis in the Greater Xhariep Municipal Area. This strategy will be regarded as Council's commitment and determination to face HIV/Aids and TB, not only as medical and health problems, but also to address them as cultural, social and economic issues which affect all sectors of our society and every family in our community. The Xhariep area was

during 2009 shown to have the highest prevalence of HIV, and that HIV and AIDS are impacting on the community of the district.

Although the district and its local municipalities have no primary responsibility for health or social services, it recognizes its responsibility to facilitate as far as possible a well-planned and effectively executed response to HIV/Aids and TB in order to achieve the strategic objectives as captured in this IDP. Whilst not directly responsible for the delivery of health and social services it is clear that Xhariep District Municipality can be a valuable player by directing its energy towards:

- Supporting its service delivery partners by ensuring there is strong coordination of services
- Providing visible leadership through publicly addressing HIV/Aids and TB
- Ensuring that the people of Xhariep as well as visitors to Xhariep are effectively and efficiently referred to services when required

Response Required	Municipal Action	Progress status
Increased advocacy by municipal leadership to address HIV/Aids and TB, thereby increasing knowledge, improving the utilisation of services and reducing stigma in the greater municipal area	Launch internal programme supported by leadership	A comprehensive awareness campaign to be rolled out in the next financial year with the assistance from Provincial Health Department and local municipalities.
HIV/Aids and TB internally mainstreamed within the Municipality area, providing all municipal employees with a comprehensive HIV/Aids and TB policy and programme	Develop an internal policy and workshop it with all municipal employees	An internal HIV/Aids policy to be developed and workshops to be held with employees in each Directorate
Response Required	Municipal Action	Progress status
Underlying development conditions have been addressed in order to reduce susceptibility to HIV infection and vulnerability to the impacts of HIV/ Aids and TB amongst communities within the greater Xhariep area	Continuous awareness on municipal communications	To engage with the different stakeholders in this regard
Xhariep District Municipality ensures a co-ordinated HIV/ Aids and TB response by all stakeholders in the implementation of programmes and interventions of the community of the greater municipal area	Participate effectively in IGR structures established to combat HIV/Aids and TB	District Aids Council is in place. The Terms of Reference for the forum should be circulated for comment
Increased access of residents and visitors to HIV/Aids and TB information and services	Communication at information centres	The municipal official website should be utilised to improve access to information on HIV/Aids and TB
Review and update plan	The plan will be reviewed and updated and the financial elements will be included in the budget.	The HIV/Aids and TB plan strategy will be reviewed and updated in the next financial year

## **CHAPTER: 10 CONCLUDING REMARKS**

The IDP process and development in the post-apartheid context will continue to be dynamic in nature and there are, and will, remain areas of improvement in these processes.

Notwithstanding these, positive strides have been made to improve strategic planning and management to the benefit of the Xhariep community. More specifically, it is trusted that the IDP and Budget process have been an assertive effort in directing the municipality towards the development challenges and needs of our communities.

Therefore Xhariep District Municipality has to ensure that its Annual Budget is guided directly by the priorities included in the IDP. It is noted that through our Public Participation processes, Xhariep District Municipality is informed of the current nature of people's livelihoods and that Xhariep District community is constantly consulted and informed about the development plans of the Xhariep District Municipality.