

Volume 2

**INTERGRATED
DEVELOPMENT
PLAN (IDP)
DRAFT
2023-2024**

XHARIEP DISTRICT MUNICIPALITY



An area of unfound diversity

**Tuesday, 28
March, 2023**

Time: 10:00

**Venue: Council
Chamber: XDM**

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TROMPSBURG, 9913

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Confidential Document

Letsemeng LM (FS 161) Kopanong LM (FS 162) Mohokare LM (FS 163)

POLITICAL LEADERSHIP

EXECUTIVE MAYOR AND SPEAKER OF COUNCIL



Executive Mayor



Speaker

MEMBERS OF THE MAYORAL COMMITTEE CHAIRPERSONS OF PORTFOLIO COMMITTEES



Corporate Services



Planning & Social Development



Budget and Treasury

XHARIEP DISTRICT MUNICIPALITY

VISION

"A community-oriented municipality, with a sustainable environment for business and economic opportunities"

(A Heart of Development with Opportunity for All)

MISSION

- To facilitate and support local municipalities, by promoting a healthy and conducive environment in our communities by ensuring that we deliver on our core functions.
- Promote an inclusive society through social and cultural events.
- Promote local economic development, by creating sustainable markets for local producers.
- Ensure a sound political and administrative leadership.

STRATEGIC GOALS

1. Provision of sustainable and accessible basic services to all.
2. Provide a safe, healthy environment.
3. Promote economic growth and job creation.
4. Promote good governance, organizational development and financial sustainability.

VALUES

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

CHAPTER 1: MUNICIPAL BACKGROUND

1. INTRODUCTION

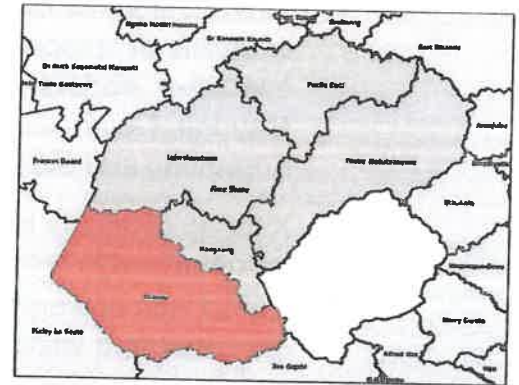
Xhariep District Municipality is a Category C Municipality, established in the year 2000 in terms of Local Government Municipal Structures Act No. 117 of 1998. It is a municipality with a Mayoral Executive System, which allow for the exercise of executive authority through an Executive Mayor in whom the executive leadership of the municipality is vested and who is assisted by a Mayoral Committee. It consists of three local municipalities: Letsemeng, Kopanong and Mohokare, which are category B executive municipalities.

Xhariep district is located in the scuthern part 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.

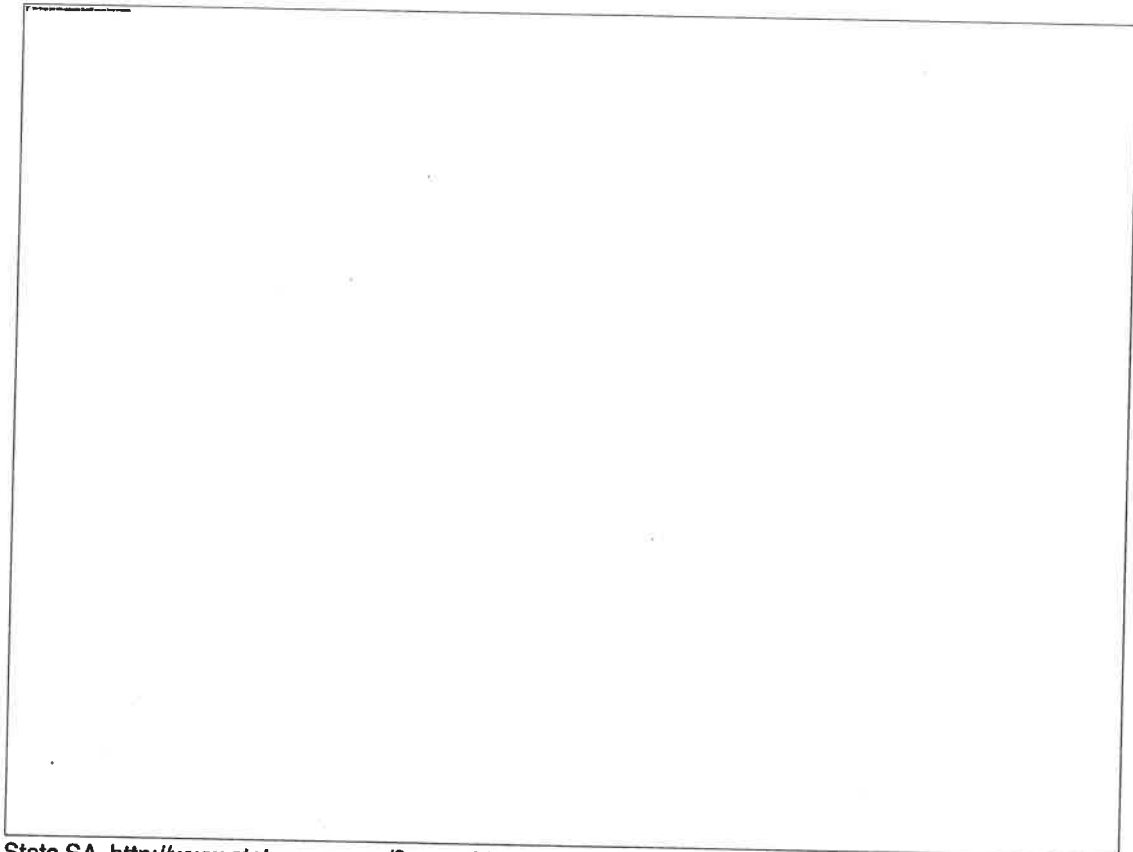
The district is the smallest compared to the others within Free State Province with about 5.2% share of the total provincial population. The population of the District stands at 121 945 with a negative growth rate of 1.07. Sixty (60%) of the population is in the working age cohort of 15-64 years.

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.

Detailed maps of the municipality are contained below, highlighting major roads, relevant areas of interest such as well as areas of significant population density



A detailed map of the municipality is contained below, highlighting major roads, relevant areas of interest such as airports and ports, as well as areas of significant population density.



Stats SA, http://www.statssa.gov.za/?page_id=964

Integrated Development Planning and Its Guiding Principles

The Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision making processes in the municipality. The purpose of the IDP is to ensure the effective use of scarce resources; helps to speed up delivery and attract additional funds from all the spheres of government and the private sector; helps to overcome the legacy of apartheid by lobbying for integrated rural and urban areas and to extend services to the poor and lastly promotes co-ordination between local, provincial and national government.

LEGAL FRAMEWORK

The IDP process is guided by various legislations, policies and guidelines which have to be considered carefully when the document is compiled. These include amongst others the following:

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

Section 152 of the Constitution of South Africa of 1996 and the Municipal Systems Act of 2000 No. 32 of 2000 have a substantial impact on the traditional role of local government. Over and above the delivering of municipal services, municipalities must (by law) now lead, manage and plan development through the process of Integrated Development Planning. Sections 152 and 153 of the Constitution prescribe that local government should oversee the development process and municipal planning and describe the following objects of local government:

- *To ensure the sustainable provision of services;*
- *To provide democratic and accountable government for all communities;*
- *To promote social and economic development;*
- *To promote a safe and healthy environment;*
- *To give priority to the basic needs of communities; and*
- *To encourage involvement of communities and community organizations in matters of local government.*

The Constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across the neighboring communities. The legislation governing the development, implementation and review of the IDP has been conceived in the constitutional spirit of a developmental state.

In terms of the provisions of Local Government: Municipal Systems Act of 2000, each council must, within the prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan for the development of the municipality.

Section 25(3) (a) prescribes that a newly elected council, may adopt the IDP of the previous council. In order to develop the IDP, Local Government: Municipal Structures Act, 117 of 1998 prescribes in section 56(2) that "The executive mayor must-

- (a) identify the needs of the municipality;
- (b) review and evaluate those needs in order of priority;
- (c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans;"

In terms of Section 24, of the Local Government: Municipal Finance Management Act, (Act 56 of 2003) municipal council should, at least 30 days before the start of the budget year, consider approval of the annual budget.

WHITE PAPER ON LOCAL GOVERNMENT

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

MUNICIPAL SYSTEMS ACT, NO 32 OF 2000

The Municipal Systems Act, No 32 of 2000, obligates all municipalities to undertake a process of preparing and implementing IDP's. The Act defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation. According to Section 25 (1) of the MSA, each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which;

- o Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
- o Aligns the resources and capacity of the municipality with the implementation of the plan
- o Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

MUNICIPAL FINANCE MANAGEMENT ACT NO 53 OF 2003

The Act states that the Mayor of a municipality must;

- o Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies to ensure that the tabled budget and any revisions of the IDP and budget-related policies are mutually consistent and credible;

At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for;

- o The preparation, tabling and approval of the annual budget;
- o The annual review of the IDP in terms of section 34 of the MSA; and the

- budget-related policies;
- The tabling and adoption of any amendments to the IDP and the budget-related policies; and
- Any consultative processes forming part of the processes referred to in sub-paragraphs

Section 21(2) of the Municipal Finance Management Act states that, when preparing the annual budget, the Mayor of a municipality must:

- Take into account the municipality's Integrated Development Plan;
- Take all reasonable steps to ensure that the municipality revises the IDP in terms of section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years;

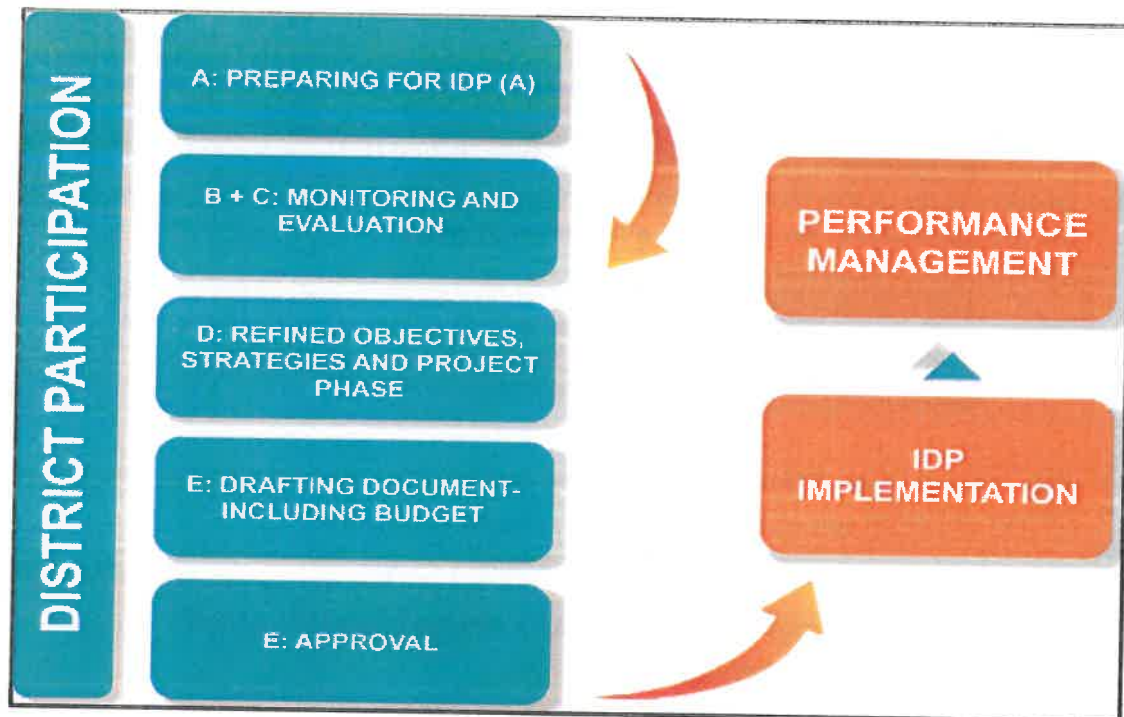
The Municipal Planning and Performance Management Regulations (R796 of 2001) set out further requirements for an IDP:

- An institutional framework is required for the implementation of the IDP and to address the municipality's internal transformation;
- Investment initiatives;
- Development initiatives including infrastructure, physical, social and institutional development; and
- All known projects, plans and programmes to be implemented within the municipality by any organ of state.

***Intergovernmental Relations Framework Act no 13 of 2005** which provides clarity on how all the three spheres of government must work together. The Act is a response to the limited successes in the alignment efforts among the three spheres of government. It creates a framework to support intergovernmental cooperation and coordination as required by the Constitution in its definition of "cooperative governance". It provides for the obligation of all spheres to participate in the planning processes of the municipality and in turn allow their own planning processes to be influenced by the municipal IDP's. The Act establishes structures and processes that enhance inter – governmental planning and monitoring processes for local, provincial and national spheres of governance*

THE IDP DEVELOPMENT AND REVIEW PROCESS

This process describes a continuous cycle of planning, implementation, and review as can be seen in the Figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated as indicated below for consideration in the next IDP (DPLG, IDP Guide Pack IV).



Particular attention was paid to the IDP, SDBIP & Budget linkages, district-wide analysis, integration and alignment of local, district and provincial plans. In the process of developing the IDP and Budget, a Strategic Planning session will be held in March 2022. The objective of the session was to facilitate a framework that will guide the municipality's strategic direction as reflected in the 5-year IDP (2022-2027).

The district municipality derives the following mandate from Section 152 of the Constitution of South Africa, Act 108 of 1996,

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

Why is the IDP necessary?

- ❖ It enables the Municipality to manage the process of fulfilling its developmental responsibilities.

- ❖ *Through the IDP, the Municipality is informed about the problems affecting its residents. It is thus able to develop and implement appropriate strategies and projects to address the problems.*
- ❖ *It helps to make more effective use of scarce resources.*
- ❖ *Helps to speed up service delivery.*
- ❖ *Helps to attract additional funds.*
- ❖ *Helps to strengthen democracy and enhance institutional transformation because decisions are made in a democratic and transparent manner, rather than just by a few.*
- ❖ *Promises intergovernmental co-ordination.*

Below are a summary of the key activities to take place in terms of the IDP, Budget and PMS for the 2023/24 IDP Review Process:

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-----------------------|---|---|--|
| AUGUST 2023 | | | |
| By August 2023 | <ul style="list-style-type: none"> Table the IDP Framework and Process Plan in council (should happen once every 5 years). The time schedule in terms of Section 21(1)(b) of the Municipal Finance Management Act (MFMA) which is this annexure is replaced every year. | MSA Section 28: (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan. (2) The municipality must through appropriate mechanisms, processes and procedures established in terms | Mayor begins planning for next three-year budget in accordance with coordination role of budget process MFMA s 53. Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist |

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| | | <p>of Chapter 4, consult the local community before adopting the process.</p> <p>(3) A municipality must give notice to the local community of particulars of the process it intends to follow.</p> | |
| <i>August 2023</i> | <ul style="list-style-type: none"> Table in council a budget and IDP time schedule of key deadlines – happens every year at least 10 months before the start of the budget year. | <p>MFMA Section 21(1)(b): The mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –</p> <p>(i) the preparation, tabling and approval of the annual budget;</p> <p>(ii) the annual review of –</p> <p>(a) the integrated development plan in terms of section 34 of the Municipal Systems Act; and</p> <p>(b) the budget related policies;</p> <p>(iii) the tabling and adoption of any</p> | <p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year.</p> <p>MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Mayor establishes committees and consultation forums for the budget process</p> |

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| | | amendments to the integrated development plan and the budget related policies; and (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii). | |
| <i>August 2023</i> | <ul style="list-style-type: none"> Submit annual financial statements and annual performance report to the Auditor-General for auditing – within two months after the end of the financial year. | MSA Section 126(1)(a): The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. | Accounting Officer to submit AFS to Auditor-General [Due by 31 August, MFMA Sec 126(1)(a)] |
| <i>August – September 2023</i> | <ul style="list-style-type: none"> Submit framework, process plan and time schedule to the local municipalities and the Free State Provincial Government. | | Receive acknowledgement from MEC and Provincial Government |
| <i>September 2023</i> | <ul style="list-style-type: none"> Give notice of the approved process plan and time schedule through local media. | | Issue out notices to local media |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|---------------------------------|--|---|--|
| <i>During September 2023</i> | <ul style="list-style-type: none"> Constitute the Xhariep District Municipality IDP Representatives Forum. | Council through the IDP review process determines strategic objectives for service delivery and development for next three year budgets including review of provincial and national government sector and strategic plans | Minutes/Attendance Registers |
| OCTOBER 2023 | | | |
| <i>September – October 2023</i> | <ul style="list-style-type: none"> Internal analysis – <ul style="list-style-type: none"> critical issues / challenges with respect to every service minimum service levels institutional financial performance | | Determine revenue projections and policies. Engagement with sector departments, share and evaluate plans, national policies. Draft initial allocations to functions. |
| <i>September – October 2023</i> | <ul style="list-style-type: none"> Compile a Financial Plan. | MSA Section 26(h): An integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years. | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>September – October 2023</i> | <ul style="list-style-type: none"> External analysis – <ul style="list-style-type: none"> Spatial Social Economic Environmental | MSA Section 29(1)(b): The process followed by a municipality to draft its integrated | Review of Municipal Strategies, Objectives, KPA's, KP's and targets. Identification of priority IDP projects. Project alignment |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| | <p><i>NOTE: The external process should be combined as far as possible with the compilation of area based or ward plans and must involve the local community and other stakeholders.</i></p> | <p>development plan, including its consideration and adoption of the draft plan, must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for –</p> <p>(i) the local community to be consulted on its development needs and priorities;</p> <p>(ii) the local community to participate in the drafting of the integrated development plan; and</p> <p>(iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan.</p> | <p>between the DM and LM's. Municipal alignment sessions under auspices of COGTA</p> |
| <p>September – October 2023</p> | <ul style="list-style-type: none"> Commence with the multi-year capital and operating budget. | | <p>Draft initial changes to IDP. Consolidation of budgets and plans. Executive determines strategic</p> |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|---------------------------------|---|-----------------|--|
| | | | choices for next three years. |
| <i>September – October 2023</i> | <ul style="list-style-type: none"> Obtain inputs from Directors and Division Heads on preliminary capital and operating budget – SHOULD include the following: review of salary, fleet and equipment budget and tariffs, etc. | | Draft initial changes to IDP. Consolidation of budgets and plans. Executive determines strategic choices for next three years. |
| <i>October- November 2023</i> | <ul style="list-style-type: none"> Workshop with IDP Representatives Forum members and other invited stakeholders. | | <ul style="list-style-type: none"> Executivo Mayor Mayors of LMs Ward Councillors Municipal Manager |
| <i>November – December 2023</i> | <ul style="list-style-type: none"> Preparation of departmental operational plans and SDBIP aligned to strategic priorities in IDP and inputs from other stakeholders including government sector departments and bulk service providers – e.g. NER, ESKOM, BloemWater, Water Users Associations, etc. <p>(SDBIP – Service Delivery and Budget Implementation Plans, ESKOM – Electricity Supply Commission, NER – National Electricity Regulator)</p> | | <ul style="list-style-type: none"> Executive Mayor Municipal Manager CFO Directors |
| NOVEMBER 2023 | | | |
| <i>During November 2023</i> | <ul style="list-style-type: none"> Strategic session with the Mayoral Committee and Management – may extend invites to other Councillors, Mayors and Municipal Managers of local Municipalities, as well as any representative(s) of a strategic partner or stakeholder. | | Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Initiate preparation of Financial Plan. Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report. Finalisation of the SDF Submissions of Draft 2021/22 Reviewed |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-----------------------------|--|--|--|
| | | | IDPs to COGTA |
| November 2023 | <ul style="list-style-type: none"> Receive audit report on annual financial statements from the Auditor-General. | MFMA Section 126(4): The Auditor-General must – (a) audit those financial statements; and (b) submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements. | Auditor-General to return audit report [Due by 30 November, MFMA 126(4)] |
| November 2023 | <ul style="list-style-type: none"> Ensure the Accounting Officer addresses any issues raised by the Auditor-General in the audit report – prepare action or audit plans to address and incorporate into the annual report. | Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements | <ul style="list-style-type: none"> Municipal Manager CFO |
| DECEMBER 2023 | | | |
| December 2023 | <ul style="list-style-type: none"> Finalise coordination of inputs from bulk resource providers – e.g. NER and agree on proposed price increase. | | <ul style="list-style-type: none"> Municipal Manager CFO Local Municipalities |
| During December 2023 | <ul style="list-style-type: none"> District IDP Managers Forum | | <ul style="list-style-type: none"> Municipal Manager Director: Planning and Social Development |
| December 2023 | <ul style="list-style-type: none"> Review whether all bulk resource providers have lodged requests with National | | <ul style="list-style-type: none"> Municipal Manager CFO Local Municipalities |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| | Treasury and SALGA seeking comments on proposed price increases of bulk resources. | | |
| <i>December 2023– January 2024</i> | <ul style="list-style-type: none"> Finalise first draft of departmental operational plans and SDBIP for review against strategic priorities. | | <ul style="list-style-type: none"> Municipal Manager CFO Directors |
| <i>December 2023</i> | <ul style="list-style-type: none"> Finalise first draft of annual report incorporating financial and non-financial information on performance, audit reports and annual financial statements. | | <ul style="list-style-type: none"> Municipal Manager CFO Director Corporate Support Services All other Directors |
| <i>December 2023</i> | <ul style="list-style-type: none"> Submit draft adjustments budget to IDP and Budget Steering Committee. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| JANUARY 2024 | | | |
| <i>January 2024</i> | <ul style="list-style-type: none"> Adjustments budget submitted to the Executive Mayor or MAYCO. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>January 2024</i> | <ul style="list-style-type: none"> Adjustments budget submitted to the Municipal Council. | | <ul style="list-style-type: none"> Executive Mayor Municipal Manager CFO |
| <i>January 2024– February 2024</i> | <ul style="list-style-type: none"> Approved adjustments budget submitted to the Provincial and National Treasuries. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>January 2024</i> | <ul style="list-style-type: none"> Ensure coordination of any written comments made to bulk resource providers in support of local municipalities on the proposed increase of bulk resources are included in any submission made by the bulk resource providers to the required organs of state. | | <ul style="list-style-type: none"> Municipal Manager CFO Local Municipalities |
| <i>January 2024</i> | <ul style="list-style-type: none"> Review whether comments coordinated from National | | <ul style="list-style-type: none"> Municipal Manager CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| | Treasury and SALGA have been received on proposed price increases of bulk resources. | | <ul style="list-style-type: none"> Local Municipalities |
| <i>January 2024</i> | <ul style="list-style-type: none"> Finalise detailed operating & capital budgets in the prescribed formats incorporating National & provincial budget allocations, integrate & align to IDP documentation & draft SDBIP, finalise budget policies including tariff policy. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>January – February 2024</i> | <ul style="list-style-type: none"> Review the KPIs and annual performance targets. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| FEBRUARY 2024 | | | |
| <i>February – March 2024</i> | <ul style="list-style-type: none"> Finalise the draft capital and operating budgets, and budget related policies. | | <ul style="list-style-type: none"> Municipal Manager CFO Other Directors |
| <i>During February 2024</i> | <ul style="list-style-type: none"> Review progress with regard to support provided to local municipalities in finalising area based or wards plans. | | <ul style="list-style-type: none"> Executive Mayor/Speaker Mayors of LMs Ward Councillors Municipal Manager CFO Other Directors |
| <i>During February 2024</i> | <ul style="list-style-type: none"> Note any provincial and national allocations to municipalities for incorporation into budget. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>During February 2024</i> | <ul style="list-style-type: none"> Finalise corrective measures from audit report. | | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>February 2024</i> | <ul style="list-style-type: none"> IDP Representatives Forum Meeting. | | <ul style="list-style-type: none"> Executive Mayor Mayors of LMs Ward Councillors Municipal Manager |
| <i>Before February</i> | <ul style="list-style-type: none"> Receive notification of any | MFMA Section | <ul style="list-style-type: none"> Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| 2024 | transfers that will be made to the municipality from other municipalities in each of the next three financial years by no later than 120 days before the start of its budget year. | 37(2): In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of a municipality responsible for the transfer of any allocation to another municipality must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years. | <ul style="list-style-type: none"> • CFO |
| MARCH 2024 | | | |
| During March 2024 | <ul style="list-style-type: none"> • Receive bulk resource providers' price increases as tabled in parliament or the provincial legislature. | | <ul style="list-style-type: none"> • Municipal Manager • CFO • Local Municipalities |
| March 2024 | <ul style="list-style-type: none"> • Submit draft budget at least 90 days before the start of the budget year to the Budget Steering Committee. | | <ul style="list-style-type: none"> • Municipal Manager • CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-------------------|---|--|--|
| March 2024 | <ul style="list-style-type: none"> Table draft IDP and budget in Council at least 90 days before the start of the budget year. <ul style="list-style-type: none"> Submit to MAYCO – March 2024 Submit to Council – March 2024 | MFMA Section 16: (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. | <ul style="list-style-type: none"> Executive Mayor Mayors of LMs Municipal Manager CFO |
| March 2024 | <ul style="list-style-type: none"> District IDP Managers Forum | | <ul style="list-style-type: none"> Municipal Manager Director: Planning and Social Development |
| APRIL 2024 | | | |
| April 2024 | <ul style="list-style-type: none"> Submit the budget as well as the IDP to the Provincial Treasury, National Treasury and other affected organs of state. | MFMA Section 22: Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must (a) in accordance with Chapter 4 of the Municipal Systems Act – (i) Make public the annual budget | <ul style="list-style-type: none"> Municipal Manager CFO Director Planning and Social Development |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| | | <p>and the documents referred to in Section 17(3); and</p> <p>(ii) invite the local community to submit representations in connection with the budget;</p> <p>(b) submit the annual budget –</p> <p>(i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either formats to any prescribed national or provincial organs of state and to other municipalities affected by the budget.</p> | |
| <i>April 2024</i> | <ul style="list-style-type: none"> Submit the proposed revised IDP and budget to the local municipalities. | <p>MFMA Section 22: Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must (a) in accordance with Chapter 4 of the Municipal Systems</p> | <ul style="list-style-type: none"> Executive Mayor Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
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| | | <p>Act – (i) Make public the annual budget and the documents referred to in Section 17(3); and</p> <p>(ii) invite the local community to submit representations in connection with the budget;</p> <p>(b) submit the annual budget –</p> <p>(i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either formats to any prescribed national or provincial organs of state and to other municipalities affected by the budget.</p> | |
| <i>April 2024</i> | <ul style="list-style-type: none"> Publish the proposed IDP and Budget for public comment. | <p>MPPM Regulation 3(4)(b):</p> <p>No amendment to a municipality's integrated development plan may be adopted by the municipal council unless the proposed</p> | <ul style="list-style-type: none"> Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-------------------------|---|---|--|
| | | amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment. | |
| <i>April – May 2024</i> | <ul style="list-style-type: none"> Process of consultation and meetings with local community and other stakeholders, local municipalities, Provincial and National Treasury and other organs of state. | MFMA Section 23(1): When the annual budget has been tabled, the municipal council must consider any views of – (a) the local community; and (b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget. | <ul style="list-style-type: none"> Executive Mayor Mayors of LMs Ward Councillors Municipal Manager CFO |
| MAY 2024 | | | |
| <i>May 2024</i> | <ul style="list-style-type: none"> IDP Representatives Forum meeting. | | <ul style="list-style-type: none"> Executive Mayor Mayors of LMs Ward Councillors Municipal Manager |
| <i>May 2024</i> | <ul style="list-style-type: none"> Confirm National budget for | | <ul style="list-style-type: none"> Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-----------------|--|--|--|
| | provincial and National allocations to municipalities for incorporation into budget. | | <ul style="list-style-type: none"> • CFO |
| <i>May 2024</i> | <ul style="list-style-type: none"> • Review provincial and national legislation including DoRA to establish potentially new reporting requirements including annual, monthly and quarterly grant & performance reports for specific new allocations & programmes – 10 working days after end of month deadlines. | | <ul style="list-style-type: none"> • Municipal Manager • CFO • Other Directors |
| <i>May 2024</i> | <ul style="list-style-type: none"> • Council must give the Executive Mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the council. | MFMA Section 23(2): After considering all budget submissions, the council must give the mayor an opportunity – (a) to respond to the submissions; and (b) if necessary, to revise the budget and table amendments for consideration by the council. | <ul style="list-style-type: none"> • Executive Mayor • Municipal Manager • CFO |
| <i>May 2024</i> | <ul style="list-style-type: none"> • Completion of Annual Budget amendments or refinements. | | <ul style="list-style-type: none"> • Executive Mayor • Municipal Manager • CFO • Other Directors |
| <i>May 2024</i> | <ul style="list-style-type: none"> • Submit draft budget 30 days before the start of the budget year to the Budget Steering Committee. | | <ul style="list-style-type: none"> • Municipal Manager • CFO |
| <i>May 2024</i> | <ul style="list-style-type: none"> • Table final IDP and budget in | MFMA Section | <ul style="list-style-type: none"> • Executive Mayor |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|---|---|--|
| | <p>Council at least 30 days before the start of the budget year.</p> <ul style="list-style-type: none"> ○ Submit to MAYCO – May 2024 ○ Submit to Council on or before – May 2024 | <p>24(1): The Council must at least 30 days before the start of the budget year consider the approval of the annual budget.</p> <p>MPPM Regulation 3(3): An amendment to a municipality's integrated development plan is adopted by a decision taken by a municipal council in accordance with the rules and orders of the council.</p> <p><small>(MPPM – Local Government: Municipal Planning and Performance Management regulation)</small></p> | <ul style="list-style-type: none"> • Municipal Manager • CFO |
| JUNE 2024 | | | |
| June 2024 | <ul style="list-style-type: none"> • Place the IDP, annual budget, all budget-related documents and all budget-related policies on the website within 5 days of the adoption of the plan. | <p>MFMA Section 75(1): The accounting officer of a municipality must place on the website the following documents of the municipality: (a) the annual and adjustments budgets and all budget-related documents; and (b) all budget-</p> | <ul style="list-style-type: none"> • Municipal Manager • CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------|------|---|-----------------------------------|
| | | <p>related policies.</p> <p>MSA Section 21A(1)(b): All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B.</p> <p>MFMA Section 75(2): A document referred to above must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.</p> | |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|--|---|---|
| <i>June 2024</i> | <ul style="list-style-type: none"> Submit a copy of the revised IDP to the MEC for local government as well as Provincial Treasury within 10 days of the adoption of the plan. | MSA Section 32(1)(a): The municipal manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan. | <ul style="list-style-type: none"> Municipal Manager CFO Director: Planning and Social Development |
| <i>June 2024</i> | <ul style="list-style-type: none"> Give notice to the public of the adoption of the IDP within 14 days of the adoption of the plan | MSA Section 25(4)(a): A municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3) give notice to the public – (i) of the adoption of the plan; and (ii) that copies of or extracts from the plan are available for public inspection at specified places; | <ul style="list-style-type: none"> Municipal Manager CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|--|--|--|
| | | <p>MSA Section 21A(1)(a) and (c):</p> <p>All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community –</p> <p>(a) by displaying the documents at the municipality's head and satellite offices and libraries;</p> <p>(c) by notifying the local community, in accordance with section 21, of the place, including the website address, where detailed particulars concerning the documents can be obtained.</p> | |
| <i>June 2024</i> | <ul style="list-style-type: none"> Make public the approved annual budget and supporting documentation (including tariffs) within 10 working days after approval of the budget. | <p>BUDGET AND REPORTING REGULATIONS 2009, Regulation 18:</p> <p>(1) Within ten</p> | <ul style="list-style-type: none"> Municipal Manager CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------|------|---|-----------------------------------|
| | | <p>working days after the municipal council has approved the annual budget of a municipality, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved annual budget and supporting documentation and the resolutions referred to in section 24(2)(c) of the Act.</p> <p>(2) The municipal manager must also make public any other information that the municipal council considers appropriate to facilitate public awareness of the annual budget, including –</p> <p>(a) summaries of the annual budget and supporting documentation in alternate languages predominant in the community; and</p> | |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|---|---|--|
| | | <p>(b) information relevant to each ward in the municipality.</p> <p>(3) All information contemplated in sub-regulation (2) must cover:</p> <p>(a) the relevant financial and service delivery implications of the annual budget; and</p> <p>(b) at least the previous year's actual outcome, the current year's forecast outcome, the budget year and the following two years.</p> | |
| <i>June 2024</i> | <ul style="list-style-type: none"> Submit approved budget to the provincial treasury and National Treasury within 10 working days after approval of the budget. | <p>MFMA Section 24(3): The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.</p> <p>BUDGET AND REPORTING REGULATIONS 2009, Regulation 20: The municipal</p> | <ul style="list-style-type: none"> Municipal Manager CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|---|--|---|
| | | manager must comply with section 24(3) of the Act within ten working days after the municipal council has approved the annual budget. | |
| <i>June 2024</i> | <ul style="list-style-type: none"> District IDP Managers Forum | | <ul style="list-style-type: none"> Municipal Manager |
| <i>June 2024</i> | <ul style="list-style-type: none"> Submit to the Executive Mayor the draft SDBIP and draft annual performance agreements for the next year within 14 days after approval of the budget. | MFMA Section 69(3): (a) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor a draft service delivery and budget implementation plan for the budget year. (b) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers. | <ul style="list-style-type: none"> Municipal Manager CFO Other Directors |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|-------------------------|--|---|--|
| <i>Before July 2024</i> | <ul style="list-style-type: none"> The Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved within 28 days after approval of the budget. | MFMA Section 53(1)(c)(ii): The mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after approval of the budget. | <ul style="list-style-type: none"> Executive Mayor Municipal Manager |
| <i>Before July 2024</i> | <ul style="list-style-type: none"> Place the performance agreements and all service delivery agreements on the website. | MFMA Section 75(1): The accounting officer of a municipality must place on the website the following documents of the municipality: (d) performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act; and (e) all service delivery agreements. BUDGET & REPORTING REGULATIONS | <ul style="list-style-type: none"> Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|----------------------------|--|---|--|
| | | <p>2009, Regulation 19:</p> <p>The accounting officer must place on the website all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act.</p> | |
| Before 31 July 2024 | <ul style="list-style-type: none"> Submit copies of the performance agreements to Council and the MEC for local government as well as the national minister responsible for local government within 14 days after concluding the employment contract and performance agreement. | <p>MFMA Section 53(3)(b):</p> <p>Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.</p> <p>PERF REGS 2006 Regulation (5):</p> <p>The employment contract and performance agreement must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government within fourteen (14) days</p> | <ul style="list-style-type: none"> Executive Mayor Municipal Manager CFO Other Directors |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|---|--|--|
| | | after concluding the employment contract and performance agreement | |
| <i>July 2024</i> | <ul style="list-style-type: none"> Submit the SDBIP to National and Provincial Treasury within 10 working days approval of the plan. | BUDGET & REPORTING REGULATIONS 2009, Regulation 20(2)(b): The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan. | <ul style="list-style-type: none"> Municipal Manager CFO |
| <i>July 2024</i> | <ul style="list-style-type: none"> Make public the projections, targets and indicators as set out in the SDBIP within 10 working days after the approval of the SDBIP. | MFMA Section 53(3)(a): The mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance | <ul style="list-style-type: none"> Municipal Manager CFO |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------------------|--|---|--|
| | | <p>indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan.</p> <p>BUDGET & REPORTING REGULATIONS 2009, Regulation 19:</p> <p>The municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan in terms of section 53(1)(c)(ii) of the Act.</p> | |
| <i>July 2024</i> | <ul style="list-style-type: none"> Make public the performance agreements of Municipal Manager and senior | <p>MFMA Section 53(3)(b): The mayor must ensure that the</p> | <ul style="list-style-type: none"> Executive Mayor Municipal Manager |

| DATE | TASK | LEGAL REFERENCE | RESPONSIBILITY/REVIEW ACTIVITY |
|------|---|--|--------------------------------|
| | managers no later than 14 days after the approval of the SLBIP. | performance agreements of municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. | |

THE DISTRICT DEVELOPMENT MODEL

In 2019 during the President Budget Speech, President Cyril Ramaphosa identified the pattern of operating in silos as a challenge, which led to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment.

The District Development Model (DDM) was then initiated. Subsequently, as XDM we launched the DDM that calls for the rolling out of a new integrated district-based approach to addressing our service delivery challenges.

The Model consists of a process by which joint and collaborative planning is undertaken at local, district, province and national by all three spheres of governance resulting in a single strategically focused One Plan for the district geographic space, wherein the district is seen as the 'landing strip'. Xhariep District adopted its One Plan during November 2021.

However, we continue to develop and review the Intergrated Development Plans (IDP) as Local Government, which is in terms of Municipal Systems Act 2000 (Act 32 2000) as amended. The needs and priorities of communities are derived from Public Participation and Mayoral Outreach Programmes, which are also conducted as per the requirements of the Act.

The IDP and Budget are living documents of the municipality and their implementation is assessed in terms of service delivery and budget implementation plan (SDBIP) which confirms the relevance of programmes and projects of Council. The IDP and Budget are designed in such a way that they fulfil the constitutional mandate of local government that of institutional development and transformation, service delivery, local economic development, job creation, spatial planning as well as financial viability and financial management. These documents should also speak to District Development Model, which was launched in 2019.

As XDM our One Plan and this five-year term IDP (2022-2027) will reflect the commitment to provide solutions to pressing issues driven by community needs and geared towards meeting their aspirations. Our programme of action which is now integrated under One Plan will be delivered under the pretext of more effective and efficient approach to achieve our strategic objective. The implementation of capital projects will emanate from the needs and challenges identified in an ongoing consultation with communities and strategic stakeholders. It will remain our collective efforts to ensure that our One Plan, the IDP and Budget processes are aligned to deliver quality services to our people.

This development of a credible IDP that will be implemented by the new Council after local government elections continue to allow the municipality to engage in continuous planning, monitoring and evaluation of all the sector plans that form part of this IDP. This new five-year IDP sets out the vision and mission of the municipality and clearly defines the strategies and plans to deliver our objectives of infrastructure-led growth, financial sustainability, LED, social development, strategic partnerships to address DDM.

XDM KEY PRIORITIES

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 2021 Local Government Election Manifesto of the ruling party.
- National perspective, informed by national priorities and Sustainable Development Goals.
- Provincial perspective, informed by the PGDP.

The review of the IDP remains consistent to the FSGDP and the five-year IDP.

The Executive Mayor also identified certain priorities for his term of office:

1. Economic growth and job creation
2. Tourism Development
3. Health and community development (Including fight against Covid 19)
4. A safe, clean and green city
5. A well-governed and managed municipality

6. HIV and AIDS
7. Education

CHAPTER 2: SITUATIONAL ANALYSIS

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.

Community Survey 2016 (CS 2016) is a large-scale survey which happened in between Censuses 2011 and 2021. The main objective of the survey is to provide population and household statistics at municipal level to all stakeholders including the government and private sector to support planning and decision-making.

Approximately 1.3 million households were sampled for the survey across the country wherein the Free State province contributed about 6.1% (83 645 sampled households) to the country's 1.3 million sampled households.

The purpose of this document is to provide a summary on key population and household indicators generated from CS 2016. This report is intended to be used as a quick reference to the key indicators and should be used with other municipal reports and/or publications released by Statistics South Africa (Stats SA). In addition, other government publications will be used for statistical purposes.

The following point is brought to the attention of the readers:

The information provided is based specifically on *2016 municipal boundary changes* as promulgated by Municipal Demarcation Board (MRD) as well as research conducted by IHS Markit as commissioned by Department of Economic Development.

Important notice

Whilst the consultants have applied the degree of skill, care and diligence normally exercised by consultants in similar circumstances the data and

information contained in this report is based on third party sources and has not been independently verified and no warranty or guarantee is provided as to its accuracy.

Data Collection.

Data collection has been undertaken through:

- Literature review: published material on legislation, policy, land reform analyses, Xhariep and local municipal IDPs and associated sector plans, available material on land, land use, land and agricultural potential, existing GIS information, municipal valuation rolls and deeds office searches.
- Consultation through interviews / meetings with:
 - relevant national and provincial departmental staff, particularly DRDLA, Department of Agriculture, DESTEA, Housing, Health, the Department of Local Government and Traditional Affairs (DLGTA).
 - District and local municipal staff and councillors.
 - NGOs and CBOs, and
 - Community meetings.

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

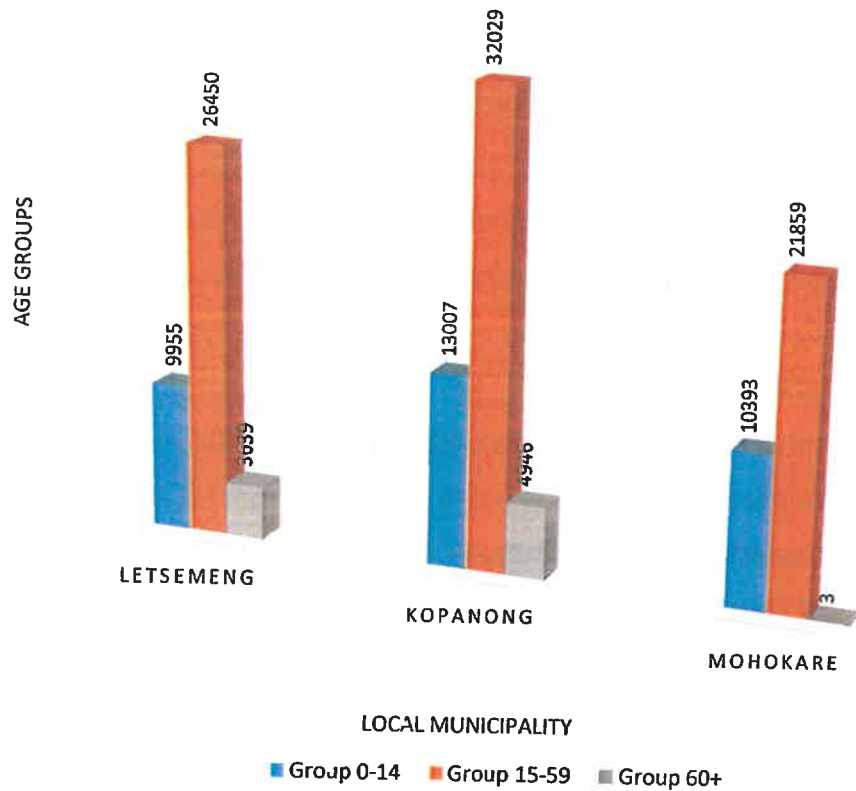
| | |
|----------------------|-----------|
| Population | : 125 884 |
| Number of households | : 44 767 |
| Formal | : 39 571 |
| Informal | : 5 446 |
| Backyard shacks | : 351 |

Population by Age Distribution

| DC16: Xhariep (YEARS) | Group 0-14 | Group 15-59 | Group 60+ | Total |
|-----------------------|---------------|---------------|---------------|----------------|
| Letsemeng | 9 955 | 26 450 | 3 639 | 40 044 |
| Kopanong | 13 007 | 32 029 | 4 964 | 49 999 |
| Mohokare | 10 393 | 21 859 | 3 589 | 35 840 |
| Total | 33 355 | 80 338 | 12 191 | 125 884 |

Data Source: STATSSA community survey 2016

POPULATION BY AGE DISTRIBUTION

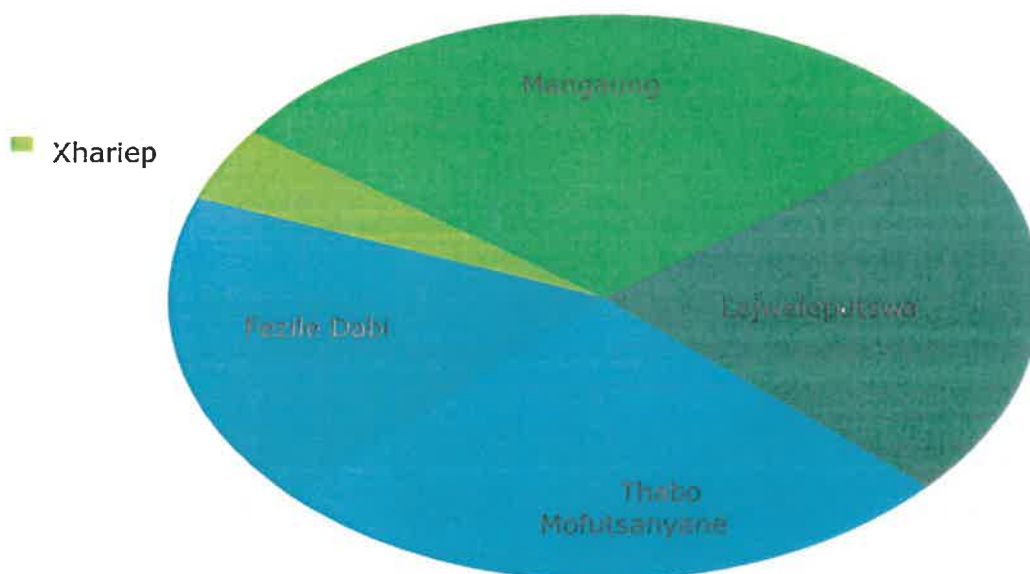


Data Source: STATSSA community survey 2016

With 125 884 people, the Xhariep District Municipality housed 0.2% of South Africa's total population in 2017. Compared to Free State's average annual growth rate (0.62%), the growth rate in Xhariep's population at -0.73% was significant lower than that of the province.

Total population

Free State Province, 2017



When compared to other regions, the Xhariep District Municipality accounts for a total population of 125,884 of the total population in the Free State Province, with the Mangaung being the most populous region in the Free State Province for 2017. The ranking in terms of the size of Xhariep compared to the other regions remained the same between 2007 and 2017. In terms of its share the Xhariep District Municipality was slightly smaller in 2017 (4.2%) compared to what it was in 2007 (4.9%). When looking at the average annual growth rate, it is noted that Xhariep ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of -0.7% between 2007 and 2017.

Brief Summary of Xhariep District Municipality

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. Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically 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, Mochkare the south eastern section of the district.

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 125 884 people as per the 2016 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 2016 which clearly shows a decline in population.

Population by Population Group, Gender and Age - Xhariep District Municipality, 2017 [Number].

| | African | | White | | Coloured | |
|-------|---------|--------|--------|-------|----------|-------|
| | Female | Male | Female | Male | Female | Male |
| 00-04 | 4,800 | 4,810 | 222 | 326 | 914 | 937 |
| 05-09 | 5,260 | 5,250 | 244 | 273 | 944 | 962 |
| 10-14 | 4,410 | 4,720 | 198 | 167 | 982 | 953 |
| 15-19 | 3,750 | 3,770 | 148 | 200 | 994 | 848 |
| 20-24 | 3,900 | 3,860 | 134 | 177 | 764 | 762 |
| 25-29 | 4,460 | 4,620 | 255 | 250 | 751 | 769 |
| 30-34 | 4,220 | 4,320 | 293 | 279 | 732 | 706 |
| 35-39 | 3,730 | 3,500 | 272 | 291 | 680 | 646 |
| 40-44 | 2,500 | 2,340 | 210 | 264 | 641 | 719 |
| 45-49 | 1,830 | 1,760 | 235 | 247 | 612 | 577 |
| 50-54 | 1,610 | 1,560 | 281 | 316 | 415 | 529 |
| 55-59 | 1,520 | 1,740 | 316 | 333 | 426 | 398 |
| 60-64 | 1,450 | 1,430 | 401 | 395 | 319 | 322 |
| 65-69 | 1,010 | 1,090 | 336 | 378 | 269 | 253 |
| 70-74 | 1,020 | 1,020 | 315 | 312 | 235 | 199 |
| 75+ | 1,080 | 739 | 626 | 452 | 153 | 121 |
| Total | 46,600 | 46,600 | 4,550 | 4,660 | 3,730 | 9,700 |

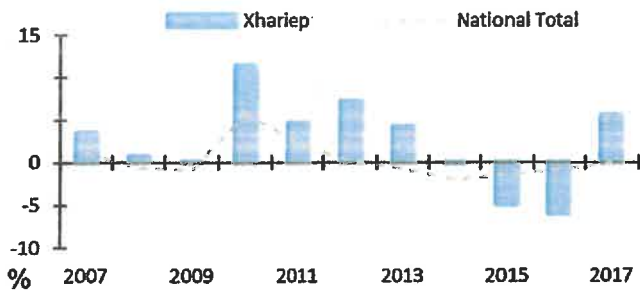
Data Source: STATSSA community survey 2016

Total Population - Local Municipalities of Xhariep District Municipality, 2007, 2012 And 2017

| | 2007 | 2012 | 2017 | Average Annual growth |
|-----------|---------|---------|---------|-----------------------|
| Letsemeng | 42,800 | 39,100 | 39,100 | -0.91% |
| Kopanong | 54,100 | 49,300 | 48,400 | -1.09% |
| Mohokare | 34,700 | 34,300 | 34,800 | 0.01% |
| Xhariep | 131,629 | 122,739 | 122,282 | -0.73% |

Data Source: STATSSA community survey 2016

The Mhokare Local Municipality increased the most, in terms of population, with an average annual growth rate of 0.0%, the Letsemeng Local



| | 2007 | 2017 | Change |
|----------------|------|------|--------|
| Xhariep | 0.48 | 0.61 | 0.13 |
| National Total | 0.55 | 0.66 | 0.11 |

57.9%

Xhariep

58.2%

South Africa



POPULATION

Total Population

122,000

People

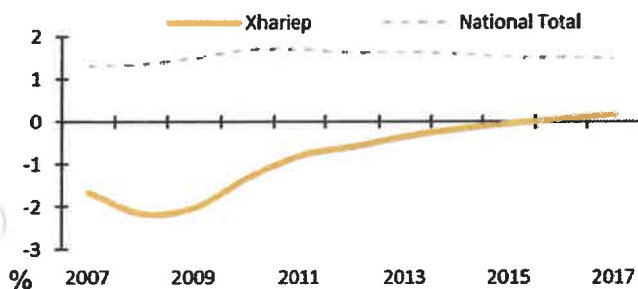
0.2%

of national population

Growth in population annual % change

| | 2017 | 10 year avg. |
|----------------|------|--------------|
| Xhariep | 0.1% | -0.7% |
| National Total | 1.5% | 1.6% |

Population growth: 2007-2017

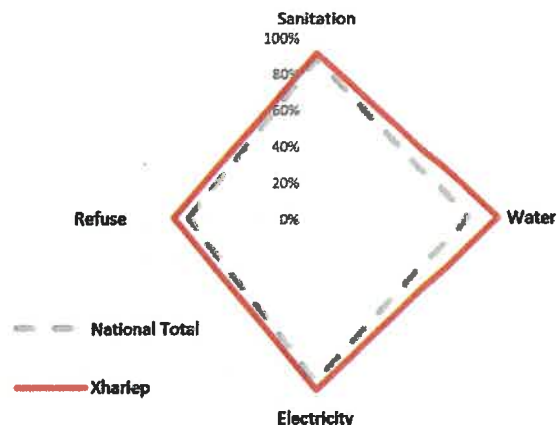


HOUSEHOLD SERVICES

Household backlog

| | 2007 | 2017 |
|-------------|-------|-------|
| Sanitation | 21.8% | 10.5% |
| Water | 5.8% | 1.8% |
| Electricity | 9.6% | 4.6% |
| Refuse | 24.7% | 25.7% |

Household services diamond



Dominant share: 2007 and 2017

| | 2007 | 2017 |
|--------------------------|-------|-------|
| Language: Sesotho | 57.9% | 58.2% |
| African population group | 74.1% | 76.2% |

Index of services development

0.81

Xhariep

0.75

South Africa

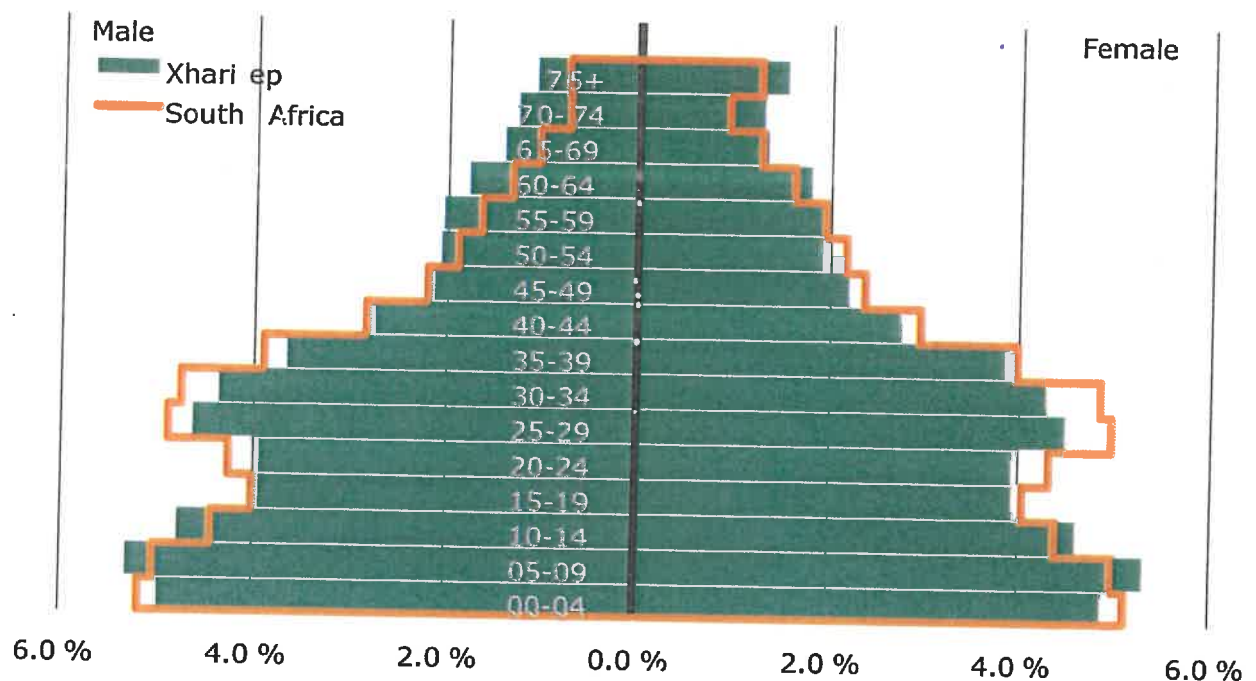
Municipality had the second highest growth in terms of its population, with an average annual growth rate of -0.9%. The Kopanong Local Municipality had the lowest average annual growth rate of -1.09% relative to the other within the Xhariep District Municipality.

Population Pyramids

Definition: A population pyramid is a graphic representation of the population categorized by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5year age categories.

With the African population group representing 76.2% of the Xhariep District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Xhariep's population structure of 2017 to that of South Africa.

Xhariep vs. South Africa, 2017



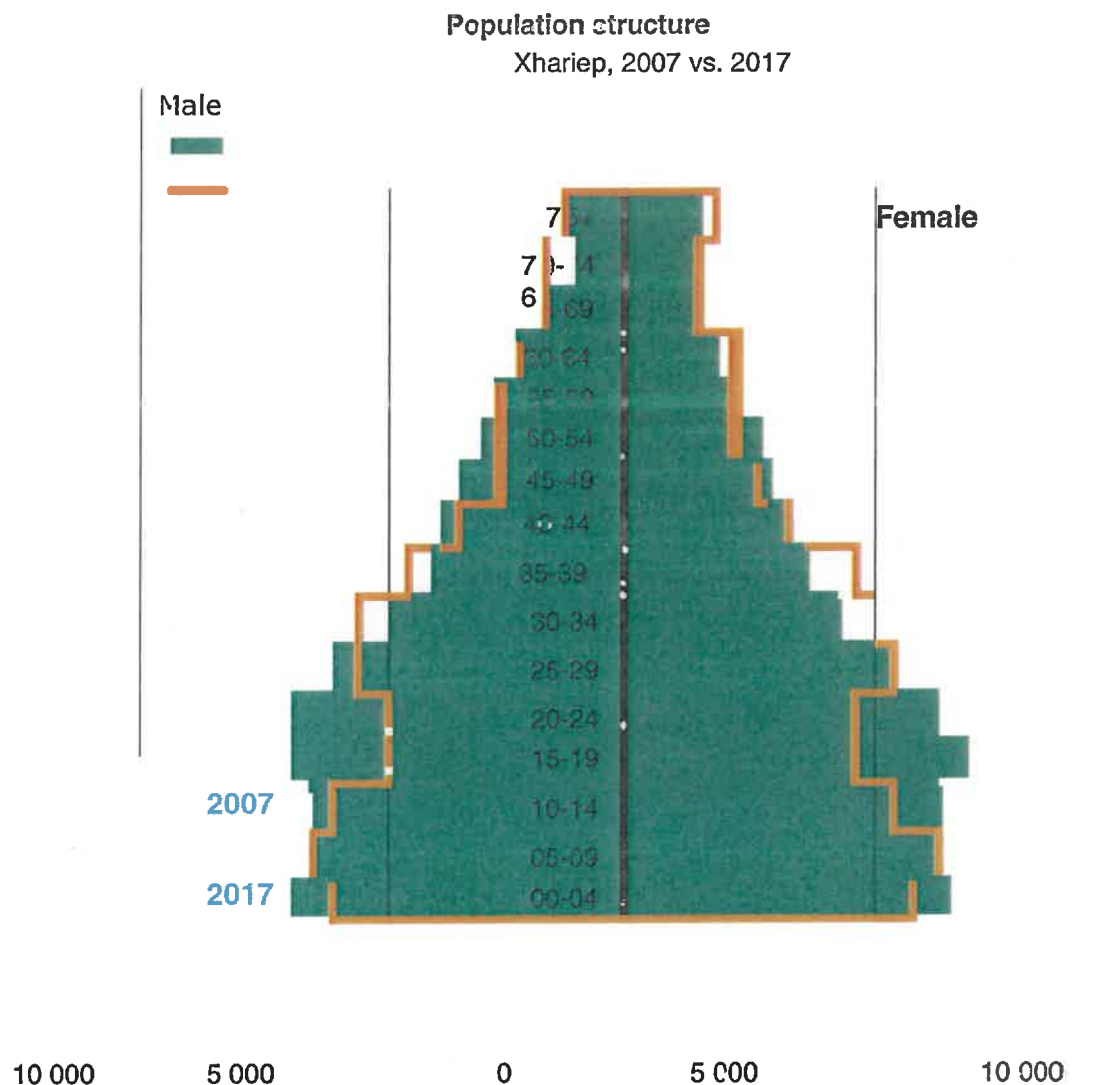
Source: IHS Markit Regional eXplorer

By comparing the population pyramid of the Xhariep District Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (25.6%) in Xhariep, compared to the national picture (28.0%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.

- Fertility in Xhariep is slightly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is slightly larger (29.8%) in Xhariep compared to South Africa (29.1%). Demand for expenditure on schooling as percentage of total budget within Xhariep District Municipality will therefore be higher than that of South Africa.

Population Pyramid - Xhariep District Municipality, 2007 Vs. 2017



Source: IHS Markit Regional eXplorer

When comparing the 2007 population pyramid with the 2017 pyramid for the Xhariep District Municipality, some interesting differences are visible:

- In 2007, there were a slightly larger share of young working age people - aged 20 to 34 (25.8%) - compared to 2017 (25.6%).
- Fertility in 2007 was slightly higher compared to that of 2017.
- The share of children between the ages of 0 to 14 years is slightly smaller in 2007 (29.6%) compared to 2017 (29.8%).
- Life expectancy is increasing.

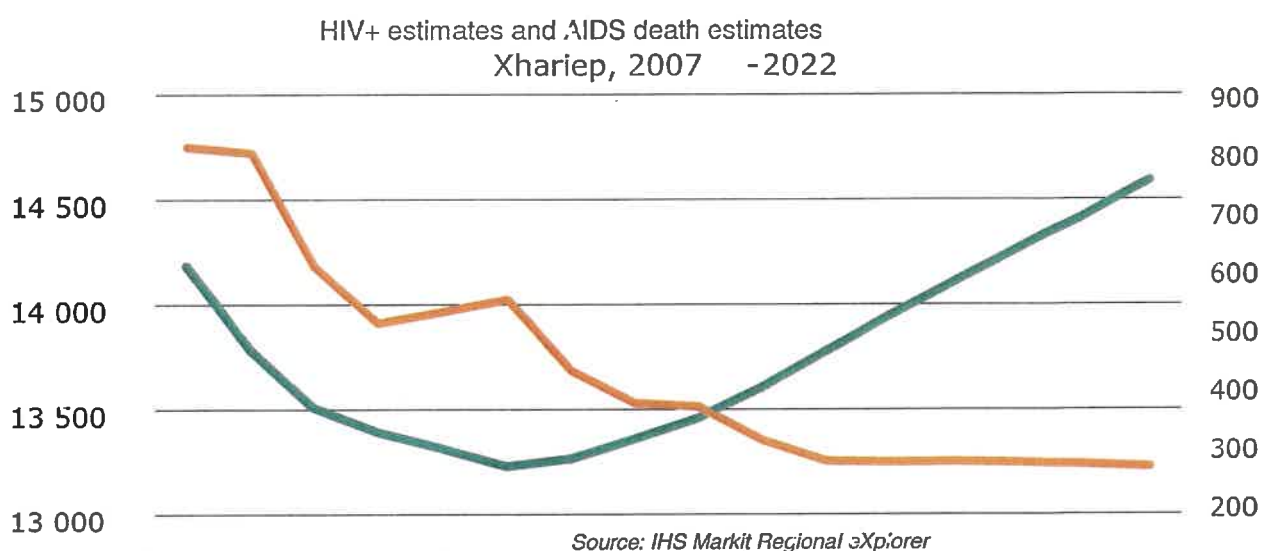
In 2017, the female population for the 20 to 34 years age group amounted to 12.4% of the total female population while the male population group for the same age amounted to 13.4% of the total male population. In 2007 the male working age population at 12.9% still exceeds that of the female population working age population at 12.7%.

HIV+ and AIDS Estimates: HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

| | Xhariep | Free State | National Total | Xhariep as % of province | Xhariep as % of national |
|------------------------------|-----------------|------------|----------------|--------------------------|--------------------------|
| 2007 | 14,200 0.26% | 341,000 | 5,370,000 | 4.2% | |
| 2008 | 13,800 0.26% | 339,000 | 5,400,000 | 4.1% | |
| 2009 | 13,500 0.25% | 339,000 | 5,480,000 | 4.0% | |
| 2010 | 13,400 0.25% | 341,000 | 5,590,000 | 3.9% | |
| 2011 | 13,300 0.24% | 343,000 | 5,630,000 | 3.9% | |
| 2012 | 13,200 0.23% | 343,000 | 5,760,000 | 3.9% | |
| 2013 | 13,300 0.23% | 346,000 | 5,880,000 | 3.8% | |
| 2014 | 13,400 0.23% | 351,000 | 6,010,000 | 3.8% | |
| 2015 | 13,500 0.23% | 356,000 | 6,130,000 | 3.8% | |
| 2016 | 13,600 0.23% | 361,000 | 6,280,000 | 3.8% | |
| 2017 | 13,800 0.22% | 367,000 | 6,430,000 | 3.7% | |
| Average Annual growth | | | | | |
| 2007-2017 | -0.29% | | 0.76% | | |
| 1.83% | | | | | |

In 2017, 13 800 people in the Xhariep District Municipality were infected with HIV. This reflects a decrease at an average annual rate of -0.29% since 2007, and in 2017 represented 11.27% of the district municipality's total population. The Free State Province had an average annual growth rate of 0.76% from 2007 to 2017 in the number of people infected with HIV, which is higher than that of the Xhariep District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2007 to 2017 with an average annual growth rate of 1.83%.

AIDS Profile and Forecast - Xhariep District Municipality, 2007-2022



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 810 in 2007 and 271 for 2017. This number denotes a decrease from 2007 to 2017 with a high average annual rate of -10.38% (or -539 people). For the year 2017, they represented 0.22% of the total population of the entire district municipality.

Key Developmental Challenges

- High poverty and unemployment – 46.3% (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.
- High rate of illiteracy and lack of tertiary institutions (only two site-light institutions)
- 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.

Xhariep Economic Analysis

The economic state of Xhariep District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Free State Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Xhariep District Municipality.

The Xhariep District Municipality does not function in isolation from Free State, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

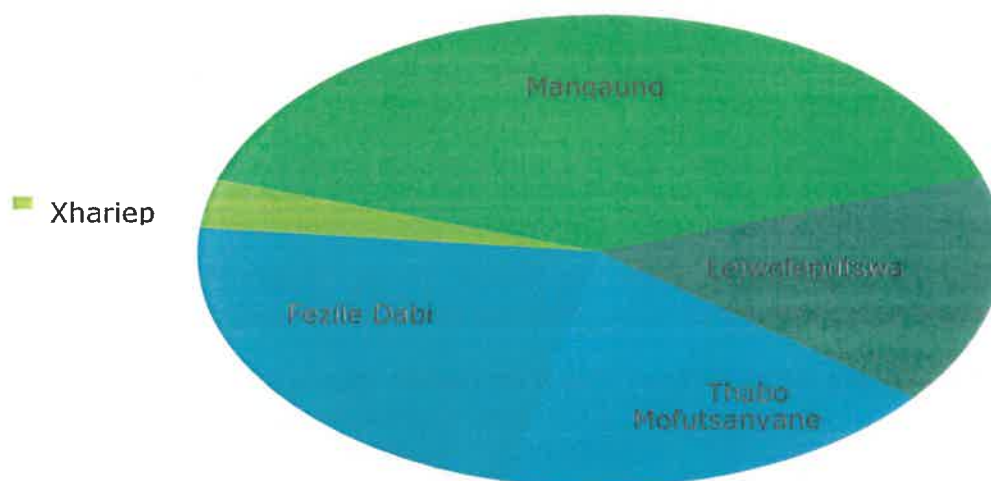
Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

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

With a GDP of R 7.86 billion in 2017 (up from R 3.68 billion in 2007), the Xhariep District Municipality contributed 3.36% to the Free State Province GDP of R 234 billion in 2017 increasing in the share of the Free State from 3.23% in 2007. The Xhariep District Municipality contributes 0.17% to the GDP of South Africa which had a total GDP of R 4.65 trillion in 2017 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2007 when it contributed 0.17% to South Africa, but it is lower than the peak of 0.18% in 2008.

Gross Domestic Product (GDP)

Free State Province, 2017



The Xhariep District Municipality had a total GDP of R 7.86 billion and in terms of total contribution towards Free State Province the Xhariep District Municipality ranked lowest relative to all the regional economies to total Free State Province GDP. This ranking in terms of size compared to other regions of Xhariep remained the same since 2007. In terms of its share, it was in 2017 (3.4%) slightly larger compared to what it was in 2007 (3.2%). For the period 2007 to 2017, the average annual growth rate of 2.2% of Xhariep was the second relative to its peers in terms of growth in constant 2010 prices.

GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF XHARIEP DISTRICT MUNICIPALITY, 2007 TO 2017, SHARE AND GROWTH

| | 2017 (Current prices) | Share of district municipality | 2007 (Constant prices) | 2017 (Constant prices) | Average Annual growth |
|-----------|-----------------------------|-----------------------------------|------------------------|---------------------------|-----------------------------|
| Letsemeng | 2.31 | 29.33% | 1.83 | | 1.78% |
| Kopanong | 3.34 | 42.42% | 1.98 | 2.36 | 1.74% |
| Mohokare | 2.22 | 28.25% | 1.12 | 1.59 | 3.54% |
| Xhariep | 7.86 | | 4.64 | 5.78 | |

Source: IHS Markit Regional eXplorer

Mohokare had the highest average annual economic growth, averaging 3.54% between 2007 and 2017, when compared to the rest of the regions within the Xhariep District Municipality. The Letsemeng Local Municipality had the second highest average annual growth rate of 1.78%. Kopanong Local Municipality had the lowest average annual growth rate of 1.74% between 2007 and 2017.

Gross Value Added by Region (GVA-R)

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

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

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

Gross Value Added (Gva) by Broad Economic Sector - Xhariep District Municipality, 2017 [R Billions, Current Prices]

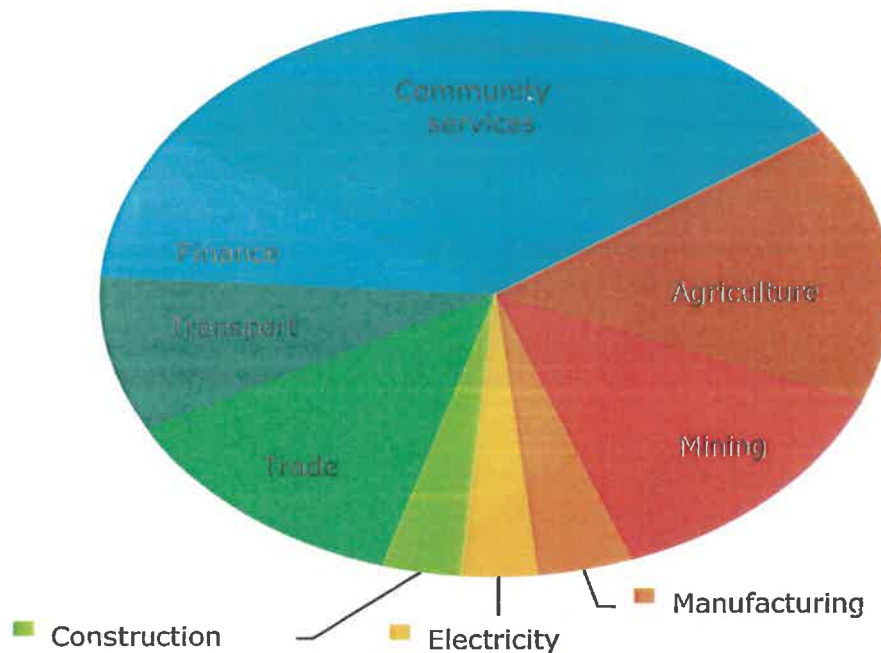
| | Xhariep | Free State | National Total | Xhariep as % of province | Xhariep as % of national |
|--------------------|---------|------------|----------------|--------------------------|--------------------------|
| Agriculture | 1.1 | 11.6 | 106.4 | 9.9% | 1.08% |
| Mining | 0.9 | 21.8 | 334.7 | 4.3% | 0.28% |
| Manufacturing | 0.3 | 24.4 | 551.6 | 1.1% | 0.05% |
| Electricity | 0.2 | 10.0 | 155.2 | 2.2% | 0.14% |
| Construction | 0.2 | 5.1 | 163.3 | 4.7% | 0.14% |
| Trade | 0.9 | 29.2 | 626.8 | 3.1% | 0.14% |
| Transport | 0.6 | 22.1 | 411.5 | 2.9% | 0.15% |
| Finance | 0.6 | 33.1 | 840.7 | 1.9% | 0.07% |
| Community services | 2.2 | 52.9 | 981.6 | 4.2% | 0.22% |
| Total Industries | 7.2 | 219.2 | 4,171.7 | 3.4% | 0.17% |

Source: IHS Markit Regional eXplorer

In 2017, the community services sector is the largest within Xhariep District Municipality accounting for R 2.2 billion or 30.6% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Xhariep District Municipality is the agriculture sector at 16.0%, followed by the mining sector with 13.2%. The sector that contributes the least to the economy of Xhariep District Municipality is the electricity sector with a contribution of R 219 million or 3.05% of the total GVA.

Gross Value Added (GVA) by Broad Economic Sector - Xhariep District Municipality, 2017 [Percentage Composition]

Gross Value Added (GVA) by Broad Economic Sector Xhariep District Municipality, 2017



Source: IHS Markit Regional eXplorer

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Kopanong Local Municipality made the largest contribution to the community services sector at 50.92% of the district municipality. As a whole, the Kopanong Local Municipality contributed R 3.02 billion or 42.12% to the GVA of the Xhariep District Municipality, making it the largest contributor to the overall GVA of the Xhariep District Municipality.

| 2007 | 2012 | 2017 | | Average Annual growth |
|--------------------|---------|---------|---------|-----------------------|
| Agriculture | 515.0 | 604.9 | 718.3 | 3.38% |
| Mining | 735.7 | 769.5 | 931.4 | 2.92% |
| Manufacturing | 170.3 | 158.6 | 164.7 | -0.33% |
| Electricity | 106.2 | 102.0 | 101.5 | -0.45% |
| Construction | 160.9 | 181.0 | 195.7 | 1.98% |
| Trade | 671.0 | 757.4 | 907.5 | 1.87% |
| Transport | 344.8 | 381.0 | 424.1 | 2.09% |
| Finance | 369.8 | 407.2 | 438.3 | 1.71% |
| Community services | 1,188.0 | 1,336.0 | 1,482.9 | 2.24% |
| Total Industries | 4,261.5 | 4,697.6 | 5,314.4 | 2.23% |

Source: IHS Markit Regional eXplorer

The tertiary sector contributes the most to the Gross Value Added within the Xhariep District Municipality at 60.7%. This is slightly lower than the national economy (68.6%). The primary sector contributed a total of 29.1% (ranking second), while the secondary sector contributed the least at 10.2%.

Labour

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

Working Age Population in Xhariep, Free State and National Total, 2007 - 2017

| | Xhariep | | Free State | | National Total | |
|--------------|---------------|---------------|------------------|------------------|-------------------|-------------------|
| | 2007 | 2017 | 2007 | 2017 | 2007 | 2017 |
| 15-19 | 14,100 | 9,630 | 305,000 | 238,000 | 5,240,000 | 4,560,000 |
| 20-24 | 13,400 | 9,610 | 310,000 | 249,000 | 5,350,000 | 4,860,000 |
| 25-29 | 11,400 | 11,100 | 255,000 | 280,000 | 4,720,000 | 5,560,000 |
| 30-34 | 9,140 | 10,600 | 188,000 | 269,000 | 3,690,000 | 5,420,000 |
| 35-39 | 7,710 | 9,170 | 159,000 | 216,000 | 2,970,000 | 4,460,000 |
| 40-44 | 7,210 | 6,710 | 150,000 | 151,000 | 2,610,000 | 3,230,000 |
| 45-49 | 6,500 | 5,290 | 137,000 | 123,000 | 2,320,000 | 2,550,000 |
| 50-54 | 5,820 | 4,850 | 116,000 | 118,000 | 1,920,000 | 2,290,000 |
| 55-59 | 4,880 | 4,840 | 94,400 | 109,000 | 1,560,000 | 2,030,000 |
| 60-64 | 4,170 | 4,350 | 73,500 | 94,200 | 1,210,000 | 1,660,000 |
| Total | 94,328 | 76,184 | 1,787,502 | 1,848,055 | 31,597,274 | 36,711,715 |

Source: IHS Markit Regional eXplorer

The working age population in Xhariep in 2017 was 76 200, decreasing at an average annual rate of 1.01% since 2007. For the same period the working age population for Free State Province increased at 0.33% annually, while that of South Africa increased at 1.51% annually.

Total Employment

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

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

Total Employment - Xhariep, Free State and National Total, 2007-2017

| | Xhariep | Free State | National Total |
|------|---------|------------|----------------|
| 2007 | 36,300 | 766,000 | 13,500,000 |
| 2008 | 36,500 | 787,000 | 14,100,000 |
| 2009 | 35,100 | 775,000 | 14,000,000 |
| 2010 | 33,300 | 748,000 | 13,600,000 |
| 2011 | 32,600 | 740,000 | 13,800,000 |

| | | | |
|--|--------------|--------------|--------------|
| 2012 | 32,100 | 727,000 | 14,000,000 |
| 2013 | 32,200 | 730,000 | 14,500,000 |
| 2014 | 33,400 | 755,000 | 15,100,000 |
| 2015 | 34,900 | 777,000 | 15,500,000 |
| 2016 | 35,500 | 785,000 | 15,700,000 |
| 2017 | 36,800 | 802,000 | 15,900,000 |
| Average Annual growth 2007-2017 | 0.05% | 0.46% | 1.61% |

Source: IHS Markit Regional eXplorer

In 2017, Xhariep employed 36 800 people which is 4.59% of the total employment in Free State Province (802 000), 0.23% of total employment in South Africa (15.9 million). Employment within Xhariep increased annually at an average rate of 0.05% from 2007 to 2017.

Total Employment per Broad Economic Sector - Xhariep and the rest of Free State, 2017

| | Xhariep | Mangaung | Lejweleputswa | Thabo Mofutsanyane | Fezile Dabi | Total Free State |
|--------------------|----------------|-----------------|----------------------|---------------------------|--------------------|-------------------------|
| Agriculture | 5,960 | 13,000 | 21,300 | 33,300 | 21,400 | 95,049 |
| Mining | 5,340 | 3,560 | 27,100 | 1,190 | 4,600 | 41,757 |
| Manufacturing | 1,320 | 16,700 | 11,400 | 12,800 | 17,300 | 59,532 |
| Electricity | 144 | 2,950 | 1,770 | 859 | 1,150 | 6,883 |
| Construction | 1,930 | 16,900 | 7,910 | 9,640 | 10,500 | 46,819 |
| Trade | 6,970 | 61,800 | 35,200 | 41,400 | 27,500 | 172,785 |
| Transport | 1,110 | 13,500 | 6,360 | 6,750 | 5,670 | 33,363 |
| Finance | 2,060 | 32,500 | 13,700 | 12,200 | 10,600 | 71,191 |
| Community services | 6,800 | 80,700 | 33,600 | 38,700 | 26,700 | 186,549 |
| Households | 5,150 | 31,800 | 18,700 | 17,600 | 14,500 | 87,795 |

Source: IHS Markit Regional eXplorer

Xhariep District Municipality employs a total number of 36 800 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Free State Province is Mangaung district municipality with a total number of 274 000. Xhariep District Municipality also employed the lowest number of people within Free State Province.

In Xhariep District Municipality the economic sectors that recorded the largest number of employment in 2017 were the trade sector with a total of 6 970 employed people or 19.0% of total employment in the district municipality. The community services sector with a total of 6 800 (18.5%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 144 (0.4%) is the sector that employs the least number of people in Xhariep District Municipality, followed by the transport sector with 1 110 (3.0%) people employed.

Unemployment

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

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking
- Assistance of friends or relatives; looking for land.

UNEMPLOYMENT (OFFICIAL DEFINITION) - XHARIEP, FREE STATE AND NATIONAL TOTAL, 2007-2017 [NUMBER PERCENTAGE]

| | Xhariep | Free State | National Total | Xhariep as % of province | Xhariep as % of national |
|------|---------|------------------|----------------|--------------------------|--------------------------|
| 2007 | 10,000 | 277,000 3.6% | 4,460,000 | 0.23% | |
| 2008 | 9,360 | 265,000 0.22% | 4,350,000 | 3.5% | |
| 2009 | 9,220 | 269,000 0.21% | 4,370,000 | 3.4% | |
| 2010 | 9,510 | 283,000 0.21% | 4,490,000 | 3.4% | |
| 2011 | 9,930 | 299,000 0.22% | 4,570,000 | 3.3% | |
| 2012 | 10,600 | 324,000 0.23% | 4,690,000 | 3.3% | |
| 2013 | 11,300 | 347,000 0.23% | 4,850,000 | 3.3% | |
| 2014 | 11,800 | 364,000 0.23% | 5,060,000 | 3.2% | |
| 2015 | 11,700 | 369,000 0.22% | 5,290,000 | 3.2% | |
| 2016 | 11,900 | 382,000 0.21% | 5,630,000 | 3.1% | |
| 2017 | 11,700 | 384,000 0.20% | 5,940,000 | 2.0% | |

Average Annual growth

2007-2017

1.50%

3.33%

2.91%

Source: IHS Markit Regional eXplorer

In 2017, there were a total number of 11 700 people unemployed in Xhariep, which is an increase of 1 610 from 10 000 in 2007. The total number of unemployed people within Xhariep constitutes 3.04% of the total number of unemployed people in Free State Province. The Xhariep District Municipality experienced an average annual increase of 1.50% in the number of unemployed people, which is better than that of the Free State Province which had an average annual increase in unemployment of 3.33%.

UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - XHARIEP, FREE STATE AND NATIONAL TOTAL, 2007-2017 [PERCENTAGE]

| | | Free State | | National Total |
|------|-------|------------|-------|----------------|
| 2007 | 21.6% | | 26.7% | 24.8% |
| 2008 | 20.4% | | 25.4% | 23.6% |
| 2009 | 20.9% | | 25.9% | 23.8% |
| 2010 | 22.4% | | 27.6% | 24.8% |
| 2011 | 23.6% | | 29.0% | 24.9% |
| 2012 | 25.1% | | 31.0% | 25.0% |
| 2013 | 26.4% | | 32.5% | 25.1% |
| 2014 | 26.5% | | 32.7% | 25.1% |
| 2015 | 25.5% | | 32.4% | 25.5% |
| 2016 | 25.4% | | 33.0% | 26.4% |
| 2017 | 24.1% | | 32.2% | 27.2% |

Source: IHS Markit Regional eXplorer

In 2017, the unemployment rate in Xhariep District Municipality (based on the official definition of unemployment) was 24.06%, which is an increase of 2.49 percentage points. The unemployment rate in Xhariep District Municipality is lower than that of Free State. The unemployment rate for South Africa was 27.21% in 2017, which is a increase of -2.44 percentage points from 24.77% in 2007.

Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

Number of households by Income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade

goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 – R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

HOUSEHOLDS BY INCOME CATEGORY - XHARIEP, FREE STATE AND NATIONAL TOTAL, 2017 [NUMBER PERCENTAGE]

| | Xhariep | Free State | National Total | Xhariep as % of province | Xhariep as % of national |
|-----------------|---------------|----------------|-------------------|--------------------------|--------------------------|
| 0-2400 | 3 | 83 | 1,650 | 3.8% | 0.19% |
| 2400-6000 | 66 | 1,520 | 32,500 | 4.3% | 0.20% |
| 6000-12000 | 562 | 16,000 | 315,000 | 3.5% | 0.18% |
| 12000-18000 | 1,180 | 32,300 | 626,000 | 3.7% | 0.19% |
| 18000-30000 | 3,900 | 99,800 | 1,730,000 | 3.9% | 0.22% |
| 30000-42000 | 4,830 | 108,000 | 1,750,000 | 4.5% | 0.28% |
| 42000-54000 | 4,420 | 98,700 | 1,550,000 | 4.5% | 0.29% |
| 54000-72000 | 5,160 | 105,000 | 1,670,000 | 4.9% | 0.31% |
| 72000-96000 | 4,410 | 89,300 | 1,520,000 | 4.9% | 0.29% |
| 96000-132000 | 4,020 | 79,900 | 1,430,000 | 5.0% | 0.28% |
| 132000-192000 | 3,310 | 70,100 | 1,370,000 | 4.7% | 0.24% |
| 192000-360000 | 3,670 | 86,300 | 1,760,000 | 4.3% | 0.21% |
| 360000-600000 | 2,090 | 51,700 | 1,160,000 | 4.0% | 0.18% |
| 600000-1200000 | 1,320 | 33,400 | 840,000 | 3.9% | 0.16% |
| 1200000-2400000 | 456 | 10,400 | 266,000 | 4.4% | 0.17% |
| 2400000+ | 75 | 1,580 | 42,000 | 4.8% | 0.18% |
| Total | 39,500 | 884,000 | 16,100,000 | 4.5% | 0.25% |

Source: IHS Markit Regional eXplorer

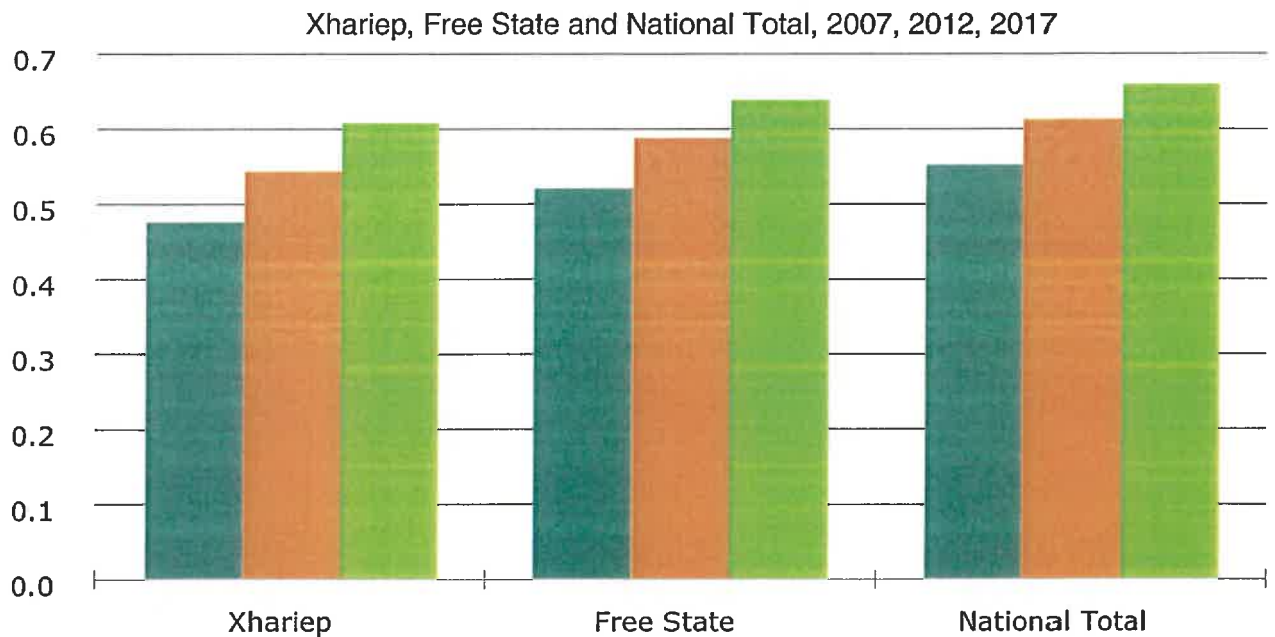
It was estimated that in 2017 14.47% of all the households in the Xhariep District Municipality, were living on R30,000 or less per annum. In comparison with 2007's 41.85%, the number is more than half. The 54000-72000 income category has the highest number of households with a total number of 5 160, followed by the 30000-42000 income category with 4 830 households. Only 3.2 households fall within the 0-2400 income category.

HUMAN DEVELOPMENT INDEX (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard

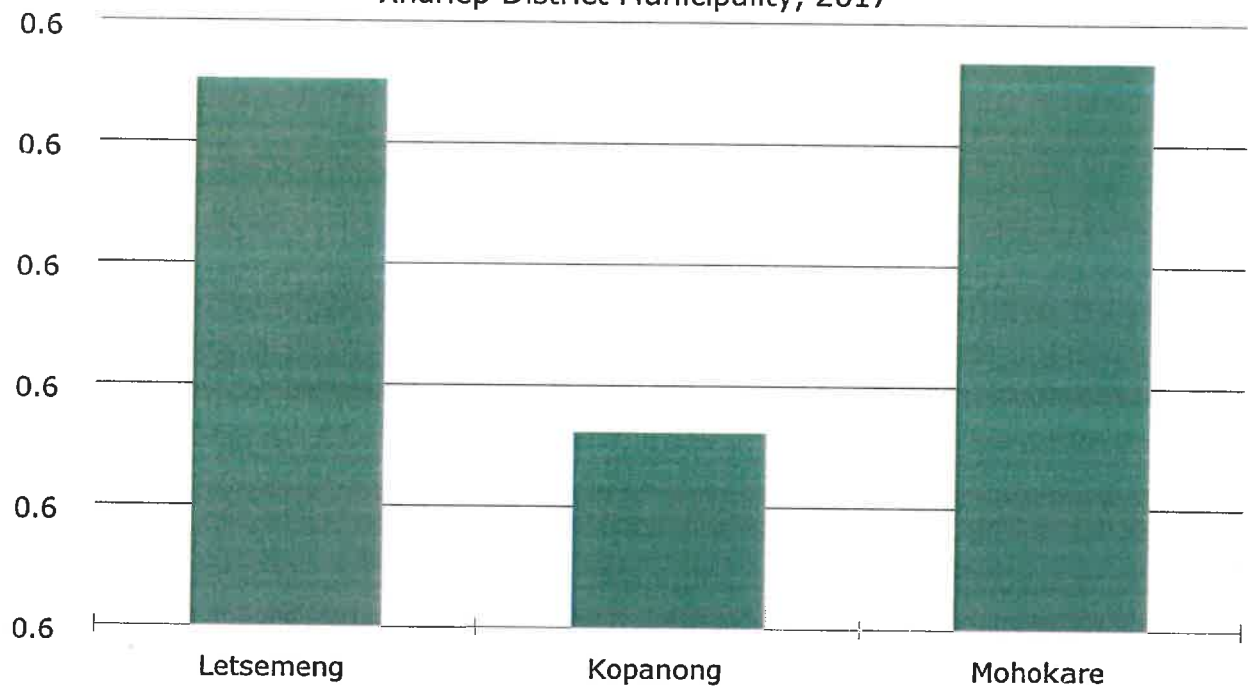
of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.



In 2017 Xhariep District Municipality had an HDI of 0.608 compared to the Free State with a HDI of 0.638 and 0.659 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2017 when compared to Xhariep District Municipality which translates to worse human development for Xhariep District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.80% and this increase is lower than that of Xhariep District Municipality (2.49%).

Human development Index (HDI)

Xhariep District Municipality, 2017



In terms of the HDI for each the regions within the Xhariep District Municipality, Mohokare Local Municipality has the highest HDI, with an index value of 0.613. The lowest can be observed in the Kopanong Local Municipality with an index value of 0.598.

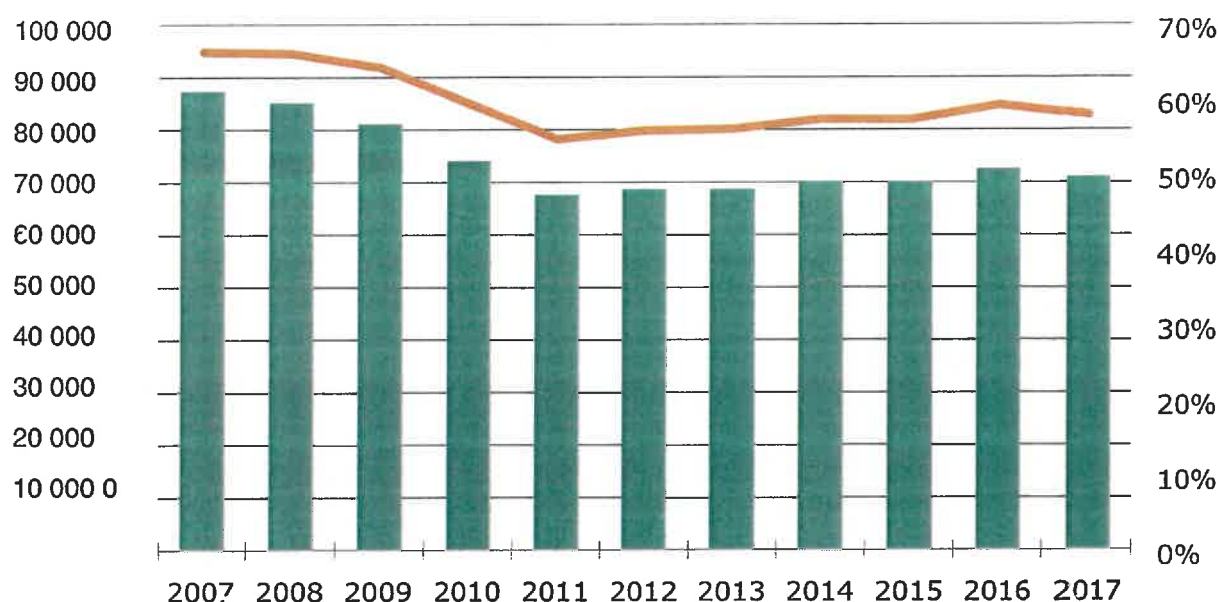
Poverty

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - XHARIEP DISTRICT MUNICIPALITY, 2007-2017 [NUMBER PERCENTAGE]

Number and percentage of people in poverty

Xhariep, 2007-2017



In 2017,
there

were 71 000 people living in poverty, using the upper poverty line definition, across Xhariep District Municipality - this is 18.70% lower than the 87 300 in 2007. The percentage of people living in poverty has decreased from 66.37% in 2007 to 57.93% in 2017, which indicates a decrease of 8.44 percentage points.

Education

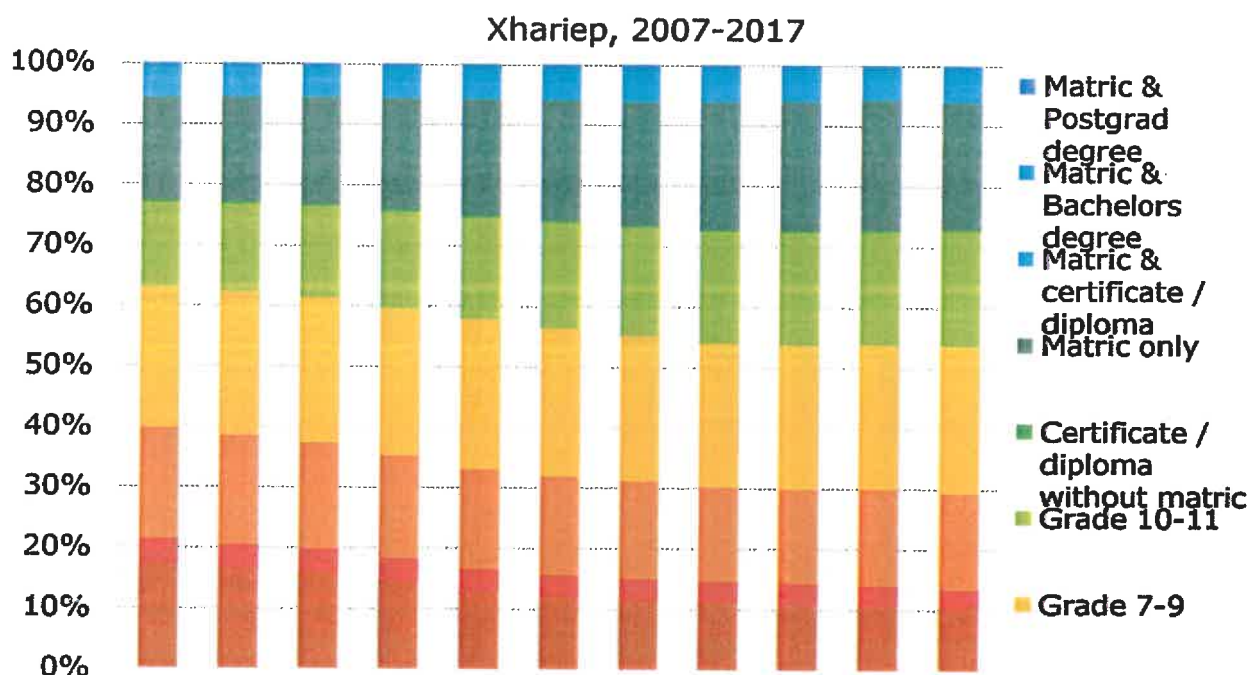
Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons.

Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

HIGHEST LEVEL OF EDUCATION: AGE 15+ - XHARIEP DISTRICT MUNICIPALITY, 2007-2017 [PERCENTAGE]

Highest level of education: age 15+



Within Xhariep District Municipality, the number of people without any schooling decreased from 2007 to 2017 with an average annual rate of - 5.29%, while the number of people within the 'matric only' category, increased from 13,200 to 16,000. The number of people with 'matric and a certificate/diploma' decreased with an average annual rate of -0.77%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 1.69%.

HIGHEST LEVEL OF EDUCATION: AGE 15+ - XHARIEP, FREE STATE AND NATIONAL TOTAL, 2017 [NUMBERS]

| | Xhariep | Free State | National Total | Xhariep as % of province | Xhariep as % of national |
|--------------------------------------|---------|------------|----------------|--------------------------|--------------------------|
| No schooling | 7,830 | 96,700 | 2,270,000 | 8.1% | 0.35% |
| Grade 0-2 | 2,360 | 48,100 | 684,030 | 4.9% | 0.35% |
| Grade 3-6 | 12,200 | 203,000 | 3,110,000 | 6.0% | 0.39% |
| Grade 7-9 | 18,500 | 352,000 | 6,030,000 | 5.3% | 0.31% |
| Grade 10-11 | 14,600 | 415,000 | 8,390,000 | 3.5% | 0.17% |
| Certificate / diploma without matric | 278 | 8,620 | 191,000 | 3.2% | 0.15% |
| Matric only | 15,900 | 499,000 | 10,400,000 | 3.2% | 0.15% |
| Matric certificate / diploma | 2,270 | 97,400 | 2,160,000 | 2.3% | 0.11% |
| Matric Bachelors degree | 1,790 | 63,300 | 1,530,000 | 2.8% | 0.12% |
| Matric Postgrad degree | 549 | 25,000 | 749,000 | 2.2% | 0.07% |

The number of people without any schooling in Xhariep District Municipality accounts for 8.10% of the number of people without schooling in the province and a total share of 0.35% of the national. In 2017, the number of people in Xhariep District Municipality with a matric only was 16,000 which is a share of 3.20% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 2.83% of the province and 0.12% of the national.

FUNCTIONAL LITERACY

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

| | Illiterate | | Literate | | % |
|--|------------|---------------|----------|--------------|--------------|
| 2007 | | 34,072 | | 58,553 | 63.2% |
| 2008 | | 32,227 | | 53,330 | 64.4% |
| 2009 | | 30,583 | | 58,095 | 65.5% |
| 2010 | | 28,508 | | 58,991 | 67.4% |
| 2011 | | 26,538 | | 60,219 | 69.4% |
| 2012 | | 25,392 | | 60,776 | 70.5% |
| 2013 | | 24,704 | | 61,149 | 71.2% |
| 2014 | | 24,093 | | 61,631 | 71.9% |
| 2015 | | 24,018 | | 61,679 | 72.0% |
| 2016 | | 24,211 | | 61,576 | 71.8% |
| 2017 | | 23,804 | | 62,157 | 72.3% |
| Average Annual growth 2007-2017 | | -3.52% | | 0.60% | 1.35% |

Source: IHS Markit Regional eXplorer

A total of 62 200 individuals in Xhariep District Municipality were considered functionally literate in 2017, while 23 800 people were considered to be illiterate. Expressed as a rate, this amounts to 72.31% of the population, which is an increase of 0.091 percentage points since 2007 (63.22%). The number of illiterate individuals decreased on average by -3.52% annually from 2007 to 2017, with the number of functional literate people increasing at 0.60% annually.

Household Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Xhariep District Municipality between 2007 and 2017.

Household by dwelling type: Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling.
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc

| | Very Formal | Formal | Informal | Traditional | Other dwelling type | Total |
|----------------------|---------------|---------------|--------------|--------------|---------------------|---------------|
| Letsemeng | 5,340 | 4,800 | 1,240 | 1,020 | 45 | 12,400 |
| Kopanong | 5,360 | 9,240 | 840 | 617 | 139 | 16,200 |
| Mohokare | 3,030 | 6,840 | 667 | 272 | 17 | 10,800 |
| Total Xhariep | 13,736 | 20,882 | 2,744 | 1,906 | 201 | 39,469 |

Source: IHS Markit Regional eXplorer

The region within the Xhariep District Municipality with the highest number of very formal dwelling units is the Kopanong Local Municipality with 5 360 or a share of 39.04% of the total very formal dwelling units within Xhariep District Municipality. The region with the lowest number of very formal dwelling units is the Mohokare Local Municipality with a total of 3 030 or a share of 22.08% of the total very formal dwelling units within Xhariep District Municipality.

Household by type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

| | Flush toilet | Ventilation Improved Pit (viP) | Pit toilet | Bucket system | No toilet | Total |
|----------------------|---------------|--------------------------------|------------|---------------|--------------|---------------|
| Letsemeng | 10,300 | 1,100 | 506 | 246 | 294 | 12,400 |
| Kopanong | 14,200 | 256 | 213 | 187 | 1,320 | 16,200 |
| Mohokare | 9,210 | 223 | 226 | 690 | 478 | 10,800 |
| Total Xhariep | 33,733 | 1,574 | 945 | 1,123 | 2,094 | 39,469 |

Source: IHS Markit Regional eXplorer

The municipality within Xhariep with the highest number of flush toilets is Kopanong Local Municipality with 14 200 or a share of 42.16% of the flush toilets within Xhariep. The region with the lowest number of flush toilets is Mohokare Local Municipality with a total of 9 210 or a share of 27.31% of the total flush toilets within Xhariep District Municipality.

Households by access to Water

A household is categorized according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

| | Piped water inside dwelling | Piped water in yard | Communal piped water: less than 200m from dwelling (At RDP-level) | Communal piped water: more than 200m from dwelling (Below RDP) | No formal piped water | Total |
|-----------|-----------------------------|---------------------|---|--|-----------------------|---------------|
| Letsemeng | 6,130 | 5,700 | 211 | 257 | 141 | 12,400 |
| Kopanong | 6,700 | 9,130 | 205 | 48 | 117 | 16,200 |
| Mohokare | 4,110 | 6,480 | 73 | 48 | 122 | 10,800 |
| | 16,942 | 21,308 | 488 | 352 | 379 | 39,469 |

The regions within Xhariep District Municipality with the highest number of households with piped water inside the dwelling is Kopanong Local Municipality with 6 700 or a share of 39.55% of the households with piped water inside the dwelling within Xhariep District Municipality. The region with the lowest number of households with piped water inside the dwelling is Mohokare Local Municipality with a total of 4 110 or a share of 24.28% of the total households with piped water inside the dwelling within Xhariep District Municipality.

Households by type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - LETSEMENG, KOPANONG AND

MOHOKARE LOCAL MUNICIPALITIES, 2017 [NUMBER]

| | Electricity for lighting only | Electricity for lighting and other purposes | Not using electricity | Total |
|----------------------|-------------------------------|---|-----------------------|---------------|
| Letsemeng | 216 | 11,700 | 522 | 12,400 |
| Kopanong | 618 | 14,900 | 715 | 16,200 |
| Mohokare | 714 | 9,530 | 591 | 10,800 |
| Total Xhariep | 1,548 | 36,093 | 1,828 | 39,469 |

Source: IHS Markit Regional eXplorer

The municipality within Xhariep with the highest number of households with electricity for lighting and other purposes is Kopanong Local Municipality with

14 900 or a share of 41.19% of the households with electricity for lighting and other purposes within Xhariep District Municipality. The municipality with the lowest number of households with electricity for lighting and other purposes is Mohokare Local Municipality with a total of 9 530 or a share of 26.39% of the total households with electricity for lighting and other purposes within Xhariep District Municipality.

Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

HOUSEHOLDS BY REFUSE DISPOSAL - LETSEMENG, KOPANONG AND MOHOKARE LOCAL MUNICIPALITIES, 2017 [NUMBER]

| | Removed weekly by authority | Removed less often than weekly by authority | Removed by community members | Personal removal (own dump) | No refuse removal | Total |
|----------------------|-----------------------------|---|------------------------------|-----------------------------|-------------------|---------------|
| Letsemeng | 7,930 | 127 | 1,370 | 2,480 | 525 | 12,400 |
| Kopanong | 12,400 | 443 | 558 | 2,220 | 605 | 16,200 |
| Mohokare | 7,940 | 463 | 312 | 1,860 | 256 | 10,800 |
| Total Xhariep | 28,243 | 1,033 | 2,240 | 6,567 | 1,386 | 39,469 |

Source: IHS Markit Regional eXplorer

The municipality within Xhariep with the highest number of households where the refuse is removed weekly by the authority is Kopanong Local Municipality with 12 400 or a share of 43.81% of the households where the refuse is removed weekly by the authority within Xhariep. The municipality with the lowest number of households where the refuse is removed weekly by the authority is Letsemeng Local Municipality with a total of 7 930 or a share of 28.09% of the total households where the refuse is removed weekly by the authority within the district municipality.

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 supplement 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 utilise water from the Bloemwater pipelines running through the area, except Jagersfontein and Fauresmith, which get it 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.

Xhariep at a Glance

Below is a summary of statistics for the Xhariep District Municipality

| South Africa | Xhariep | LOW | Xhariep's rank against 52 regions | HIGH | Rank | Description |
|----------------------------------|---------|-----------------------------|-----------------------------------|------|---|-------------|
| SIZE INDICATORS 2017 | | | | | | |
| 1.22 m | 34 200 | Land Size | | 9 | Size of the region, square kilometer | |
| 56.5 m | 122 000 | Population | | 51 | Total Population, all ages | |
| 4.65 tn | 7.86 bn | GDP | | 51 | Current prices, Rands | |
| 15.9 m | 36 800 | Employment | | 51 | Total employment, formal and informal | |
| PERFORMANCE INDICATORS 2007-2017 | | | | | | |
| 0.2% | 2.9% | GDP per capita growth | | 1 | Average annual % growth (Constant prices) | |
| 1.8% | 2.2% | GDP growth | | 11 | Average annual % growth (Constant prices) | |
| 6.4% | 8.0% | Household Income growth | | 21 | Average annual % growth (Household Income in current prices) | |
| 1.6% | 0.1% | Employment growth | | 49 | Average annual % growth | |
| 1.6% | -0.7% | Population growth | | 52 | Average annual % growth | |
| DEVELOPMENT INDICATORS 2017 | | | | | | |
| 27.2% | 24.1% | Unemployment rate (inverse) | | 14 | Unemployment rate, official definition (%) | |
| 40.2 | 42.7 | Tress Index (inverse) | | 18 | Concentration or diversification level within a region | |
| 0.749 | 0.813 | Household services index | | 21 | Index value between 0 and 1, higher is better | |
| 58.2% | 57.9% | Poverty (inverse) | | 22 | Percentage of people living in poverty | |
| 82.3 k | 64.2 k | Standard of living | | 28 | GDP per capita (Current prices) | |
| 0.54 | 0.605 | Dependency ratio (inverse) | | 29 | Ratio of persons 65+ and persons 0-14 to persons of working age (15-64) | |
| 293 k | 214 k | Productivity | | 37 | GDP per employee (Current prices) | |
| 84.1% | 72.3% | Literacy rate | | 47 | Percentage of literate population | |

Spatial Overview

Geological Factors

| Geological Features | Description | Implications |
|---------------------|--|--|
| Geology | The geological formation within the municipality district is composed of sand, the main geological composition is a sedimentary deposit of sand, gravel, silt and clay, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley. | Highly fertile, however, the soil is highly erodible and the district is highly erodible. |
| Minerals | The district is rich in minerals, particularly in the form of sand, gravel, silt and clay, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley. | Highly fertile, however, the soil is highly erodible and the district is highly erodible. |
| Geological Features | The district is rich in minerals, particularly in the form of sand, gravel, silt and clay, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley. | Highly fertile, however, the soil is highly erodible and the district is highly erodible. |
| Watering Capacity | The district is rich in minerals, particularly in the form of sand, gravel, silt and clay, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley. | Highly fertile, however, the soil is highly erodible and the district is highly erodible. |
| Soil Layer Maps | <p>The district is rich in minerals, particularly in the form of sand, gravel, silt and clay, which is a typical feature of the Orange River valley. The Orange River valley is a typical feature of the Orange River valley.</p> <p>A few significant heritage resources occur in the area, which can be seen as natural attractions, can be used to promote the district and its products, and can be used to promote the district and its products.</p> | <ul style="list-style-type: none"> Land Use: Agriculture map Location of towns and administrative centres Soil types Soil types (AA) Maximum daily temperature (AA) Minimum daily temperature (AA) Agricultural types Topography Vegetation types Surface water Mining (including mineral deposits) Locality of schools Service facilities Biological productivity (B575.04) Grassland productivity (B575.05) Vegetation types (B575.07) Grassland productivity (B575.08) |

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.

Fauresmith 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 Garne 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"> ▪ Need for commercial and social integration of former separated town areas. ▪ Shortage of all forms of housing. ▪ Dilapidation of bridge connecting the town to the surrounding towns. ▪ Shortage of municipal land surrounding existing town and impeding expansion. ▪ Access to land by emerging farmers. ▪ Development/expansion of municipal buildings and functions. ▪ Sustainable management of land. |
| 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"> ▪ Shortage of especially lower income housing. ▪ Shortage of municipal land surrounding existing town, impeding expansion. ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Effective infrastructural development in areas where agri-processing is dominant. ▪ Sustainable management of land. ▪ More direct benefit from major 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"> ▪ Shortage of especially lower income housing. ▪ Access to land by emerging farmers; Infill planning and development of the buffer area between the two town areas. ▪ Effective infrastructural development in areas where agri-processing is dominant. ▪ Land availability for social application such as community hall and cemeteries. ▪ Sustainable land management. ▪ Conservation of areas surrounding local rivers. |
| 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"> ▪ Shortage of all forms of housing. ▪ Access to land by emerging farmers. ▪ Land availability for social application such as community hall and cemeteries. ▪ Sustainable land management. |
| Luckhoff | Luckhoff/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"> ▪ Need for commercial and social integration of the former separated town areas. ▪ Shortage of especially lower income housing units. ▪ Access to land by emerging farmers. ▪ Land availability for social application e.g. cemeteries and community hall. ▪ Sustainable land management. ▪ Conservation of areas surrounding local rivers. |
| Kopanong Local Municipality | | |
| Town | Description | Spatial Issues |
| 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 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 | <ul style="list-style-type: none"> ▪ Shortage of housing. ▪ Shortage of municipal land surrounding existing town and impeding expansion. ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Development / expansion of municipal buildings and functions. ▪ Sustainable land management. ▪ More direct benefit from major transport routes. |

| | | |
|----------------------|--|--|
| | development services, and (e) transport support services on major route. | |
| Reddersburg | 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 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"> ▪ Need for commercial and social integration of the former separated town areas. ▪ Shortage of especially lower income housing. ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Sustainable land management. ▪ More direct benefit from major transport route. |
| Edenburg | 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. | <ul style="list-style-type: none"> ▪ Need for commercial and social integration of the former separated town areas. ▪ Shortage of especially lower income housing units. ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Sustainable land management. ▪ More direct benefit from major transport route. |
| Jagersfontein | 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. | <ul style="list-style-type: none"> ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Sustainable land management. |
| Fauresmith | Fauresmith/Ipoheng 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 Jagersfontein. 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"> ▪ Shortage of housing. ▪ Shortage of municipal land surrounding existing town and impeding expansion. ▪ Sustainable land management. |
| 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"> ▪ Need for commercial and social integration of the former separated town areas. ▪ Shortage of especially lower income housing. ▪ Access to land by emerging farmers. ▪ Infill planning and development of the buffer area between the two town areas. ▪ Sustainable land management. ▪ More direct benefit from major transport routes. |
| 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"> ▪ Need for effective commercial integration of the former separated town areas. ▪ Shortage of housing. ▪ Shortage of municipal land surrounding existing town and impeding expansion. ▪ Access to land by emerging farmers. ▪ Land availability for social application e.g. cemeteries and community hall. ▪ Sustainable land management ▪ Conservation of areas surrounding local rivers. |
| Bethulle | Bethulle/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 such as residence, education and medical services. | <ul style="list-style-type: none"> ▪ Access to land by emerging farmers. ▪ Sustainable land management. ▪ Conservation of areas surrounding local rivers; |
| Gariepdam | Gariepdam serves as a service centre and tourism | <ul style="list-style-type: none"> ▪ Need for commercial and social integration of the |

| | | |
|------------------------------------|--|---|
| | 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"> former separated town areas. Shortage of housing. Infill planning and development of the buffer area between the two town areas; Sustainable land management. Conservation of areas surrounding local rivers. More direct benefit from major transport routes. |
| Mohokare Local Municipality | | |
| Town | Description | Spatial Issues |
| 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"> Shortage of especially lower income housing. Access to land by emerging farmers. Infill planning and development of the buffer area between the two town areas; Development and expansion of municipal buildings and functions. Sustainable land management. Conservation of areas surrounding local rivers. More direct benefit from major transport routes. |
| Smithfield | Smithfield/Mofulatshope 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"> Need for effective commercial integration of the former separated town areas. Shortage of especially lower income housing units. Shortage of municipal land surrounding existing town and impeding expansion. Access to land by emerging farmers. Land availability for social function such a community hall and cemeteries. Conservation of areas surrounding local rivers. More direct benefit from major transport routes. Poor road access between Smithfield and Trompsburg. |
| 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"> Shortage of especially lower income housing. Shortage of municipal land surrounding existing town and impeding expansion. Access to land by emerging farmers. Infill planning and development of the buffer area between the two town areas. Sustainable land management. Conservation of areas surrounding local rivers. More direct benefit from major transport routes. |

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:

| TOWN | | KOFFIEFONTEIN | | PETRUSBURG | | JACOBSDAL | | OPPERMANSGRONDE | | LUCKHOFF | | TROMPSBURG | | EDENBURG | | REDDERSBURG | | FAURESMITH | | JAGERSFONTEIN | | PHILLIPOLIS | | SPRINGFONTEIN | | GARIEP DAM | | BETHULIE | | ZASTRON | | SMITHFIELD | | ROUXVILLE | | DEWETSDORP | | WEPENAR | | VAN STANDENSUS | | |
|-----------------|----|---------------|-----|------------|----|-----------|---|-----------------|---|----------|---|------------|--|----------|--|-------------|--|------------|--|---------------|--|-------------|--|---------------|--|------------|--|----------|--|---------|--|------------|--|-----------|--|------------|--|---------|--|----------------|--|--|
| KOFFIEFONTEIN | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PETRUSBURG | 55 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JACOBSDAL | 45 | 7 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OPPERMANSGRONDE | 12 | 6 | 57 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LUCKHOFF | 42 | 9 | 87 | 3 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TROMPSBURG | 12 | 1 | 170 | 1 | 13 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EDENBURG | 11 | 1 | 160 | 1 | 17 | 3 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REDDERSBURG | 14 | 1 | 186 | 1 | 31 | 6 | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FAURESMITH | 48 | 7 | 93 | 6 | 48 | 7 | 6 | 9 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JAGERSFONTEIN | 58 | 3 | 103 | 7 | 23 | 6 | 5 | 8 | 1 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PHILLIPOLIS | 10 | 1 | 154 | 1 | 83 | 5 | 9 | 1 | 6 | 7 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPRINGFONTEIN | 14 | 2 | 192 | 1 | 15 | 2 | 6 | 8 | 9 | 8 | 4 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GARIEP DAM | 17 | 2 | 218 | 1 | 13 | 6 | 1 | 1 | 1 | 1 | 4 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BETHULIE | 17 | 2 | 222 | 1 | 18 | 5 | 9 | 1 | 1 | 1 | 4 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ZASTRON | 28 | 2 | 328 | 2 | 32 | 1 | 1 | 1 | 2 | 2 | 4 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SMITHFIELD | 21 | 2 | 260 | 2 | 25 | 9 | 8 | 7 | 1 | 1 | 6 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ROUXVILLE | 25 | 2 | 298 | 3 | 28 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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 |
|-----------------------------|--|
| Access to land | 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. |
| Land development | 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. |
| Spatial integration | 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 required to integrate communities. |
| Sustainable land management | The long-term sustainability of all land development practices will be the key factor in the environment 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. |
| Proper distribution network | 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. |
| Land reform and restitution | 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 previously 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. |
| Land Conservation | 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 Municipality | Local | Kopanong Local Municipality | Mohokare Municipality | Local |
|------------------------|-------|-----------------------------|-----------------------|-------|
| Jacobsdal | | Bethulie | Rouxville | |
| Koffiefontein | | Edenburg | Smithfield | |
| Luckhoff | | Fauresmith | Zastron | |
| Oppermans | | Gariep Dam | | |
| Petrusburg | | Jagersfontein | | |
| | | Philippolis | | |
| | | Reddersburg | | |
| | | Springfontein | | |
| | | Trompsburg | | |

Data Source: Xhariep District Municipality RDP

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 Jagersfontein. 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 practice 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 experienced. 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

| Node | Area of specialization | Specific initiatives that can be promoted |
|--------------------|---|--|
| 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 Agriculture: Special produce Agriculture: Intensive (irrigation) | Ostrich farming 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 |

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 gains 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 promotes 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 Oppermansgronde 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 Luckhoff 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 Hill 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 Beaufort Group. The Beaufort Group (P-Trb) comprises the Adelaide and Tarkasiad 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 feldspatic 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 as greyish-green and red to purple mudstone with bands of fine- to course 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, feldspatic 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 or 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 | | | • |
| Gariep dam | | | |
| Phillipolis | | • | |
| Bethulie | | | • |
| Springfontein | | • | |
| Trompsburg | • | | |
| Fauriesmith | • | | |
| Jaggersfontien | • | | |
| Edenburg | | • | |
| Reddersburg | | • | |

| | | | |
|------------|--|---|---|
| Zastron | | | • |
| Rouxville | | | |
| Smithfield | | • | |

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 ⁶ m ³) |
| Smithfield Dam | D 24 | 4.55 |
| Bethulie Dam | D 34 | 4.60 |
| Gariep Dam | D 35 | 5 673.80 |
| Welbedacht Dam | - | 15 245 km ² catchment |
| Egmont Dam | - | 9 300 000 m ³ |

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; Gariep Dam; Kalkfontein Dam; Wuras Dam; Wolwas Dam; Bethuli Dam; Tussen die Riviere | Orange River; Caledon; Matungo Dam; Riet River |

Data Source: Xhariep Environmental Management Programme

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.

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); Voorrekker Memorial Anglican Church used in the Boer War (Petrusburg); The cairn of | Mustershoek 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 (Philippolis); Adam Kok, Griqua leader's | Smithfield Historical site, church building where a farmer killed and buried people |

| | |
|---|--|
| commander Ds Lubbe (Jacobsdal); Stone Church and Ossewa Tracks (Luckhoff); Battle of Driefontein Graves of English soldiers (rural areas) | house, kraal and structure where gunpowder was kept (Phillippolis); Boomplaats Anglo-Boer War Greats |
|---|--|

Environmental Management & Climate Change Aspects and Issues for the Xhariep DM IDP

Introduction

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 foregoing 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/Provincial Environmental Plans/Tools/Strategies

1.1 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 minimization, avoidance, recycling, etc.

Summary of NWMS

| Goals | Description | Targets (2016) |
|----------------|--|---|
| Goal 1: | 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 Industrial Waste Management Plans for paper and packaging, pesticides, lighting (CFLs) and tyres industries. |
| Goal 2: | 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. |
| Goal 3: | 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 |
| Goal 4: | 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. |
| Goal 5: | 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. |
| Goal 6: | 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. |
| Goal 7: | 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. |
| Goal 8: | Establish effective compliance with and enforcement of the Waste Act. | 50% increase in the number of successful enforcement actions against non-compliant activities. 800 EMIs appointed in the three spheres of government to enforce the Waste Act. |

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 the 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. The district municipality needs to lobby for funding and assistance on the development of the municipal air quality management plan

Programmes, Interventions and Projects in the Xhariep District 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 LM, Letsemeng LM, Mohokare LM) are accommodated by the Official.
- **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 – R7 million (project on hold)*
- *FS –Kalema Game Farming and Cattle Ranching – R20 million*
- *FS-Establishment of Dithlake Recreational Park – R8 million*
- *The Department of Environmental Affairs will also be funding the Youth Mass Training Programme where youth in a particular municipal town are trained on a qualification chosen by the municipality for 12 months while receiving a stipend.*
- *The DEA Youth Community Outreach Programme is a programme being implemented in the Mohokare LM where a Youth Coordinator has been appointed and based in the Mohokare LM to coordinate environmental education and awareness in the municipality for a period of 3 years.*

Municipal Planning Tools/Programmes/Strategies

Xhariep DM Integrated Waste Management Plan (IWMP)

The Xhariep DM has finalised the review of its IWMP. The Integrated Waste Management Plan is the most critical planning tool for the municipality on waste management and the support it provides to its local municipalities. The Xhariep District Municipality forms part of the Free State provincial Waste Management Officers' Forum. Implementation of the Integrated Waste Management Plan will be the focus during the coming municipal financial year of 2022/23.

Xhariep DM Environmental Management Framework (EMF)

The Environmental Management Framework was developed and what needs to culminate from the framework is a detailed environmental management plan which will serve as a tool that further assists the district municipality with environmental planning and conservation.

Xhariep DM Local Economic Development Strategy

The Xhariep DM LED strategy is available, however, the municipality is in the process of reviewing it. It is essential that the Xhariep District Municipality considers and prioritises the green economy and green jobs concepts in promoting economic development. The Department of Environmental Affairs through the Local Government Support Programme, forms part of the Xhariep DM Local Economic Development Forum and uses the platform to raise awareness and promote the green economy concept, including wildlife economy, EPIP Funding opportunities, bio prospecting, aquaculture, etc.

Xhariep DM Spatial Development Framework (SDF)

The SDF is available along with a package of maps which illustrate essential aspects of the municipality including agricultural practices, etc. The maps will play a critical role in informing the environmental management plan, once the Xhariep District Municipality has developed it. Another crucial role of the maps is to highlight environmentally sensitive areas. These guide the municipality on areas that should be earmarked for conservation and environmental protection programmes.

Xhariep DM EPWP Programme

The XDM EPWP Programme assists the local municipalities with ensuring that municipal towns are left in a clean and healthy state through the annual cleaning and greening programmes.

Xhariep DM Disaster Management Plan

The Disaster Management Plan has been developed and the Xhariep DM is in the process of lobbying for funds for the development of a disaster management centre in order to implement disaster relief programmes, emergency preparedness strategies, etc. such includes environmental emergency incidents, veld fires, floods, drought relief programmes, etc.

The Xhariep DM intends to lobby for funding for the development of the **Air Quality Management Plan** as well as the **Climate Change and Green Economy Policy**

Climate Change Adaptation Response Plan

The National Department of Environmental Affairs has funded for the development of Climate Change Adaptation Response Plans in the Xhariep District Municipality. The plan is still in draft format and needs to be circulated for public comments before it is to be finalised and adopted by the district municipality.

Xhariep DM Structures (Forums)

Cooperative governance and coordination of activities is critical in effective planning. The municipality has established a number of structures to this effect, being:

- **Energy Forum** – focuses on the provision of energy in the Xhariep DM
- **Agriculture Forum** – focuses on agriculture programmes and food security in the Xhariep DM

- **Local Economic Development Forum** focuses on economic development and support of SMMEs and Co-Operatives in the Xhariep DM
- **Waste & Air Quality Officers' Forum** focuses on waste management and air quality issues in the Xhariep DM
- **Water Quality Advisory Forum** focuses on the quality of water inclusive of the Green Drop and Blue Drop Standards.
- **Disaster Management Advisory Forum** – focuses on disaster management and relief programmes in the Xhariep DM
- **Expanded Public Works Programme Steering Committee** – focuses on EPWP programmes in the Xhariep DM
- **IDP Forums** – focuses on IDP related matters including intergovernmental relations.

Municipal Profiles

The Department of Environmental Affairs had conducted a desktop study on municipal profiles regarding environmental attributes such as climate change, air quality and waste management.

Air Quality Profile

This area focuses on air quality and associated facilities and activities that impact considerably on the quality of air in the Xhariep DM and how the municipality applies certain legislated processes to manage the quality of air in the district. The National Environmental Management: Air Quality Act and its regulations provides the municipality with the duty of issuing air emission licenses to facilities that have a considerable impact on the quality of air. Thus ensuring that emissions are within acceptable limits, while economic activities are not hindered. According to the study, there is only one facility that applies based in Goedemoed. The facility, being an incinerator was issued a Provisional Air Emissions License to track and monitor that emissions are within acceptable limits before issuing a permanent license. The facility has even commissioned, therefore the Provisional Air Emissions License has not taken effect.

Waste Management Profile

This area focuses on all activities related to waste management. The broad spectrum varies from landfill sites to waste minimisation programmes such as recycling. The Xhariep DM houses quite a high number of landfill sites. There are also a number of recycling activities in the various towns of the district, however, this is done on a smaller scale. The profile study shows that these recycling groups need support, generally, in the form of transportation, storage and sorting facilities, equipment such as baling machines, etc.

Landfill Sites

The Xhariep DM houses 17 landfill sites in total. Mphokare has 3 landfill sites, Letsemeng Local Municipality houses 5 landfill sites and the Kopanong Local Municipality houses 9 landfill sites. Below is a profile of the landfill sites within the Xhariep DM Region

Kopanong LM Landfill Sites

| Local Municipality | Name of Facility | Type of waste stream | Licensed NR | Operational or Closed | Capacity of site | Source Documentation |
|--------------------|-----------------------------|----------------------|-----------------|-----------------------|----------------------------|-----------------------|
| Kopanong LM | Fauresmith Landfill Site | Solid Waste | B33/2/350/7/P90 | Operational | License valid for 15 years | DWA Waste Permit |
| Kopanong LM | Gariep Dam Landfill Site | Solid Waste | WML/BAR/15/2012 | Operational | License valid for 15 years | DESTEWA Waste License |
| Kopanong LM | Trompsburg Landfill Site | Solid Waste | WML/BAR/16/2012 | Operational | License valid for 20 years | DESTEWA Waste License |
| Kopanong LM | Springfontein Landfill Site | Solid Waste | WML/BAR/13/2012 | Operational | License valid for 15 years | DESTEWA Waste License |
| Kopanong LM | Phillipolis Landfill Site | Solid Waste | WML/BAR/17/2012 | Operational | License valid for 15 years | DESTEWA Waste License |
| Kopanong LM | Bethulie Landfill Site | Solid Waste | WML/BAR/14/2012 | Operational | License valid for 15 years | DESTEWA Waste License |
| Kopanong LM | Reddersburg Landfill Site | Solid Waste | WML/EIA/12/2012 | Under Construction | License valid for 15 years | DESTEWA Waste License |
| Kopanong LM | Reddersburg Landfill Site | Solid Waste | B33/2/350/9/P11 | Operational | License valid for 15 years | DWA Waste Permit |
| Kopanong LM | Edenburg Landfill Site | Solid Waste | B33/2/350/5/P84 | Operational | License valid for 15 years | DWA Waste Permit |

Letsemeng LM Landfill Sites

| Local Municipality | Name of Facility | Type of waste stream | Licensed NR | Operational or Closed | Source Documentation |
|--------------------|-------------------------------|----------------------|------------------|------------------------------|-----------------------|
| Letsemeng LM | Luckhoff Landfill Site | Solid Waste | WML/BAR/22/2014 | Operational but to be closed | DESTEWA Waste License |
| Letsemeng LM | Oppermansgronde Landfill Site | Solid Waste | 16/2/7/CE14/D3/1 | Operational | DWA Waste Permit |
| Letsemeng LM | Petrusburg Landfill Site | Solid Waste | 16/2/7/C524/D1/1 | Operational | DWA Waste Permit |
| Letsemeng LM | Koffiefontein Landfill Site | Solid Waste | 16/2/7/C514/D4/1 | Operational | DWA Waste Permit |
| Letsemeng LM | Jacobsdal Landfill Site | Solid Waste | B33/2/350/32/P33 | Operational | DWA Waste Permit |

Mohokare LM Landfill Sites

| Local Municipality | Latitude | Longitude | Name of Facility | Type of waste stream | Licensed NR | Operational or Closed | Capacity of site | Source Documentation |
|--------------------|---------------|---------------|--------------------------|----------------------|------------------|-----------------------|----------------------------|-----------------------|
| Mohokare LM | 30° 34' 27" S | 26° 22' 36" E | Goedemoed Landfill Site | Solid Waste | WML/1B/04/2010 | Operational | License valid for 20 years | DESTEWA Waste License |
| Mohokare LM | | | Smithfield Landfill Site | Solid Waste | B33/2/420/3/P154 | Operational | License valid for 30 years | DWA Waste Permit |
| Mohokare LM | Y 17511.648 | X 3365517.024 | Rouxville Landfill Site | Solid Waste | B33/2/420/P57 | Operational | Unknown | DWA Waste Permit |

Below, is a workplan of the Department of Environmental Affairs: Local Government Support Official who is based in the Xhariep District Municipality. It illustrates among others, the support provided by the Official to the district.

Work Plan - Performance Standards and Indicators

| NO | KEY PERFORMANCE AREA | WEIGHT% | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | QUARTERLY TARGETS/ KEY ACTIVITIES | RESOURCE REQUIREMENTS/ ENABLING CONDITIONS |
|----|--|---------|---|---|--|--|
| 1. | Support Municipal planning and ensure integration Environment Planning & | 30 | IDP Analysis Report Xhariep DM EIA Project Screen report for Xhariep | District IDP Analysis report with Project Screening Report on IDP | Q1: Conduct IDP analysis for the Xhariep District and Local Municipalities Q 1: Conduct Project screening for EIA purpose | Office Equipment; Internet connection; Transport |

| | | | | | | |
|----|---|----|---|--|--|--|
| | Management | | DM | development process | for Xhariep DM (To form part of the IDP Analysis Report) | Cooperation from Municipalities, Province, DEA Branches, COGTA & SALGA Funding, resource/ promotional materials |
| | | | Municipal Feedback report | | Q3: Provide feedback to all municipalities in the Xhariep DM on IDP engagements | |
| | | | Comments of the inputs provided during IDP development process | | Q1-Q4 Participate in the IDP development processes in all municipalities | |
| 2. | Facilitate and coordinate environmental capacity building | 30 | Municipal Capacity Analysis report (Xhariep District & Local Municipalities) | Municipal Capacity Analysis report (Xhariep DM & Local Municipalities) | Q1: Identification of environmental capacity gaps within District and Local Municipalities. | Office Equipment; Internet connection; Transport |
| | | | Capacity Building Proposal/plan | 2 Capacity Building initiatives facilitated – Annual Report | Q1: Identification of capacity building initiatives | Cooperation from Municipalities, Province, DEA Branches, COGTA & SALGA |
| | | | 1 st Capacity building report | | Q2: Initiate and facilitate 1st capacity building initiative | Funding, resource/ promotional materials |
| | | | 2 nd Capacity building report | | Q3: Initiate and facilitate 2nd capacity building initiative | |
| | | | Consolidated capacity building report | | Q4: Consolidate report for the capacity building initiatives | |
| 3 | Facilitate and coordinate environmental awareness initiatives | 20 | Report on 1 st Environmental Management Campaign (EE, Calendar Days, Clean up, etc.) conducted | 4 Environmental Management Campaigns (EE, Calendar Days, Clean up, etc.) within Xhariep DM – Annual Report | Q1: Initiate/Facilitate one Environmental Management Campaign (Clean-up/Calendar Day./awareness) | Office Equipment; Internet connection; Transport |
| | | | Report on 2 nd Environmental Management Campaign (EE, Calendar Days, Clean up, etc.) conducted | | Q2: Initiate/Facilitate one Environmental Management Campaign (Clean-up/Calendar Day./awareness) | Cooperation from Municipalities, Province, DEA Branches, COGTA & SALGA |
| | | | Report on 3 rd Environmental Management Campaign (EE, Calendar Days, Clean up, etc.) conducted | | Q3: Initiate/Facilitate one Environmental Management Campaign (Clean-up/Calendar Day./awareness) | Funding, resource/ promotional materials |
| | | | Report on 4 th Environmental Management Campaign (EE, Calendar Days, Clean up, etc.) facilitated | | Q4: Initiate/Facilitate one Environmental Management Campaign (Clean-up/Calendar Day./awareness) | |
| | | | | | Q4: Consolidate report for the Environmental Management Campaigns (Clean-up / Calendar Day /awareness) | |
| 4 | Improve environmental governance systems within municipality | 10 | Inventory of all Environmental Structures within the municipality | Annual report on municipal environmental governance forum meetings | Q1: Consolidate a list/inventory of all Environmental Structures within the municipality | Office Equipment; Internet connection; Transport |
| | | | Quarterly reports on an identified/established Municipal Environmental Governance Forum | | Q1: Establish/Convene/Support Municipal Environmental Governance Forum | Cooperation from Municipalities, Province, DEA Branches, COGTA & SALGA |
| | | | | | Q2: Convene/Support Municipal Environmental Governance Forum | Funding, resource/ promotional materials |
| | | | | | Q4: Convene/Support Municipal Environmental Governance Forum | |

| | | | | | | |
|---|--|----|--|---|---|---|
| | | | List/database of identified Provincial/ National Governance Structures | Annual report on Provincial/ National Governance environmental structures | Q1 Identify/Update existing Provincial/ National Governance structures | |
| | | | Quarterly reports on Provincial/ National Governance Structures | | Q1-Q4: Participate in Provincial/ National Governance environmental structures | |
| 5 | Support the planning & implementation of Environmental Management programmes/projects in Municipalities. | 10 | Inventory of all Environment Projects in the municipality new project proposals both DEA and Municipality | Project Inventory (DEA & Municipalities) | Q1-Q4: Consolidated and updated Inventory of all Environment Projects in the municipality for both DEA and Municipality | Office Equipment; Internet connection; Transport |
| | | | Project proposals for DEA: EP and Municipalities | Project proposals | Q1-Q4: Development of one project proposal informed by DEA:EP & Municipal Processes | Cooperation from Municipalities, Province, DEA Branches, COGTA& SALGA |
| | | | Report on Business Planning activities within the Xhariep DM: <ul style="list-style-type: none"> Stakeholder Engagement Introduction of Implementers Pre-planning site visit Collate data for business planning Project inclusion in IDPs | Annual report on business planning | Support Environmental planning of projects | Funding, resource/ promotional materials |
| | | | Project Implementation status quo report for three projects in Capricorn DM Recruitment of beneficiaries <ul style="list-style-type: none"> Quality Assurance Skill audit Site Visits PAC Coordination | Annual project status report for all projects in Xhariep DM. | Q1-Q4 Support the Implementation Phase of the environmental projects within Xhariep DM. | |

Disaster Management Profile

What is Disaster Management?

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:

| LIKELIHOOD OF HAZARDS THAT CAN CAUSE A DISASTER IN XHARIEP MUNICIPAL AREA | | | |
|---|--|--|--------------------------------------|
| 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 lying areas | Isolation of communities, damage to property and endanger lives. | Low |
| Fires | Along main roads | Loss of life 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 (Covid 19) | All communities that lack information | Affecting a town or more than one town | High |
| 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.

Xhariep Rural Development Plan

The "District Rural Development Plan" and the "District Rural Development Implementation Plan" as developed by the Rural Development and Land Reform and the Department of Agriculture and Rural Development has been considered and serves

this IDP as a separate Rural Development Sector Plan. The department made an in-depth presentation during our Strategic Planning Session and subsequently to Council of Xhariep District Municipality.

CHAPTER 3: THE PLANNING PROCESS

1. INTRODUCTION

The notion of Integrated Development Planning was introduced in the Local Government Transition Act, 1996 through the requirement that municipalities should develop Integrated Development Plans (IDPs). The content and purpose of the IDP were then further described in the White Paper on Local Government and formally introduced through the Municipal Systems Act (MSA) 32 of 2000. The MSA requires municipalities to develop five year IDPs in order to respond to identified developmental challenges. The Act also requires municipalities to review the IDP on an annual basis to trace and reflect on progress made in responding to the identified development challenges.

The Legislative and Contextual Framework

The legislation was enacted to guide the establishment and functions of metropolitan, district and local municipalities, including the promulgation of integrated development planning as a tool for development were noted in district and local municipal IDP reports. Section 25 of the Municipal Systems Act requires that the IDP must be compatible with national and provincial development plans and planning requirements. This IDP is compiled within the confines of what the underlisted legislation advocates for.

STRATEGIC PLANNING FRAMEWORK AND APPROACH

The strategic planning followed by Xhariep District Municipality happen within the broader national planning frameworks and the local integrated development planning processes as articulated under the legislative context above.

Below is a schematic framework that informed Xhariep District Municipality's formulation of its Strategic Plan and ultimately the entire Integrated Development Plan.

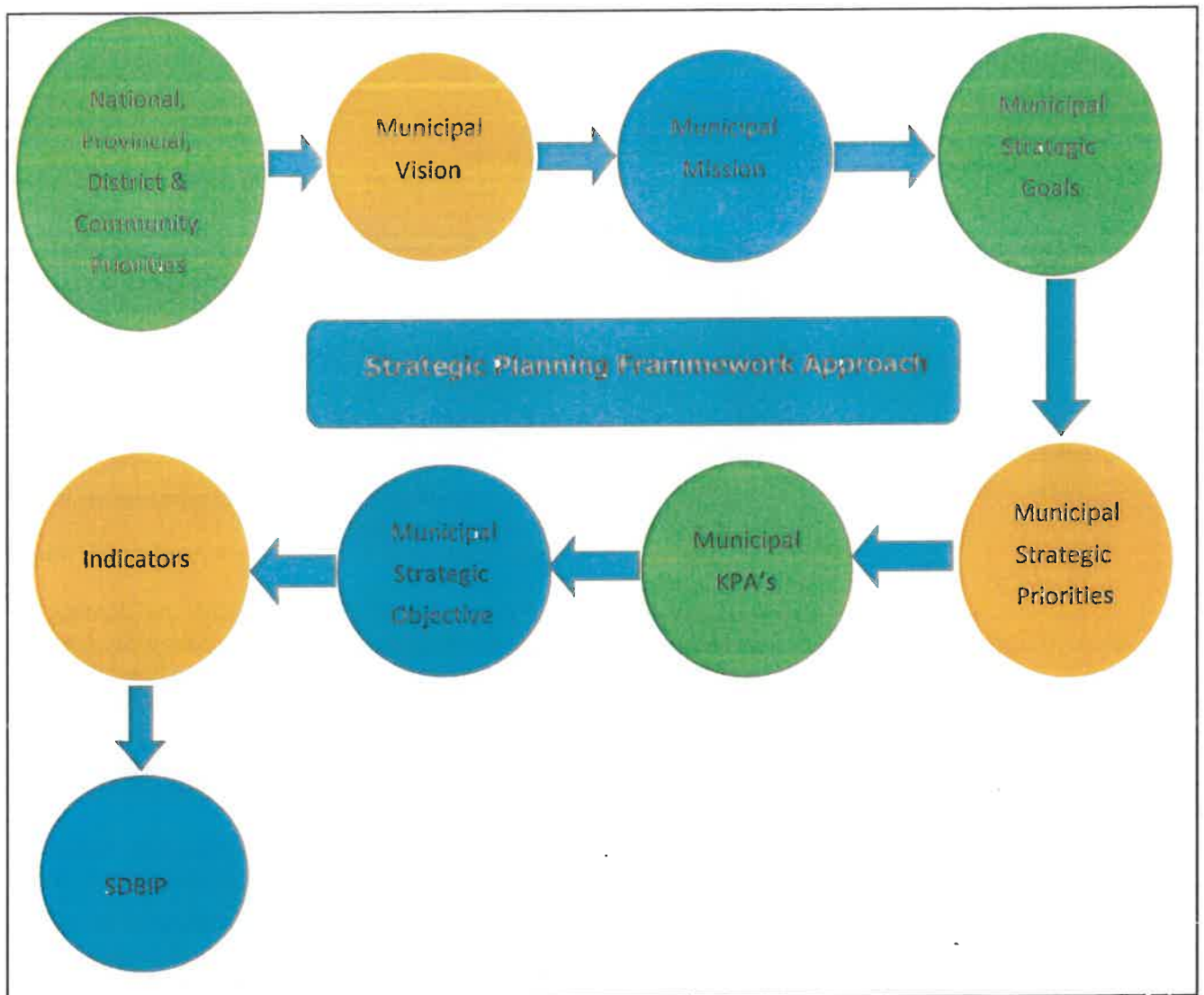


Table 1: List of Legislations applicable to XDM

| LEGISLATION | SCOPE |
|---|---|
| <i>Constitution of the Republic of South Africa (Act 108 of 1996) and Regulations</i> | <p>To introduce a new constitution for the Republic of South Africa and to provide for matters incidental thereto.</p> <p>Sec 152. Objects of local government. - (1) The objects of local government are-</p> <ul style="list-style-type: none"> (a) to provide democratic and accountable government for local communities; (b) to ensure the provision of services to communities in a sustainable manner; (c) to promote social and economic development; (d) to promote a safe and healthy environment; and (e) to encourage the involvement of communities and community organisations in matters of local government. <p>(2) A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).</p> <p>Sec 153. Developmental duties of municipalities. - A municipality must -</p> <ul style="list-style-type: none"> (a) structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and (b) Participate in national and provincial development programmes. |
| <i>Local Government: Municipal Systems Act, (Act 32 of 2000) and Regulations</i> | <p>To give effect to "developmental local government";</p> <p>To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all; and</p> <p>To set a framework for planning, performance management, resource mobilisation and organisational change and community participation.</p> |
| <i>Local Government: Municipal Structures Act, (Act 117 of 1998) and Regulations</i> | <p>To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems; and</p> |

| LEGISLATION | SCOPE |
|--|---|
| | To regulate internal systems, structures and office-bearers. |
| <i>Municipal Finance Management Act (Act 56 of 2003) and Regulations</i> | <p>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; and</p> <p>To determine responsibilities of persons entrusted with local sphere financial management and also to determine certain conditions as well as provide for matters connected therewith.</p> |
| <i>Preferential Procurement Policy Framework Act (Act 5 of 2000)</i> | <p>To give effect to section 217(3) of the Constitution by providing a framework for implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.</p> |

| | |
|---|---|
| <i>Local Government: Municipal Property Rates Act, (Act 6 of 2004) and Regulations</i> | To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuation methods of properties; to make provision for any objections and appeals process; to amend the Local Government: Municipal Systems Act, 2000, so as to make further provision for the serving of documents by municipalities; to amend or repeal certain legislation; and to provide for matters connected therewith. |
| <i>Local Government: Municipal Demarcation Act (Act 27 of 1998) and Regulations</i> | To provide for criteria and procedures for the determination of municipal boundaries by an independent authority; and to provide for matters connected thereto. |
| <i>Spatial Planning and Land Use Management Act (Act 16 of 2013)</i> | To provide for Integrated Development Plans, reflecting current planning and to institutionalise development tribunals for evaluating applications. |
| <i>White Paper of Transforming Public Service Delivery (Batho Pele White Paper of 1997)</i> | To provide a policy framework and a practical implementation strategy for the transformation of Public Service Delivery. |
| <i>White Paper on Local Government (1998)</i> | Establishes the basis for a new developmental local government system. |
| <i>Traditional Leadership and Government Framework Act (Act 41 of 2003) and Regulations</i> | To recognize traditional communities; To establish and recognize traditional councils; and To provide a statutory framework within which traditional leadership will operate. (Not applicable in XDM) |
| <i>Inter-Governmental Fiscal Relations Act No. 97 of 1997</i> | To promote cooperation between the national, provincial and local spheres of government on fiscal, budgetary and financial matters; to prescribe a process for the determination of an equitable sharing and allocation of revenue raised nationally; and to provide for matters in connection therewith. |
| <i>Inter-Governmental Relations Framework Act (Act 13 of 2005)</i> | To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith. |
| <i>Local Government: Municipal Electoral Act (Act 27 of 2000) and Regulations</i> | To regulate municipal elections; to amend certain laws; and to provide for matters connected therewith. |
| <i>National Environmental Management Act (Act 107 of 1998)</i> | To provide for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment |

| LEGISLATION | SCOPE |
|-------------|---|
| 1998) | and to provide for matters connected therewith. |

| | |
|---|--|
| <i>National Environmental Management Act: Air Quality Act (Act 39 of 2004)</i> | To reform the law regulating air quality in order to protect the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development while promoting justifiable economic and social development; to provide for national norms and standards regulating air quality monitoring, management and control by all spheres of government; for specific air quality measures; and for matters incidental thereto. |
| <i>National Land Transport Act, 2009 (Act 05 of 2009)</i> | Land transport planning must be integrated with the land development and land use planning processes, and the <u>integrated transport plans</u> required by <u>this Act</u> are designed to give structure to the function of municipal planning mentioned in Part B of Schedule 4 to the <u>Constitution</u> , and must be accommodated in and form an essential part of integrated development plans, with due regard to legislation applicable to local government, and its integrated transport plan must form the transport component of the <u>integrated development plan</u> of the <u>municipality</u> . |
| <i>National Environmental Management Act: Waste Management Act (Act 59 of 2008)</i> | To reform the law regulating waste management in order to protect health and the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development; to provide for institutional arrangements and planning matters; to provide for national norms and standards for regulating the management of waste by all spheres of government; to provide for specific waste management measures; to provide for the licensing and control of waste management activities; to provide for the remediation of contaminated land; to provide for the national waste information system; to provide for compliance and enforcement; and to provide for matters connected therewith. |
| <i>Water Services Act (Act 108 of 1997)</i> | To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans. |
| <i>Disaster Management Act (Act 57 of 2002)</i> | To provide for: an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery; the establishment of national, provincial and municipal disaster management centres; disaster management volunteers; and matters incidental thereto. |
| <i>Fire Brigade Services Act, (Act 99 of 1987)</i> | To provide for the establishment, maintenance, employment, coordination and standardization of fire brigade services; and for matters connected therewith. |
| <i>Division of Revenue Act, (Act No.03 of 2017)</i> | To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith. |
| <i>Employment Equity Act, 1998</i> | To provide for employment equity; and to provide for matters incidental thereto. |

| LEGISLATION | SCOPE |
|--|---|
| <i>Basic Conditions of Employment Act, 1997</i> | To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith. |
| <i>Promotion of Access to Information Act, 2000</i> | To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith. |
| <i>Promotion of Administrative Justice Act, 2000</i> | To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto. |
| <i>Occupational Health and Safety Act, 1993</i> | To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith. |
| <i>Skills Development Act, 1998</i> | To provide for the imposition of a skills development levy; and for matters connected therewith. |
| <i>National Health Act, 2003</i> | To provide a framework for a structured uniform health system within the Republic, taking into account the obligations imposed by the Constitution and other laws on the national, provincial and local governments with regard to health services; and to provide for matters connected therewith. |
| <i>Tourism Second Amendment Act, 2000</i> | To make provision for the promotion of tourism to and in the Republic. |
| <i>Labour Relations Act (Act 66 of 1995)</i> | This Act sets out the laws that govern labour in South Africa. It is guided by Section 27 of the <u>Constitution</u> , which entrenches the rights of workers and employers to form organisations for collective bargaining. Together with the <u>Basic Conditions of Employment Act</u> , it also ensures social justice by establishing the rights and duties of employers and employees. It also regulates the organisational rights of trade unions deals with strikes and lockouts, workplace forums and other ways of resolving disputes. It provides a framework for the resolution of labour disputes through the <u>Commission for Conciliation, Mediation and Arbitration</u> (CCMA), Labour Court and Labour Appeal Court. |

CHAPTER 4: STRATEGIC CONTEXT

Introduction

This chapter maps the progress made by Xhariep District Municipality against the manifesto for government, the 14 Outcomes, the National Development Plan and the Sustainable Development Goals. The last part of the chapter provides the details of the Strategic Objectives that guide the development of the XDM 2022/27 IDP.

The IDP Strategic Approach and Alignment with all Spheres of Government

The development of IDP is underpinned by strategic international, national, provincial and local policies. The development objectives of these policy frameworks have influenced the development of the strategic direction of the municipality to ensure vertical and horizontal alignment. This report is also informed by relevant developmental policies depicted in the table.

Table 2: List of Policy Frameworks applicable to XDM

| KEY POLICIES /STRATEGIES/ PLANS |
|---|
| <input type="checkbox"/> 17 Sustainable Development Goals (SDGs) |
| <input type="checkbox"/> Agenda 2063: Africa We Want |
| <input type="checkbox"/> Ruling Party Key Manifesto priorities |
| <input type="checkbox"/> Medium Term Strategic Framework (MTSF) |
| <input type="checkbox"/> National and Provincial Policy statements (State of the Nation Address (SONA), State of the Province Address (SOPA), State of the District Address (SODA) and Budget speeches) |
| <input type="checkbox"/> Local Government Strategic Agenda |
| <input type="checkbox"/> National Development Plan (Vision 2030) |
| <input type="checkbox"/> New Growth Path |
| <input type="checkbox"/> 12 National Outcomes (in particular Outcome 9) |
| <input type="checkbox"/> National Spatial Development Perspective (NSDP) |
| <input type="checkbox"/> Free State Spatial Development Framework |
| <input type="checkbox"/> Free State Growth and Development Plan (FSGDP) |
| <input type="checkbox"/> Local Government Back to Basics Strategy |
| <input type="checkbox"/> Municipal Integrated Development Plans |
| <input type="checkbox"/> Municipal Spatial Development Frameworks |
| <input type="checkbox"/> Xhariep District Vision and LMs Growth and Development Strategies |
| <input type="checkbox"/> District Development Model (One Plan, One Budget, One Approach) |

Global Perspective: Sustainable Development Goals (Vision 2030)

The SDGs are international development goals that all 193 member states have adopted at the UN Sustainable Development Summit on September 25–27, 2015 in New York, USA and agreed to be achieved by the year 2030. Seventeen (17) Sustainable Development Goals with 169 associated targets are integrated and indivisible, global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities.

Targets are defined as aspirational and global, with each government setting its own national targets guided by the global level of ambition but taking into account national circumstances. Each government will also decide how these aspirational and global targets should be incorporated in national planning processes, policies and strategies. The new Agenda builds on the Millennium Development Goals and seeks to complete what these did not achieve, particularly in reaching the most vulnerable.

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.

UNDESA'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?



Agenda 2063: The Africa We Want

"A global strategy to optimize use of Africa's resources for the benefits of all Africans" - Aiming to encourage discussion among all stakeholders, "Agenda 2063" is an approach to how the continent should effectively learn from the lessons of the past, build on the progress now underway and strategically exploit all possible opportunities available in the short, medium and long term, so as to ensure positive socio-economic transformation within the next 50 years.

Annexure 3 and 4 of Agenda 2063 Framework present in detail the goals, priority areas, targets and indicative strategies for the respective aspirations presented below:

Our Aspirations for the Africa We Want

1. A prosperous Africa based on inclusive growth and sustainable development.
2. An integrated continent, politically united based on the ideals of Pan Africanism and the vision of Africa's Renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
4. A peaceful and secure Africa.
5. An Africa with a strong cultural identity, common heritage, values and ethics.
6. An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children
7. Africa as a strong, united, resilient and influential global player and partner.

National Perspective

National Development Plan, Vision 2030

In 2012, Cabinet adopted the National Development Plan (NDP), to serve as a blueprint for the work that is still required in order to achieve the desired results in terms of socioeconomic development and the growth of this country by 2030. The NDP aims to eliminate poverty and reduce inequality by 2030. The NDP offers a long-term perspective and identifies the role different sectors of society need to play in reaching that goal. Municipal IDPs need to be used more strategically to focus attention on critical priorities in the NDP that relate to the mandate of local government such as spatial planning, infrastructure and basic services. IDPs should focus on aspects of the NDP that fit within a municipality's core responsibilities.

Thirteen (13) National Development Plan Priorities

- Economy and Employment
- Economic infrastructure
- Environmental sustainability and resilience
- Inclusive rural economy
- South Africa in the region and the world
- Transforming Human Settlements
- Improving education, training and innovation
- Health care for all
- Social protection
- Building Safer Communities
- Building a capable and developmental state
- Fighting corruption
- Nation building and social cohesion

Medium Term Strategic Framework (MTSF)

The Medium Term Strategic Framework (MTSF) 2019 - 2024 is the translation of the government Priorities outlined by the President at the 2019 State of the Nation Address (SONA) that are derived from the electoral mandate for the next five-year period.

The seven priorities of this strategic framework are embedded into the three pillars. The priorities, which will be achieved through more focused implementation, coordination and integration by the various levels of government including state owned enterprises, the private sector and civil society, are as follows:

- **Priority 1:** A capable, ethical and developmental state
- **Priority 2:** Economic transformation and job creation
- **Priority 3:** Education, skills and health
- **Priority 4:** Consolidating the social wage through reliable and quality basic services
- **Priority 5:** Spatial integration, human settlements and local government
- **Priority 6:** Social cohesion and safe communities
- **Priority 7:** A better Africa and world

Twelve (12) National Outcomes (in particular Outcome 9)

Government has drawn up 12 performance outcomes on which departmental action plans are to be devised and public sector delivery measured. The outcomes were a new initiative by government designed to improve government performance and bring about more focused delivery. The outcomes “will form the basis for performance and delivery agreements between ministers or groups of ministers and the president”. The various priority outcomes will be measured, to see whether outcomes are being achieved. There is a high correlation between NDP priorities and the current 12 priority outcomes for 2014 to 2019.

Twelve (12) National Outcomes

- Outcome 1: Improved quality of basic education.
- Outcome 2: A long and healthy life for all South Africans.
- Outcome 3: All people in South Africa are and feel safe.
- Outcome 4: Decent employment through inclusive economic growth.
- Outcome 5: A skilled and capable workforce to support an inclusive growth path.
- Outcome 6: An efficient, competitive and responsive economic infrastructure network.
- Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all.
- Outcome 8: Sustainable human settlements and improved quality of household life.
- ***Outcome 9: A responsive, accountable, effective and efficient local government system.***
- ✓ Output 1: Implement a differentiated approach to municipal financing, planning and support
- ✓ Output 2: Improving access to basic services.
- ✓ Output 3: Implementation of the Community Work Programme
- ✓ Output 4: Actions supportive of the human settlement outcome
- ✓ Output 5: Deepen democracy through a refined Ward Committee model
- ✓ Output 6: Administrative and financial capability
- ✓ Output 7: Single window of coordination.
- Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.

- Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World.
- Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

National Spatial Development Perspective (NSDP)

The objective of the National Spatial Development Perspective (NSDP) 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 sphere of government. An example of a district outcome of such economic investment profiling that involve all sphere of government is the Xhariep Agri-Hub in Springfontein. The National Spatial Development Perspective also inform the Spatial Development framework of the Municipality. The achievement of this vision is based on the following nine elements:

- i. *Creating jobs and livelihoods,*
- ii. *Expanding infrastructure,*
- iii. *Transitioning to a low-carbon economy,*
- iv. *Transforming urban and rural spaces,*
- v. *Improving education and training,*
- vi. *Providing quality health care,*
- vii. *Building a capable state,*
- viii. *Fighting corruption and enhancing accountability,*
- ix. *Transforming society and uniting the nation.*

Back to Basics: Serving our communities better

The Presidential Local Government Summit adopted the Back to Basics approach in September 2014 as an urgent action plan to strengthen local government to better serve communities by getting the basics right. Local government (municipalities) has been a primary site for the delivery of services in South Africa since 1994. The Department of Cooperative Governance (DCoG) was tasked to build and strengthen the capability and accountability of municipalities. The department has developed a set of indicators to be reported on monthly as per the pillars of the Back to Basics approach. These indicators will measure whether municipalities are performing in terms of the five 'basics'.

Five (5) Pillars of the Back to Basics

- Putting people and their concerns first;
- Building institutional resilience and administrative capability.
- Ensuring sound financial management and accounting; and
- Promoting good governance, transparency and accountability;
- Supporting the delivery of municipal services to the right quality and standard;

The Back Basics approach is based on five principles, which are

- Putting people first and engaging with the community
- Delivering basic services
- Good government
- Sound financial management , and
- Building capacity

Table 3: Principles of Back to Basic

| Pillar | Basic indicators |
|--|---|
| 1. Putting people first Measures must be taken to ensure that municipalities engage with their communities. The provisions of the Municipal Systems Act on community participation must be complied with. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. | <ul style="list-style-type: none"> • The existence of the required number of functional Ward committees. • The percentage of ward committee's grants spent. • The number of council effective public participation programmes conducted. • The regularity of community satisfaction surveys carried out. |
| 2. Delivering Basic Services Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Ensure no failures in services and where there are, restore with urgency. | <ul style="list-style-type: none"> • Develop fundable consolidated infrastructure plans. • Ensure Infrastructure development maintenance (7% OPEX) and reduce losses. • Ensure the provision of free basic services and the maintenance of indigent register. |
| 3. Good Governance Municipalities must be well governed and demonstrating good governance and administration - cutting wastage, spending public funds prudently, hiring competent staff, ensuring transparency and accountability. | <ul style="list-style-type: none"> • The holding of Council meetings as legislated. • The functionality of oversight structures, Section 79/80 committees, audit committees and District IGR Forums. • Whether or not there has been progress following interventions over the last 3-5 years. • The existence and efficiency of Anti-Corruption measures. • The extent to which there is compliance with legislation and the enforcement of by laws. • The rate of service delivery protests and approaches to address them. |
| 4. Sound Financial Management Sound financial management is integral to the success of local government. National Treasury has legislated standards and reporting requirements, and based on their monitoring of the indicators, key areas emerging from the profiles will be identified and support provided with the remedial process. | <ul style="list-style-type: none"> • The number disclaimers in the last 3-5 years. • Whether the budgets are cash backed. • The percentage revenue collected. • The extent to which debt is serviced. • The efficiency and functionality of supply chain management. |
| 5. Building Capabilities | <ul style="list-style-type: none"> • Ensuring that the top six post (Municipal Manager, |

| | |
|---|--|
| <p>There has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for Councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes.</p> | <p>Finance, Infrastructure Corporate Services, Community development and Development Planning) vacancies are filled by competent persons.</p> <ul style="list-style-type: none"> • That the municipal organograms are realistic, underpinned by a service delivery model and affordable. • That there are implementable human resources development and management programmes. • There are sustained platforms to engage organised labour to minimize disputes and disruptions. |
|---|--|

Implementation and Monitoring of Performance The implementation and monitoring of the IDP is done continuously throughout the year. This phase represents the implementation and monitoring of proposals and projects contained in the IDP. The municipality develops organizational performance management plan, which reflects Key Performance Indicators (KPI's) and targets linked to the Integrated Development Plan. This plan will be used as a monitoring framework towards the implementation of the IDP and the attached budget thereof.

This phase comprises meetings/negotiations with provincial departments in order to monitor progress on provincially/nationally funded projects and meetings on funding, powers, duties and functions etc, as contemplated in the IDP document. During this phase, the situation regarding the development and review of sectoral strategic plans will also be monitored.

Xhariep District Strategic Direction

Municipal strategic goals

Four (4) strategic goals have been identified to drive the vision and mission of the Municipality:

- Provision of sustainable and accessible basic services to all.
- Provide a safe, healthy environment.
- Promote economic growth and job creation.
- Promote good governance, organizational development and financial sustainability.

Key Performance Areas, Strategic Goals, Strategic Objectives and Priority Issues

The inputs in the matrix are generally addressed in terms of the municipal priority issues herein grouped under five Key Performance Areas, viz.

Table: Strategic goals and priority areas

| | |
|---|---|
| KPA 1: Infrastructure Development and Service Delivery | Strategic Goal : Provision of sustainable and accessible basic services to all |
| STRATEGIC OBJECTIVE: <ol style="list-style-type: none"> 1. Plan, develop and maintain infrastructure and facilities. 2. Provide safe and healthy environment for the community. 3. Strategic support on the implementation of municipal programmes and projects | PRIORITY ISSUES/ FUNCTIONS Electricity, Roads and Storm-water drainages, Water, Sanitation, Municipal Buildings and Facilities, Fleet Management, Parks, Sport and Recreation Facilities, Cemeteries, Solid Waste Management, environmental management. |
| KPA 2 : Spatial and Community Development | Strategic Goal: Provide a safe, healthy environment |
| STRATEGIC OBJECTIVE: <ol style="list-style-type: none"> 1. Facilitate for the creation of a safe, secured, informed and healthy environment for the community 2. Plan and develop integrated and sustainable human settlements and rural areas | PRIORITY ISSUES / FUNCTIONS Licensing, Cultural services, Safety and Security, Human Settlements, Town planning, Social Programmes, Emergency Services and Youth Development, |
| 3. Coordinate sustainable social livelihood through developmental programmes | |
| KPA 3: Local Economic Development | Strategic Goal: Promote economic growth and job creation |
| STRATEGIC OBJECTIVE: Facilitate investment and development of strategic infrastructure to unlock growth and job creation | PRIORITY ISSUES / FUNCTIONS Local Economic Development and Job Creation, SMME Development , Economic Development (investment) |
| KPA 4: Municipal Institutional Development and Transformation | Strategic Goal: Promote good governance, organizational development and financial sustainability |
| STRATEGIC OBJECTIVE: <ol style="list-style-type: none"> 1. Develop and enhance human capital services to maximize service delivery 2. Sustain good corporate governance through effective and accountable clean administration | PRIORITY ISSUES / FUNCTIONS Human Capital, Labour Relations, HR Skills Development, Recruitment and Retention and Policy Development |
| KPA 5: Financial Viability and Management | Strategic Goal: Promote good governance, organizational development and financial sustainability |

| | |
|---|--|
| STRATEGIC OBJECTIVE: 1. To manage the finances of the municipality to ensure financial viability 2. Continue with accountable and developmental orientated monetary management to sustain a sound fiduciary position. | PRIORITY ISSUES / FUNCTIONS Sound financial management ,Controls and procedures, Revenue management ,Financial Reporting ,Financial Performance, Payroll Administration, Clean Audit |
| KPA 6: Good governance and public participation | Strategic Goal : Promote Good Governance |
| STRATEGIC OBJECTIVE: 1. Sustain good corporate governance through effective and accountable clean administration 2. Continuous respond and communicate with communities 3. Promote effective governance processes and planning 4. Oversee the achievement of good governance through the implementation of council resolutions | PRIORITY ISSUES/ FUNCTIONS Information technology and Communication, Legal and Administration, Communication, Ward Committees Management, Council General Public Participation, Risk Management, Internal Audit, IDP, PMS, Events Management, Customer care, Office of the Mayor and Speaker |

Horizontal and Vertical Alignment of Key Strategies

Horizontal alignment is pursued through inter-governmental planning, consultation and co-ordination and ensured through aligning the respective vision, mission and strategic objectives of the municipalities in the region. The alignment of key national, provincial and regional strategies is illustrated in the table below:

Table : Alignment of key national, provincial and regional strategies

| Sustainable Development Goals | National Development Plan | Medium Term Strategic Framework | National Outcomes | Provincial Strategic Objectives | XDM Strategic Objectives | Local Municipalities |
|---|---------------------------------------|--|--|--|---|---|
| End poverty in all its forms everywhere | An economy that will create more jobs | Speed up economic growth and transform the economy to create decent work and sustainable livelihoods | Decent employment through inclusive economic growth | Inclusive economic growth and sustainable job creation | Facilitate investment and development of strategic infrastructure to unlock growth and job creation | To develop progressive strategies to optimise the use of available human resource |
| End hunger, achieve food security and improved nutrition, and promote sustainable agriculture | | | | | | |
| | Improving Infrastructure | Massive programme to build economic and social infrastructure | An effective, competitive and responsive economic infrastructure network | Inclusive economic growth and sustainable job creation | Facilitate infrastructure development in the entire district municipality | To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor intervention |
| | Transition to a low carbon economy | | | Reduce Green House Gas emissions through alternative methodologies and processes | Facilitate provision of energy and electricity services to all residents of Xhariep | |
| | An inclusive and | Comprehensive | Vibrant, | Build | The | |

| | | | | | | |
|--|---|--|---|--|--|--|
| | integrated rural economy | rural development strategy linked to land and agrarian reform and food security | equitable and sustainable rural communities and food security | dedicated economic and social infrastructure specifically designed to accelerate economic opportunities for rural communities. | sustainable management and usage of land in Xhariep in partnership with local municipalities | |
| Make cities and human settlements inclusive, safe, resilient and sustainable | Reversing the spatial effects of apartheid | Build cohesive, caring and sustainable communities | Sustainable human settlements and improved quality of household life. | Identify and acquire land parcels for integrated inclusive human settlement development in close proximity to employment opportunities | Plan and develop integrated and sustainable human settlements and rural areas | To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment |
| | | Sustainable resource management and use | Protection and enhancement of environmental assets and natural resources | | | To ensure ecological integrity through sustainable practices of municipal governance |
| Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Improving the quality of education, training and innovation | Strengthen the skills and human resource base | Improve the quality of basic education | Intensify and expand school management and performance programmes to ensure effective and efficient teaching ethics and environment | Develop and enhance human capital services to maximize service delivery | To develop progressive strategies to optimise the use of available human resource |
| | | | A skilled and capable workforce to support inclusive growth | | | |
| Ensure healthy lives and promote wellbeing for all at all ages | Quality health care for all | Improve the health profile of society | Improve health and life expectancy | Intensify general health promotion and lifestyle programmes | Provide safe and healthy environment for the community. | To facilitate real opportunities for youth, women, and disabled and appropriate care for the age |
| Improve maternal health | Social protection Building safer communities | Intensify the fight against crime and corruption | All people in south Africa protected and feel safe | Improve and expand the CCMT (HIV/AIDS) programme to reduce HIV and AIDS related deaths | Provide safe and healthy environment for the community. | |
| Combat HIV/Aids, malaria, and other diseases | | | | Increase safety | | |
| | Reforming the public service | Build a developmental state including improvement of public services and strengthening democratic institutions | A development orientated public service and inclusive citizenship A responsive and, accountable, | Institutionalize practices to ensure recruitment and appointment of competent people in managerial posts | Provide safe and healthy environment for the community. | To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry. |

| | | | | | | |
|---|--------------------------------------|---|--|--|--|---|
| | | | effective and efficient local government system | | | To ensure a municipalities that are committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service deliver |
| Achieve gender equality and empower all women and girls | Transforming society and the country | Pursue regional development, African advancement and enhanced international cooperation | A better South Africa, a better Africa and world | Ensure the mainstreaming of vulnerable groups such as women, youth, children and people with disabilities as priority groups during the implementation of these programmes | Support and coordinate gender mainstreaming programmes including youth, children and people with disabilities. | To facilitate real opportunities for youth, women, and disabled and appropriate care for the aged |
| Develop a global partnership for development | | | | | | |

Free State Provincial Growth and Development Strategy (FSPGDS)

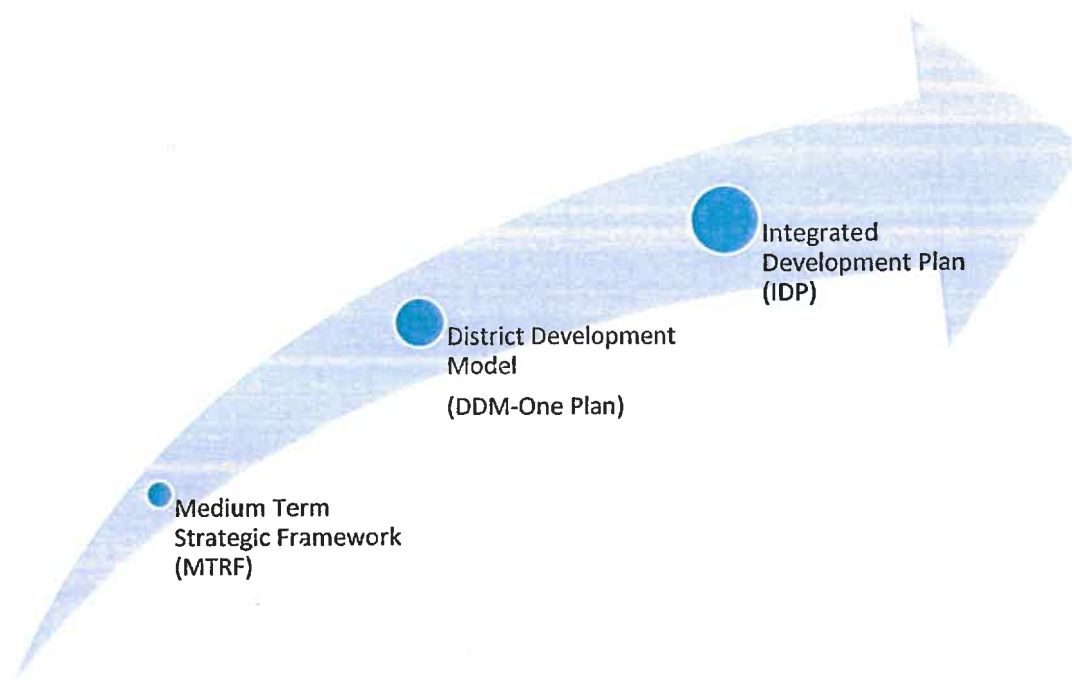
The PGDP also plays an important role in shaping the Municipality's IDP. The PGDP of the Free State Provincial Government is reflected as follows in the Municipality's five key performance areas:

- *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.

The IDP Alignment of Programmes

The development of IDP gives the opportunity for strategically refining the process to achieve closer alignment of SDGs, NDP, and long term development plan and further alignment with budget and objectives, programmes and projects. The table below highlights the national and provincial programmes that guide the IDP process and the diagram below also reflects on the alignment between the National Development Plan, Free State Growth and Development Plan, District Development Model, and the IDPs



Vertical Alignment

- Cooperation, coordination and coplanning between National, Provincial and Local

Horizontal Alignment

- Alignment of identified projects with the municipal objectives and strategies

Table: Alignment of the District Development Model (One Plan) with XDM Key Strategic Priorities, XDM GDS Key Levers, FSGDP, NDP and Back to Basics

| XDM Key IDP Strategic Objectives | XDM 2000 Growth & Development Strategy: Key Strategic Levers | FS Growth & Development Plan Key Pillars | National Development Plan (NDP) | Back to Basics Strategy Key Performance Areas | District Development Model- Towards the development of the One Plan |
|---|--|--|---|---|--|
| Plan and develop integrated and sustainable human settlements and rural areas | Spatial, Land and Environmental Development | Sustainable rural development | Transforming Human Settlements | Basic Creating decent living conditions | Integrated Service Provisioning / Spatial Restructuring and Economic Positioning |
| | Disaster Management Function | | Environmental sustainability resilience | | |
| Plan, develop and maintain infrastructure | Infrastructure Development | Improved quality of life | Economic infrastructure | | Infrastructure Delivery/ Spatial Restructuring and Economic Positioning |

| | | | | | |
|---|----------------------------------|--|--|------------------------|---|
| and facilities. | | Build social cohesion | Economy and Employment | | |
| Facilitate investment and development of strategic infrastructure to unlock growth and job creation | Economic and Development | Inclusive economic growth and sustainable job creation | | | Demographic and Socio-Economic Profile |
| Continue with accountable and developmental orientated monetary management to sustain a sound fiduciary position. | Good Governance | Good governance | Fighting corruption | Financial Management | Governance, Leadership and Financial Management |
| 5. To increase the capacity of the district to deliver its Mandate | Education and Skills Development | Education, innovation and skills development | Improving education, training and innovation | Institutional capacity | Governance and Leadership |
| | | | | Good governance | |
| | Good Governance | Good governance | Building a capable and developmental state | Public participation | |
| | | | Build social cohesion | | |

As illustrated above, 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.

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.

| NRP Objectives | NRP Actions | FSGDS Long-term programmes | FSGDS Actions | MTSP Actions |
|--|--|--|---|---|
| <ul style="list-style-type: none"> • Increase investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture. | <ul style="list-style-type: none"> • Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and rural farmers. • Put in place a regulatory framework for land use, to ensure the conservation and restoration of protected areas. | <ul style="list-style-type: none"> • Expand and diversify sustainable agriculture production and food security. | <ul style="list-style-type: none"> • Protect agricultural land for agricultural land use in line with SDF. • Align all agricultural initiatives with the Provincial Spatial Development Framework. • Identify, research and promote competitive products. • Enhance profitable and market-related production. • Improve agricultural market intelligence. • Promote sustainable agricultural practices to protect the environment and sustainable resources. • Improve the safety net protecting the sector against unforeseen disasters. • Expand the establishment of agricultural-related Local Economic Development projects. • Expand and transform small-scale agriculture and improve access to inputs. | <ul style="list-style-type: none"> • Develop and implement spatial development frameworks as the basis to guide rural land use planning and development and to address spatial inequities. • Institutionalise regulatory framework for land use to guide and support development initiatives. • Implement the comprehensive food security and nutrition strategy. • Develop under-utilised land in communal areas and land reform projects for production. • Expand land under irrigation. • Provide support to smallholder producers in order to ensure production efficiencies. |
| <ul style="list-style-type: none"> • An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related | <ul style="list-style-type: none"> • Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to | <ul style="list-style-type: none"> • Accelerate post settlement support programmes for emerging farmers. | <ul style="list-style-type: none"> • Implement human resource development programmes for emerging farmers. • Intensify Comprehensive | <ul style="list-style-type: none"> • Develop under-utilised land in communal areas and land reform projects for production. • Acquire and relocate strategically located |

| | | | | |
|--|--|---|---|--|
| <ul style="list-style-type: none"> sectors by 2030. Maintain a positive trade balance for primary and processed agricultural products. | <ul style="list-style-type: none"> small and micro farmers, a review of mining industry commitments to social investment, and tourism investments Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and rural farmers. | | <p>Agriculture Support Programmes and land care programmes.</p> <ul style="list-style-type: none"> Improve institutional support and accelerate the process of land restitution. Unlock financial support for emerging farmers. Establish appropriate agri-marketing, information systems and social networks for emerging farmers. | <p>land.</p> <ul style="list-style-type: none"> Create tenure security for people living and working on farms. Develop and implement policies promoting the development and support of smallholder producers. Develop and implement the Integrated Agricultural Policy Action Plan (IAPAP). |
| <ul style="list-style-type: none"> Increase investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture. | <ul style="list-style-type: none"> Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and rural farmers. | <ul style="list-style-type: none"> Strengthen agricultural research, knowledge and skills. | <ul style="list-style-type: none"> Market and promote agriculture as a professional career. Establish, maintain and equip agri-schools with skilled and qualified teachers. Revitalise agri and Further Education and Training (FET) colleges. Strengthen the linkages between universities, farmers and government. Align and develop training and curriculum programmes with the changing and future needs of the agricultural sector. Infuse agricultural training with entrepreneurial focused training and development programmes. Implement voluntary internship programmes for final year and post graduate students. Revitalise and expand extension and advisory services. Develop a farm worker career path and appropriate training system. | <ul style="list-style-type: none"> Promote skills development in rural areas with economic development potential. |

| | | | | |
|--|--|--|--|--|
| | | | <ul style="list-style-type: none"> Strengthen agricultural research capacity in the provincial department of agriculture and tertiary institutions. | |
| <ul style="list-style-type: none"> An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030. | <ul style="list-style-type: none"> Consolidate and selectively expand transport and logistics infrastructure. | <ul style="list-style-type: none"> Improve and maintain agro-logistics. | <ul style="list-style-type: none"> Prioritise and fund the upgrading and maintenance of road and rail infrastructure at strategic agricultural nodes to ensure effective and efficient distribution of agricultural products. | <ul style="list-style-type: none"> Improve transport infrastructure and public transport in rural areas. |
| <ul style="list-style-type: none"> An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030. Maintain a positive trade balance for primary and processed agricultural products. Increase investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture. | <ul style="list-style-type: none"> Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments. Create tenure security for communal farmers, especially women; investigate different forms of financing and vesting of private property rights to land reform beneficiaries that does not hamper beneficiaries with a high debt burden. Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and rural farmers. | <ul style="list-style-type: none"> Establish and fast track value adding agro-processing. | <ul style="list-style-type: none"> Identify growth points for value adding programmes and align with spatial development framework. Unlock agro-processing potential by implementing incentives to draw-in investments. Implement relevant and applicable grain and livestock beneficiation programmes. | <ul style="list-style-type: none"> Promote sustainable rural enterprises and industries in areas with economic development potential. Create incentives to attract investment in rural areas for the development of rural enterprises and industries throughout commodity value chains. Develop resource and implement the Agricultural Value Chain interventions. Develop and implement policies promoting the development and support of smallholder producers. Create incentives to attract investment in rural areas for the development of rural enterprises and industries throughout commodity value chains. |
| <ul style="list-style-type: none"> In 2030 people living in living in South Africa feel safe and have no fear of crime. | <ul style="list-style-type: none"> The National Rural Safety Strategy Plan must be implemented in high risk areas | <ul style="list-style-type: none"> Strengthen rural security of farm communities. | <ul style="list-style-type: none"> Reinforce cross-border protection activities. Establish and maintain rural | <ul style="list-style-type: none"> Implement crime prevention strategies/actions. Establish integrated Border Management |

| | | | | |
|--|--|--|---|--|
| They feel safe at home, at school and at work, and enjoy an active community life free of fear. Women can walk freely in the street and the children can play safely and the children can play safely outside. | involving all role-players and stakeholders. | | security and safety systems. • Implement appropriate animal identification, monitoring and traceability systems. • Implement farm worker development programmes. • Strengthen bio-security of animal diseases. | Agency. • Develop and implement the Border safeguarding strategy. • Combat illegal activities at the border and ports of entry. • Secure the land borderline. |
|--|--|--|---|--|

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 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 56 employees.

Xhariep District Swot Analysis

The 4rd Generation 5 year IDP clearly outlines the strategic objectives, focus areas and operational priorities for the municipality. This review of the IDP indicates quite clearly that Xhariep District Municipality is still on track to achieve the targets it set for itself and have demonstrated significant progress in this regard.

The primary aim of strategic planning is to bring an organization into balance with the external environment and to maintain that balance over time (Sackett, Jones, and Erdley 2005). Organizations accomplish this balance by evaluating new programs and services with the intent of maximizing organizational performance. SWOT analysis is a preliminary decision-making tool that sets the stage for this work.

A comprehensive financial plan linked the required resources for the implementation of the strategy. A comprehensive SWOT analysis was conducted in order to get a better understanding of the municipality, the environment wherein it functions and its capacity to pursue the new strategy. The analysis is also an important exercise to identify the critical areas for intervention over the next five years.

A guided process of self-assessment was followed, which included the following steps:

- Identification of the strengths and weaknesses of the municipality

- Identification of opportunities to overcome the weaknesses; and
- Identification of threats which may prevent the municipality from making successful use of the opportunities

During the strategic planning session SWOT analysis was done under four core functions namely: Economic, Institutional, Natural, Social/Culture

Table 6: XDM SWOT ANALYSIS (Amended September 2019)

| STRENGTHS | | WEAKNESSES | |
|--|---|------------|--|
| NATURAL CAPITAL | | | |
| <ul style="list-style-type: none">• High quality of the natural environment• Wide diversity of scenic landscapes• Sought-after holiday and tourism destination (Gariep Dam, Tussen Die Revier) | <ul style="list-style-type: none">• Limited availability of land hampers potential property developments• Slow pace of land reform• Inability to optimise the strategic and economic utilisation of municipal owned land and property• Water shortage limits development potential• Ineffective waste water treatment maintenance plan | | |
| ECONOMY | | | |
| <ul style="list-style-type: none">• Well maintained regional road transport infrastructure• Strong domestic tourism destination brand aligned to the river mouth, mountains, and hospitality industry.• Wool manufacturing, construction, agricultural, wholesale and retail industries have great potential• Well-developed linkages to Cape Town and Port Elizabeth economies• Competitive commercial and emerging farmers• Facilitating economic opportunities for local entrepreneurs• Regional Hospital• Regional Taxi Rank• Mining (Jagersfontein and Kofffontein) | <ul style="list-style-type: none">• High level of inequality (wide gap between rich and poor)• Limited progress with BBBEE at a local level• Seasonality of the economy and employment• Skills gap in basic business techniques• Limited support to SMMEs• High cost of land and property• Relatively high rate of unemployment and poverty | | |
| SOCIAL/CULTURAL | | | |
| <ul style="list-style-type: none">• Diversity of local and international cultures with good international networks and economic linkages• English, Afrikaans, and African languages medium schools• Rural Conservation Guidelines and other strategies to maintain our cultural and architectural heritage• Updated and reliable data available in the census 2011 report | <ul style="list-style-type: none">• Inconsistent understanding of economic development objectives• Increasing levels of drug related crime and crime induced poverty• Increasing level of violence against women & children• Increasing incidence of HIV/Aids and TB• High levels of alcohol & substance abuse• Dependency on social grants and wage income by the poor• Low levels of labour force education• Teenage pregnancies• High drop-out rate in schools• Increase in substance and alcohol abuse amongst youth | | |
| INSTITUTIONAL | | | |
| <ul style="list-style-type: none">• Few skilled individuals linked to business and municipal management• Dynamic administrative leadership to drive the development agenda• Highly skilled ex-professionals available to assist municipality (grey power)• Functional libraries and museums• Accessibility to good quality public facilities (Schools, Clinics) | <ul style="list-style-type: none">• Relatively high wage bill inside the municipality• Ageing infrastructure and limited resources available for effective maintenance programme• Ability to attract highly skilled labour (excl. scarce skills) | | |
| OPPORTUNITIES | | THREATS | |
| NATURAL CAPITAL | | | |
| <ul style="list-style-type: none">• Exploring of effective partnerships to enhance conservation of the natural environment | <ul style="list-style-type: none">• Climate change impacting on existing agricultural production• Unsustainable water supply• Quality of drinking water• Limited land and high cost of land | | |

| ECONOMY | |
|--|--|
| <ul style="list-style-type: none"> • Growth in both domestic and international tourism markets • Collaboration and improved coherence amongst established and emerging businesses • Volatile exchange rate • Narrowing agriculture profit margins Fluctuations in the tourism industry • Development oriented political and administrative leadership • Sound financial management & viability • Optimal utilisation of municipal owned land and properties | <ul style="list-style-type: none"> • High level of inequality • Political dynamics • Civil unrest/regular protest action • Lack of unity within business (No Business Chambers) • Steep increase in land value (Trompsburg and surrounding areas) • Volatile exchange rate • Fluctuations in the tourism industry • Business property tax • High property tax and service charges • Limited access to adequate resources to achieve strategic objectives • Relatively high levels of poverty and unemployment • Increase in alcohol abuse and drug related crimes • Low skilled workers • Relatively high HIV/Aids and TB prevalence |
| SOCIAL/CULTURAL | |
| <ul style="list-style-type: none"> • Commitment to strengthening local government sphere • Integration of strategic planning processes (Strong IGR Structures) • Established effective intergovernmental relations • Effective communication platforms with the community (Mayoral Imbizo's) | <ul style="list-style-type: none"> • Unrealistic demand from residents for service delivery and infrastructure development • Limited resources to address the service delivery and infrastructure demands & backlogs (Inadequate Equitable Share) • Worrying decrease in population (Migration) |
| INSTITUTIONAL | |
| <ul style="list-style-type: none"> • Expanded Public Worker Programme • SETA's and Learnerships • Good work ethics amongst staff and Councillors | <ul style="list-style-type: none"> • Decreasing demand for low-skilled labour • Exploring of partnerships with private sector and NGO's to improve service delivery and facilitate development |

Powers and Functions of District and Local Municipalities

A municipality has all the powers and functions assigned to it in terms of sections 156 and 229 of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act. The Municipal Structures Act of 1998 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 Municipal Demarcation Board assessment of capacity for the Xhariep District Municipality indicates that the district is performing the following functions:

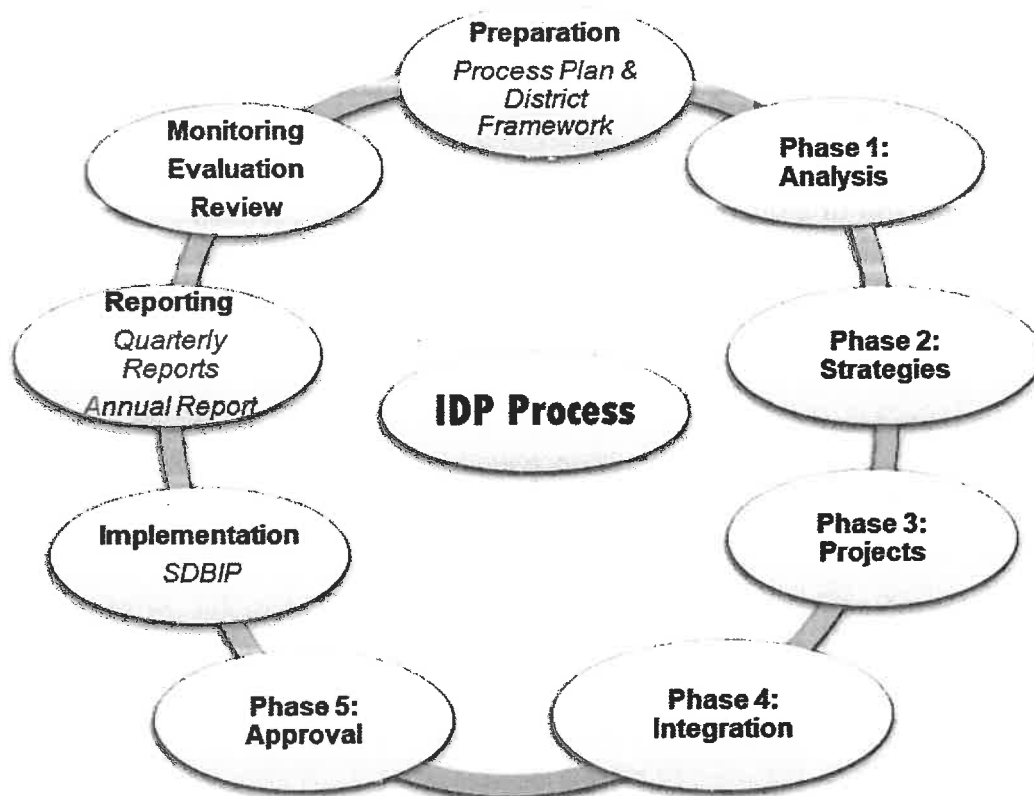
- **Local Tourism** - specifically the maintenance of tourism sites;
- **Municipal planning** – the development and implementation of district-wide IDP framework;
- **Cemeteries, funeral parlors and crematoria** – Xhariep district is discharging an inspection function;
- **Monitoring of refuse and waste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

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

IDP/Budget Review Process

The Municipal Systems Act (No 32 of 2000), Section 34 requires the review and amendment of the IDP. It requires that municipalities implement their respective Integrated Development Plans and monitor and evaluate their “implementation” performance through the approved SDBIP. The preparation and review of the IDP is a continuous process providing a framework for development planning activities in the district. In pursuit of proper coordination of the IDP process, the district followed the five critical phases of the review, namely, analysis, strategy, projects, integration and approval.

Figure : Phases of the IDP Review/Development



IDP Assessment by MEC

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.

CHAPTER 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Introduction

The success of the municipal strategies depends on the effectiveness of governance structure and processes. This is also realized through the existing cordial and productive relationship between the administration, political structures and political office bearers of Council.

Public Participation

The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organisations in the matters of local government". The White Paper Local Government (WPLG) emphasises the issue of public participation (not only in municipal planning). It provide details on how to achieve public participation and the role of local government in the involvement of citizens in policy formulation and designing of municipal programmes, as well as implementation and monitoring and evaluation of such programmes. Public participation is meant to promote local democracy.

Mechanisms and procedures for Stakeholder Participation

Print and Electronic media

The following is done to ensure widespread and conducive stakeholder participation:

- Media such as the local newspaper, local radio stations, municipal bills etc. are utilised to inform communities and stakeholders of Council's intention to embark on the IDP process.
- The Mayoral Committee and the IDP Technical Committee are requested to identify a list of possible stakeholders.
- All messages/information are conveyed in a language/s understood by the general community.
- The correct venues and times for public meetings are well communicated. Furthermore, the municipality ensures that meetings are held at such times that all stakeholders can attend.
- Adequate time is allowed within limits to representatives of organizations to report back to their relevant organizations.
- Adequate time is also allowed for the community and organizations to report back on the draft IDP document.

Stakeholders are invited to the relevant Council meeting and the approved IDP document is made available at all public libraries within the municipal area of

jurisdiction. In addition, the IDP is also made available on the website of the municipality.

Community Consultation

On a regular basis, the municipality engages in community consultation meetings in an endeavour to:

- Give feedback on progress in relation to the level of development;
- Gather inputs from communities in relation to service delivery needs;
- Disseminate information on the roles and responsibilities of the municipality.

Ward Committees and Community Development Workers

Within our local municipalities there are ward committee structures that are envisaged to narrow the gap between the municipality and communities, since ward committees have the knowledge and understanding of the citizens and communities they represent. Ward Committees are also seen as mechanisms to strengthen the capacity of communities and thus deepen public participation.

The municipality also utilises CDWs as another form of link in accessing communities in relation to community development initiatives/programmes. Whilst the CDWs are regarded as the link between government and the community, there are still communities especially the majority of people who fall in the poorer segment of the population that are unable to access the full potential of the municipality programmes.

Communication and Stakeholder Liaison

The approach to government communication takes its cue from the constitutional imperative of freedom of information and the objectives of building a truly democratic state.

This requires government to maintain continued interaction with the people to be able to understand their needs. This type of communication will enhance an informed and appropriate response to people's needs to enable the community to become active and conscious participants in social transformation.

A fundamental need of government communication is to reach the majority of the population, especially the disadvantaged and those previously marginalized from all forms and channels of communication.

Communication platforms

Print and electronic media

Local newspapers and radio stations are being utilised to disseminate information and ensure widespread and conducive stakeholder participation.

Web page on www.xhariep.gov.za

The XDM website provide the community with easily accessible online information on service delivery matters, services, programmes, upcoming events and promote the municipality's corporate image.

Local Communicators Forum

Quarterly engagement meetings with locally based Government Departments and parastatals are held – Labour, SASSA, Cogta, Stats SA, Home Affairs, Eskom, etc.

Publications

The municipality's marketing and communication publications- brochures, newsletters, reports, magazines, newspapers – are based on the plans and goals of the municipality for a particular financial year. They are based on public benefit or if the public requires specific information that is best communicated through a publication.

Media briefings and interactions

Media briefings are held to communicate visible achievement of milestones on service delivery which have a direct impact on the community.

Notice Board

Official notice boards are utilized to deliver key messages to staff and members of the public at low cost.

Administration services

For the Council to achieve its goal and objectives, it needs effective and efficient support services in relation to committee service & support services. The Administration Section therefore is committed to render and act as custodian of Council's administrative support services.

This Section will commit to do the following:

- To continue compiling good quality reports to Council, Mayoral Committee & Council Committees, implement and facilitate the process of ensuring the passing of resolutions and ensure all Council Resolutions are minuted.
- To ensure effective, accountable administration and monitor and report the implementation of Council Resolutions.

Legal services

The legal division intends to conduct legal audit on all legislation having an impact on the municipality in the next financial year to be able to strictly monitor compliance each relevant department and to be able to render the professional legal advice.

The unit commits to execute the following:

- Ensure more effective, accountable and clean local government that works together with national and provincial government.
- The Council Fraud Prevention Policy will be continuously updated and diligently implemented.
- Service Standards for all municipal services will be compiled, published and applied as far possible.

The municipality has also developed the following registers:

- Contract register – with the intention of properly following up on all the contracts and monitoring compliance thereof.
- Municipal code & policy register – to keep record of all municipal by – laws & policies.

Performance Management System (PMS) and Integrated Development Plan (IDP)

Planning in XDM is regarded as a vital tool to ensure the integration of municipal activities with other sectors of development planning at different levels by serving as a basis for communication and interaction. The IDP and PMS serve as the basis for engagement between the council and the community, various stakeholders and interest groups. The municipality strives to remain a participatory and accountable government to all by ensuring proper planning, utilization of resources and performance management.

Risk management

Section 62(1) (c) (i) of the Municipal Finance Management Act compels the accounting officer to establish and maintain, among others, a system of managing risks faced by the municipality. The XDM has in place a system of risk management for the municipality to provide some assurance that risks across all functions and levels, that may have an impact on the achievement of objectives, are adequately and proactively anticipated and mitigated.

Risk Management processes are coordinated, supported and championed by the Risk Management Department, led by the Chief Risk Officer. The governance model of operation of the XDM's systems of managing risk a decentralized one, wherein

departments are responsible for performing risk identification, evaluation, mitigation and reporting processes.

XDM has in place a shared service of Risk Management Committee and Audit Committee. The Risk Management Committee, which comprises of independent external members, is responsible for overseeing enterprise wide risk management of the municipality. XDM Audit Committee also supports the Risk Management Committee in its risk oversight role.

The effective management of risk is prioritised to ensure that business risks across the organisation are identified and managed on an ongoing basis for the achievement of the municipality's "the number one African city in service delivery and good governance". The risk categories have been aligned to the strategic objectives in order to identify those risks that directly affect and/or impede the municipality's ability to achieve those strategic and business objectives.

During the risk assessment process, management took into account the following five (5) key performance areas (KPA's):

- KPA 1: Good Governance and Public Participation
- KPA 2: Municipal Transformation and Organisational Development
- KPA 3: Financial Viability
- KPA 4: Local Economic Development
- KPA 5: Service Delivery and Infrastructure Development
- KPA 6: Spatial and Community Development

Risk management in the municipality is guided and monitored by various committees at Council and administrative levels. These committees include the Executive Management Committee, Risk Management Committee, and the Audit Committee. Additionally, the municipality appointed a Risk Officer as part of the reasonable steps taken to maintain an effective, efficient, and transparent system of financial and general risk management.

Council has adopted Risk Management enablers, the Risk Management Policy, Strategy, implementation Plan, Fraud Prevention and response plan, Whistleblowing policy and Risk registers (strategic and operational) that enable management to proactively identify and respond appropriately to all significant risks that could impact business objectives. In line with the approved Risk Management Policy and Strategy, a top-down and bottom up approach has been adopted in developing the risk profiles of the organisation. The results of the strategic and operational assessments were used to compile a risk register.

Audit and Performance Audit Committee

- The Municipality has appointed an Audit and Performance Audit Committee (APAC) through a Shared Model. The roles and responsibilities of the committee in respect of the IDP are amongst others is to :
- Play advisory role to the Municipal, Council, Accounting Officer, Executive Management on effective governance process and compliance with any applicable legislation for example MFMA, MSA and Spatial Development.
- Oversee good governance practices within municipality including control environment and risk management systems.
- Review as to whether the 3 Year Rolling Strategic Audit objectives which are aligned to the IDP objectives.
- Review the process followed in drafting the integrated development plan.
- Review the implementation of the integrated development plan
- Review the content of the integrated development plan.
- Review the municipality's performance in relation to the KPIs and the targets of the municipality.
- Assess/Evaluate performance of section 56 employees in relation to IDP KPI's
- Report to the Audit Committee and Council on the results of the above-mentioned responsibilities

Internal Audit

Internal Audit Function provide an independent, objective Assurance and Consulting Services that add value and improve the municipality's operations. The Function assist the Municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The

Function evaluate risk exposures relating to the Municipality's governance, operations, and information systems regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations, and contracts.

The below legislations and prescripts underpins the establishment of the function:

- Municipal Finance Management Act No. 56 of 2003 section 165;
- Internal Audit Framework (IAF) National Treasury Republic of South Africa March 2009 (2nd Edition) section 3;
- International Standards for the Professional Practice Standards effective January 2017; and
- King III and IV Code Governance Reports.

The internal audit function report administratively to the Accounting Officer (Municipal Manager) and functionally to the Audit Committee on the following Policies and Procedures as approved by the Audit Committee and Council:

Internal Audit Charter

- The International Standards for the Professional Practice of Internal Audit, Standard 1000 requires the purpose, authority and responsibilities of the internal audit activities to be formally defined in an Internal Audit Charter.
- The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of organization records, physical properties, and personnel pertinent to carrying out any engagement.
- Furthermore the Internal Audit Charter requires that all employees be requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Council.
- The Charter set out the nature, role, responsibility, status and authority of Internal Audit Function within the Municipality, and to outline the scope of the internal audit work.

Internal Audit Methodology

- Establish a standard methodology for conducting internal audit reviews as required in terms of section 165 & 166 of the Municipal Finance Management Act (MFMA), the Treasury Regulations, and to comply with the International Standards for the Professional Practice of Internal Auditing (ISPPIA).
- The Methodology is applicable to all audit reviews except those conducted by specialized audit functions.
- The Methodology is modelled on International Standards for the Professional Practice of Internal Auditing (ISPPIA) guidelines.
- The guide must be used in conjunction with all other relevant policy documents, for example, the ISPPIA, Internal Audit Charter and Audit Committee Charter although the scope and nature of the system being audited may differ substantially from one audit to the next, this methodology must be applied to the adequate and effective review of all systems of internal control.
- The manual document in detail the internal audit policies and procedures on the activity. Serve as a useful guide to the internal audit staff in respect of their responsibilities, approach and authorities to conduct effective internal audits and communicate audit results to relevant stakeholders.

- The Internal Audit Methodology use the documentation as a basis for internal initiatives for the improvement of systems and improving internal control procedures.

Three-year rolling and annual internal audit plan

- Risk based audit plan outline in detail to the Municipal Manager and the Audit Committee the areas which will be reviewed by Internal Audit Function.
- The plan is a product of the risk assessment performed by Risk Management Function and internal audit function identify audit universe based on most significant risk areas and that's where an annual engagement focus is derived.
- Statutory requirement such as MFMA section 165 i.e. Performance Management, Loss Control are also identified categorically.
- The plan is regularly reviewed and updated to maintain its relevance and it should be approved by the Audit Committee prior to the execution of Internal Audit fieldwork.
- The Plan is also an important tool to manage the internal audit activity to communicate planned internal audit activities to other interested parties (i.e. Auditor-General of South Africa) and to measure the performance of the internal audit activity on a periodic basis.
- The approach to internal audit will be flexible and where necessary the planned approach can be adjusted to take account of any special requests by Management and Audit Committee.
- The detailed scope and timing of the work will be agreed upon by the Audit Committee and the Municipal Manager and the focus of the planned projects can be amended and/or projects removed from the plan to take account of special requests.

Combined Assurance Framework

- The framework provide for a Combined Assurance Plan to ensure optimal overall assurance to Senior Management, the Accounting Officer, the Audit Committee and the Council and its oversight bodies.
- The framework details key assurance providers, roles and responsibilities, as well as the type, level and frequency of interaction required to ensure combined assurance.

Types of audits

- Regularity Audit (Financial, Compliance – Risk Based/Process Based)
- Performance Audit (Economy, Efficiency Effectiveness –Objective Based),
- Value for Money Audit (Management request) (Agreed upon procedures/Control Based)

- IT audits (General and Application Controls – Risk, Control, Process Based)

Customer care

Access to decent Customer Care is no longer a privilege to be enjoyed by a few, it is now the rightful expectation of all citizens. The municipality want to turn words into action and to ensure that the needs of the community come first and be satisfied. The community need to view and experience Customer Care in an entirely new way.

It is an initiative that aims to ensure that municipal employees are service orientated, strive for excellence in service delivery and commit themselves to continuous improvement in this regard. Xhariep District Municipality is accountable to our community for the level of service we render. We constantly have to ask ourselves:

- Do we deliver the service standard that we promised?
- Do all citizens have equal access to services that they are entitled to?
- Do we always treat all citizens with courtesy, dignity and respect?
- Are we open and transparent about how we work?
- Do we ensure value for money?
- Are we having a positive impact on our customers?

CHAPTER 6: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Introduction

This chapter articulates the broad institutional framework of Xhariep District as well as its governance model.

Political Structure

The political structure of Xhariep District Municipality is comprised of the Executive Mayoral System that is structured as follows:

- Executive Mayor;
- Speaker
- Chief Whip
- Mayoral Committee;
- The municipal council consists of 16 councilors (6 directly elected councilors and 10 councilors seconded from local municipalities).
- The municipality has established committees in terms of Section 79/80 of the Municipal Structure Act as well as MFMA Section 166.

Human Resource and Performance Management

In order for the municipality to deliver on its vision of being the leading community driven municipality in the provision of sustainable services and development programme, much emphasis is put on recruitment, staff retention and skills development and training. The municipality developed a Human Resource Policies adopted by Council and plans are underway to get the policies/strategies reviewed and aligned with legislative amendments and HR best practices in the sector.

Recruitment, Training and Development

In order to recruit, develop and retain critical and scarce skills, the municipality is continuously reviewing the following policies: Recruitment Policy, Training and Development Policy, Retention and Succession Planning Policy.

(i) Staff Component and Appointments

The staff complement of the municipality as of February 2022 stands at 92 posts including Councillors (16). Appointments that were made since then, have taken into consideration implementation of the Employment Equity Act 55,1998.

(ii) Skills Development

Xhariep District Municipality recognizes the value of investing in its workforce through the implementation of a carefully planned training and development initiatives and activities. A skills audit was conducted to determine the kind of skills that employees regard as important for their own skills development needs. A Workplace Skills Plan is compiled and implemented annually to provide training on core skills needs which focus on the organization as a whole and submitted to the Department of Labour.

Skills development is aimed at benefiting all employees but, has to at the same time ensure that significant progress is made in advancing the development interests of designated groups in line with Employment Equity targets. The interpersonal and people management skills of senior and middle managers will continue to be improved through training with the assistance of the LGSETA and relevant other technical SETA's.

The other kind of skills development needs focus on specific skills needed in specific departments within the organization. In this instance the Departmental Head identifies the kind of training needs that is important for specific employees in terms of law and informs the Human Resources Department accordingly i.e. refresher training with regard to technical skills; professional courses etc. Priorities are considered to determine the most critical skills development needs before training can be arranged within the limits of budgetary provisions.

CHAPTER 7: FINANCIAL VIABILITY

Introduction and Background

The municipality aims to fully comply with prevailing municipal financial legislation to ensure sound financial management and governance to maintain and improve its audit status. It is important that the financial affairs of the municipality are managed in an efficient and effective manner to sustain a sound financial position towards sustainable service delivery.

The Directorate Financial Services is managed by the Executive Director Financial Services, who is also the Chief Financial Officer, with the assistance of five divisions, each with a divisional Assistant Director, namely the Budget Office, AFS & Assets, Treasury Office, Expenditure & Salaries and Supply Chain Unit. The directorate is responsible for the function of budgetary, accounting, expenditure and revenue management and maintenance of the financial system.

The multi-year financial plan for the IDP is prepared for five (5) years. Based on this plan, considering the particular requests from the community, Council then approves annually the municipal budget.

MUNICIPAL FINANCIAL PLAN

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 subsidies.

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.

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.

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.

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.

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.

Equity and Redistribution

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

Development and Investment

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

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.

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 precripts 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.

CHAPTER 8: INTERGOVERNMENTAL RELATIONS

Intergovernmental relations

The MSA provides that municipalities should undertake an integrated development planning process that integrates all sectors, strategies, programme and projects to promote integrated development in communities. The municipality engaged all sector departments and private sector in during the compilation of the IDP in order to present projects that will be implemented in the municipality.

The following projects will be implemented by sector departments and private sector:

2022/2027 List of Projects from Sector Departments

CHAPTER 9: MUNICIPAL SECTOR PLANS

Introduction

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:

| Sector Plan | Objectives of Plan | Status of Plan | Implementing Directorate |
|--|---|--|---|
| 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. | 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 |
| Sector Plan | Objectives of Plan | Status of Plan | Implementing Directorate |
| 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. The last review of the this document was in 2019/2020 | 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. . The last review of the this document was in 2020/2021 | Office of the Municipal Manager |
| Sector Plan | Objectives of Plan | Status of Plan | Implementing Directorate |
| Anti-fraud and Corruption Plan | To minimize fraud and corruption within the municipality | Approved and in process of being implemented. . The last review of the this document was in 2020/2021 | Office of the Municipal Manager |
| Internal Audit Charter | Improve good governance and administration within the municipality | Approved and in process of being implemented. . The last review of the this document was in 2020/2021 | 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 projects implementation, employment creation and skills development, by ensuring that EPWP guidelines and principles are adhered to in the implementation of any municipal project | The policy was approved and adopted by Council | Planning and Social Development: LED Unit |
| 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 |

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 a 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 "District Rural Development" and the "District Rural Development Implementation Plan" as developed by the Rural Development and Land Reform and the Department of Agriculture and Rural Development has been considered and serves this IDP as a separate Rural Development Sector Plan

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 hydroelectricity.

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.

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) 219
- ❖ 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 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 (KPAs) 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 reconsideration. 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. 225 The act sets out the following 5 main development principles applicable to spatial planning, land use management and land development:

- *Spatial justice (improved access to and use of land with an emphasis on informal settlements and disadvantaged communities);*
- *Spatial sustainability (protection of prime and unique agricultural land, development in locations that are sustainable, limit urban sprawl and creation of viable communities);*
- *Efficiency (optimising the use of existing resources and infrastructure)*
- *Spatial resilience (allow for flexibility in spatial plans)*

- *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 30th 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 226 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 227 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 228 process are therefore seamlessly integrated. The Key Performance Indicators (KPI's) will be incorporated into the SDBIP of the municipality as a performance management tool.

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.

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 it is constantly consulted and informed about the development plans of the Xhariep District Municipality.

DECLARATION OF ADOPTION

SIGNATURES



DATE: 28 MARCH 2023

Ms LY MOLETSANE
MUNICIPAL MANAGER



DATE: 28 MARCH 2023

NI MEHLOMAKULU (CLR)
EXECUTIVE MAYOR