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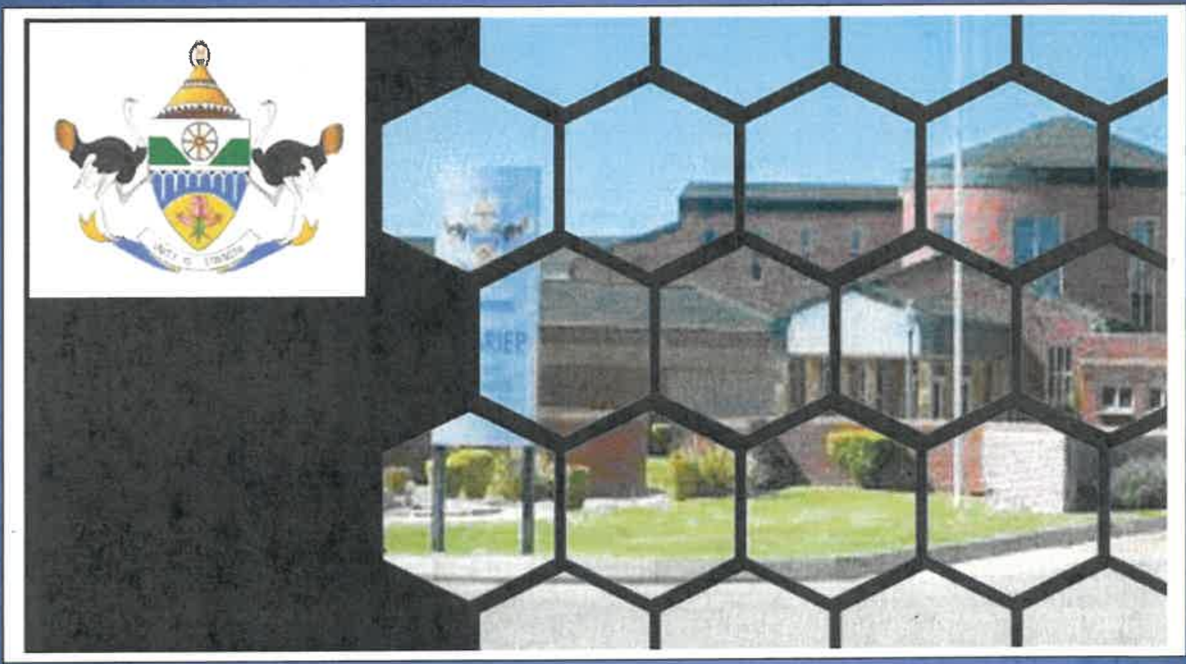


2026 –2031 FINAL IDP

XHARIEP DISTRICT MUNICIPALITY
DC 16

XDM DC 16 | 20 Louw Street, Trompsburg, 9913

Contents

FOREWORD BY THE EXECUTIVE MAYOR

It is with profound honour and a deep sense of responsibility that I present the 2026-2031 Integrated Development Plan (IDP) for the Xhariep District Municipality. As we stand at the threshold of a new Council term, this strategic document represents not merely a statutory obligation, but a solemn covenant between our municipality, our local municipalities, and the 131,901 residents who call this vast district home.

In terms of Section 25 of the Local Government: Municipal Systems Act 32 of 2000, each municipal council is required to adopt a single, inclusive, and strategic plan for the development of the municipality. This IDP is our response to that constitutional imperative. It is a plan that has been forged through extensive public consultation across our three local municipalities - Kopanong, Letsemeng, and Mohokare - and reflects the genuine aspirations of our communities.

The Xhariep District faces unique developmental challenges. Spanning 34,250 square kilometres of predominantly rural terrain in the southern Free State, we contend with an unemployment rate of 31.9%, significant poverty levels, and the realities of a sparse population distribution. Yet, within these challenges lie the seeds of opportunity. Our agricultural heritage, our strategic location along major national corridors, and above all, the resilience of our people provide a foundation upon which we can build a prosperous future.

This IDP is firmly anchored in the National Development Plan Vision 2030, the Medium-Term Strategic Framework 2024-2029, and the Free State Growth and Development Strategy. In embracing the District Development Model (DDM), we commit to the principle of "One District, One Plan, One Budget" - ensuring that all spheres of government work in concert to address the needs of our communities. The Xhariep One Plan, developed through this collaborative approach, guides our collective efforts toward sustainable development.

Our vision remains steadfast: "A community-oriented municipality, with a sustainable environment for business and economic opportunities - A Heart of Development with Opportunity for All." This vision compels us to place our communities at the centre of everything we do, to create an enabling environment for economic growth, and to ensure that the benefits of development reach every corner of our district.

Over the next five years, this Council commits to pursuing six Key Performance Areas with unwavering dedication: Municipal Transformation and Organisational Development; Local Economic Development; Municipal Financial Viability and Sustainability; Good Governance and Public Participation; Basic Service Delivery and Infrastructure Development; and Spatial Rationale and Environmental Management. Each of these areas represents a pillar upon which we will construct a more prosperous, equitable, and sustainable Xhariep.

The development of this IDP has been a truly participatory process. Through IDP roadshows, stakeholder workshops, and engagements with community leaders, business formations, faith-based organisations, youth structures, women's organisations, and persons with disabilities, we have listened to the voices of our people. Their priorities - job creation, youth development, basic service provision, and improved governance - are reflected in the strategies and programmes contained herein.

I acknowledge the invaluable collaboration of our sister municipalities - Kopanong, Letsemeng, and Mohokare - whose IDPs have been aligned with this district plan. I extend my gratitude to the Free State Provincial Government, the Department of Cooperative Governance and Traditional Affairs, and our national sector partners whose support and resources will amplify our capacity to serve. The District Coordinating Forum and Municipal Managers Forum will continue to strengthen our intergovernmental coordination, ensuring that no community is left behind.

To the residents of Xhariep, I say: this is your plan. It responds to your priorities, and it will require your continued participation in its implementation. To my fellow Councillors, I call upon you to provide the oversight and leadership that will ensure this plan translates into tangible improvements in the lives of our constituents. To the administration, under the capable leadership of the Municipal Manager, I express confidence that you will deploy all available resources efficiently and effectively toward the realisation of our shared objectives.

As we embark on this five-year journey, let us be guided by our motto: "Unity is Strength." Together, united in purpose and committed to action, we will transform Xhariep into a district that offers opportunity, dignity, and prosperity for all its people.

May this Integrated Development Plan serve as the roadmap to a better future for all.

Cllr NI Mehlomakulu
EXECUTIVE MAYOR
Xhariep District Municipality

FOREWORD BY THE MUNICIPAL MANAGER

It is my privilege, as the Accounting Officer of the Xhariep District Municipality in terms of Section 60 of the Municipal Finance Management Act 56 of 2003, to present this Integrated Development Plan for the 2026-2031 term. This document represents the culmination of a rigorous planning process that has been conducted in full compliance with the regulatory framework governing municipal planning in South Africa.

In terms of Section 55 of the Municipal Systems Act 32 of 2000, the Municipal Manager is responsible for ensuring the implementation of the municipality's integrated development plan. This responsibility extends to coordinating the compilation of the IDP, ensuring alignment with the budget, and establishing systems for monitoring and evaluation. I affirm that this IDP has been developed in accordance with the prescribed process, as outlined in our Council-adopted IDP Process Plan, and that all legislative requirements have been satisfied.

The development of this IDP follows the six phases prescribed in the IDP Guide Pack: Preparation, Analysis, Strategies, Projects, Integration, and Approval. Throughout this process, we have engaged extensively with internal and external stakeholders through the IDP & Budget Steering Committee, the IDP Representative Forum, and various technical working groups. The District Coordinating Forum (DCF) and Municipal Managers Forum (MMF) have provided essential platforms for horizontal and vertical alignment, ensuring coherence between district and local municipality planning.

The institutional context within which we operate presents both challenges and opportunities. As a Category C district municipality, we derive the overwhelming majority of our revenue from the Equitable Share and other grants, with limited capacity for own revenue generation. Our approved organisational structure provides for the deployment of staff across key functional areas, though we continue to address critical vacancies and skills development needs. The administration remains committed to improving our audit outcomes through implementation of our Audit Action Plan, strengthening internal controls, and enhancing financial governance.

The financial plan underpinning this IDP reflects a realistic assessment of available resources. Our Medium-Term Revenue and Expenditure Framework (MTREF) for 2026/27 projects total revenue of approximately **R66.8 million**, comprising the Equitable Share, the Provincial Assistance Grant, the Financial Management Grant, the Expanded Public Works Programme Integrated Grant, the Rural Roads Asset Management Systems Grant, the LGSETA Grant, and other own income. **Against this revenue, employee and councillor costs of R58.1 million consume the overwhelming majority of available funding, resulting in a near-balanced operating deficit of R946,000 for 2026/27, which the Budget Funding Plan 2026/27, approved alongside this budget, sets out to address.** These resources will be deployed across our Key Performance Areas in alignment with the strategic priorities outlined in this plan.

Implementation of this IDP will be operationalised through the Service Delivery and Budget Implementation Plan (SDBIP), which will be tabled by the Executive Mayor within 28 days of budget approval. The SDBIP will translate our strategic objectives into measurable quarterly targets, with clear assignment of responsibilities and resources. Our Performance Management System provides the framework for monitoring progress, with quarterly reports to Council and the public, and annual assessment against the institutional scorecard.

As a district municipality, we recognise our critical role in supporting our local municipalities. Through the District Development Model, we coordinate planning across Kopanong, Letsemeng, and Mohokare, facilitate capacity building interventions, and provide technical support in areas such as disaster management, environmental health, and infrastructure planning. The Xhariep One Plan provides a single, coherent development agenda for the entire district space, ensuring that resources are deployed strategically and that duplication is eliminated.

I am cognisant of the significant challenges facing our district: high unemployment and poverty levels, vast geographic distances that complicate service delivery, the impacts of climate change on our agricultural sector, and the migration of skilled individuals to urban centres. These challenges require innovative solutions, strategic partnerships, and efficient utilisation of every available resource. The administration is committed to addressing these challenges with professionalism, integrity, and a relentless focus on outcomes.

I wish to express my appreciation to the Executive Mayor and Council for their strategic guidance, to the Mayoral Committee for their oversight, and to my management team and all municipal staff for their dedication to public service. I also acknowledge the contributions of the Free State Department of Cooperative Governance and Traditional Affairs, National Treasury, Office of the Premier, and all sector departments who have participated in the development of this plan.

As Accounting Officer, I commit to deploying all available resources toward the realisation of the objectives contained in this IDP. I undertake to report regularly and transparently on progress, to address audit findings with urgency, and to foster a culture of performance and accountability within the administration.

Together with the political leadership and the communities we serve, we will work toward making Xhariep a district of opportunity and prosperity.

Mrs LY Moletsane
MUNICIPAL MANAGER
Xhariep District Municipality

EXECUTIVE SUMMARY

1. INTRODUCTION

This Integrated Development Plan (IDP) sets forth the strategic framework for the development of the Xhariep District Municipality for the period 2026 to 2031, coinciding with the new Council term. Developed in accordance with Section 25 of the Municipal Systems Act 32 of 2000, this IDP serves as the principal strategic planning instrument that guides all municipal planning, budgeting, management, and decision-making.

The IDP is not merely a planning document; it is a social contract between the municipality and its residents, committing resources and institutional capacity toward the achievement of shared developmental objectives. It provides a framework for coordinated planning across all three spheres of government and establishes the basis for monitoring and evaluation of municipal performance.

2. DISTRICT PROFILE

The Xhariep District Municipality (DC16) is a Category C municipality located in the southern region of the Free State Province, South Africa. The district is the largest in the province by geographic area, spanning 34,250 square kilometres - accounting for approximately 26% of the Free State's total land area. The district comprises three local municipalities: Kopanong (population 51,832), Letsemeng (population 43,101), and Mohokare (population 36,968).

Indicator	Value
Total Population (Census 2022)	131,901
Total Area	34,250 km²
Number of Households	36,064
Population Density	3.85 persons/km²
Unemployment Rate	31.9%
Youth Unemployment	~45%
Water Access (piped)	91.5%
Electricity Access	93.7%
Refuse Removal (weekly)	67.7%
Contribution to Free State GDP	4.45%

Table 1: Xhariep District Municipality Key Statistics

3. KEY DEVELOPMENT CHALLENGES

The situational analysis reveals several critical challenges requiring strategic intervention:

- **High Unemployment and Poverty:** With an unemployment rate of 31.9% and approximately 45% of the population living below the poverty line, economic development and job creation remain paramount priorities.
- **Geographic Dispersion:** The vast geographic area with low population density increases the cost of service delivery and infrastructure maintenance.
- **Water Scarcity:** The semi-arid climate and recurring droughts place significant pressure on water resources, affecting both communities and the agricultural sector.
- **Aging Infrastructure:** Roads, water infrastructure, and community facilities require significant investment in maintenance and renewal.
- **Skills Shortages:** The migration of skilled individuals to urban centres depletes the local skills base and limits economic diversification.
- **Fiscal Constraints:** High dependency on grants (81% of revenue) limits fiscal flexibility and requires innovative approaches to resource mobilisation.

4. VISION, MISSION AND VALUES

Vision

"A community-oriented municipality, with a sustainable environment for business and economic opportunities - A Heart of Development with Opportunity for All"

Mission

To render sustainable, affordable, and equitable services to improve the quality of life of all citizens through coordinated planning, resource mobilisation, and cooperative governance.

Core Values

Accountability • Transparency • Integrity • Batho Pele (People First) • Ubuntu • Professionalism • Excellence • Innovation

5. STRATEGIC GOALS

The municipality has adopted four Strategic Goals to guide development over the 2026-2031 period:

Goal	Description
Goal 1	Provision of sustainable and accessible basic services to all communities
Goal 2	Provide a safe, healthy, and secure environment for residents and visitors
Goal 3	Promote economic growth, job creation, and poverty alleviation

Goal 4	Promote good governance, organisational development, and financial sustainability

Table 2: Strategic Goals 2026-2031

6. KEY PERFORMANCE AREAS

In alignment with the national Key Performance Areas for local government, the municipality will focus on six priority areas:

- **Municipal Transformation and Organisational Development:** Building institutional capacity, developing skills, and transforming the organisation to deliver effectively.
- **Local Economic Development:** Creating an enabling environment for investment, supporting SMMEs, promoting agriculture and tourism, and creating jobs through EPWP.
- **Municipal Financial Viability and Sustainability:** Ensuring sound financial management, improving audit outcomes, optimising grant utilisation, and exploring alternative revenue streams.
- **Good Governance and Public Participation:** Strengthening democratic governance, enhancing public participation, ensuring transparency, and promoting accountability.
- **Basic Service Delivery and Infrastructure Development:** Coordinating bulk infrastructure, maintaining roads through RRAMS, delivering environmental health services, and managing disasters.
- **Spatial Rationale and Environmental Management:** Implementing spatial planning, promoting sustainable development, managing environmental resources, and adapting to climate change.

7. FINANCIAL PLAN SUMMARY

The financial resources available for implementation of this IDP are summarised below:

Revenue Source	Amount (R)
Local Government Equitable Share	R 52,900,000
Finance Management Grant (FMG)	R 2,000,000
EPWP Integrated Grant	R 1,344,000
Rural Roads Asset Management Systems (RRAMS) Grant	R 2,621,000
Other Revenue (Interest, Fees, etc.)	R 4,084,000
Total Revenue	**R 62,949,000**

Table 3: Revenue Summary 2026/27

8. IMPLEMENTATION APPROACH

Implementation of this IDP will be driven through the Service Delivery and Budget Implementation Plan (SDBIP), which translates strategic objectives into measurable quarterly targets. The

Performance Management System provides the framework for monitoring and evaluation, with quarterly reporting to Council and annual assessment of institutional performance.

The District Development Model (DDM) will guide intergovernmental coordination, ensuring alignment between district and local municipality plans and leveraging resources from provincial and national government. The IDP will be reviewed annually to assess progress and respond to changing circumstances.

9. CONCLUSION

This Integrated Development Plan represents a comprehensive response to the developmental challenges facing the Xhariep District. It reflects the aspirations of our communities, aligns with national and provincial priorities, and provides a realistic framework for action within available resources.

Success will require the collective effort of all stakeholders: political leadership to provide direction and oversight; administration to implement efficiently and effectively; communities to participate actively and hold government accountable; and partners in other spheres of government and the private sector to contribute resources and expertise.

Together, united in purpose and committed to action, we will transform the Xhariep District into a place of opportunity, dignity, and prosperity for all.

CHAPTER 1

INTRODUCTION

1.3 IDP COMPONENTS

1.3.1 Core Components (Section 26, MSA)

Section 26 of the Municipal Systems Act specifies the core components that an IDP must reflect. This IDP addresses each of these requirements as follows:

Section 26 Requirement	IDP Chapter Reference
(a) The municipal council's vision for the long-term development of the municipality	Chapter 5: Vision, Mission and Values
(b) Assessment of existing level of development including identification of communities without access to basic services	Chapter 4: District Profile and Situational Analysis
(c) The council's development priorities and objectives for its elected term	Chapter 5: Vision, Mission and Strategic Objectives
(d) The council's development strategies, aligned with national and provincial sectoral plans	Chapter 6: Development Strategies
(e) A spatial development framework	Chapter 7: Sector Plans (Spatial Development Framework)
(f) The council's operational strategies	Chapters 6 and 7: Development Strategies and Sector Plans
(g) Applicable disaster management plans	Chapter 7: Sector Plans (Disaster Management Plan)
(h) A financial plan including a budget projection for at least three years	Chapter 9: Financial Plan
(i) Key performance indicators and performance targets	Chapter 10: Performance Management Framework

Table 1.2: Section 26 Components and IDP Chapter References

1.3.2 Sector Plan Integration

Various pieces of legislation require municipalities to develop sector-specific plans that address particular functional areas. These sector plans provide detailed analysis and strategies in their respective areas and are integrated into the IDP to ensure a coherent and comprehensive approach to development. The key sector plans that inform and are informed by this IDP include:

- Spatial Development Framework (SPLUMA, 2013)

- Local Economic Development Strategy
- Water Services Development Plan (Water Services Act, 1997)
- Disaster Management Plan (Disaster Management Act, 2002)
- Integrated Waste Management Plan (NEMWA, 2008)
- Integrated Transport Plan (NLTA, 2009)
- Environmental Management Plan (NEMA, 1998)
- Workplace Skills Plan and Employment Equity Plan
- HIV/AIDS Strategy

1.3.3 Spatial Development Framework

The Spatial Development Framework (SDF) is a core component of the IDP as required by Section 26(e) of the MSA. The SDF provides the spatial expression of the municipality's development vision, indicating where and how development should occur to achieve the desired spatial form and structure. In terms of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA), the SDF must include a written and spatial representation of a five-year spatial development plan and set out objectives that reflect the desired spatial form of the municipality.

The SDF for Xhariep District Municipality is incorporated into this IDP. It provides the spatial logic for the distribution of population and activities across the district, identifies development corridors and nodes, and establishes guidelines for land use management.

1.3.4 Financial Plan

Section 26(h) of the MSA requires that the IDP include a financial plan, which must include a budget projection for at least the next three years. The financial plan ensures that the strategies and projects contained in the IDP are financially viable and that resources are allocated in accordance with strategic priorities. The Medium-Term Revenue and Expenditure Framework (MTREF), prepared in terms of the MFMA, serves as the financial plan for the IDP and is detailed in Chapter 9.

1.3.5 Performance Management Linkage

Section 26(i) of the MSA requires that the IDP include key performance indicators and performance targets determined in terms of Section 41 of the Act. This requirement establishes the link between the IDP and the municipality's Performance Management System (PMS). The PMS provides the framework for monitoring and evaluating implementation of the IDP, measuring progress against targets, and taking corrective action where necessary.

The Service Delivery and Budget Implementation Plan (SDBIP), which is derived from the IDP, operationalises the performance management framework by translating annual targets into quarterly deliverables with clear responsibilities and resource allocations. Chapter 10 details the performance management framework and the institutional scorecard for the 2026-2031 period.

1.4 STRUCTURE OF THE DOCUMENT

1.4.1 Document Organisation

This Integrated Development Plan is organised into multiple chapters that follow a logical flow from context-setting and analysis, through strategic framework development, to implementation planning and monitoring. This structure ensures that the IDP addresses all legislative requirements while presenting information in a clear, accessible, and coherent manner.

1.4.2 Chapter Overview

The following table provides an overview of the IDP's structure, indicating the purpose and content of each major section:

Section	Content
Preliminary Pages	Cover page, adoption resolution, table of contents, acronyms, glossary
Forewords & Executive Summary	Executive Mayor's Foreword, Municipal Manager's Foreword, Executive Summary
Chapter 1-3	Introduction, Legislative Framework, IDP Development Process
Chapter 4	District Profile and Situational Analysis: Demographics, socio-economic analysis, services assessment, institutional capacity, financial overview, SWOT analysis
Chapter 5-6	Strategic Framework: Vision, mission, values, strategic goals, objectives, development strategies
Chapter 7	Sector Plans: Water Services Development Plan, Spatial Development Framework, Local Economic Development Strategy, Disaster Management Plan, and other integrated sector plans
Chapter 8	Projects and Programmes: Five-year capital and operational programmes
Chapter 9	Financial Plan: MTREF budget, revenue and expenditure projections, financial sustainability strategy
Chapter 10-11	Performance Management Framework, Implementation Framework, Risk Management
Chapter 12	Conclusion
Annexures	Supporting documentation, schedules, and technical information

Table 1.3: IDP Document Structure

1.4.3 How to Use This Document

This IDP is designed to serve multiple audiences with different information needs:

- **Community Members** seeking an overview of the municipality's development direction should refer to the Executive Summary and Chapter 5 (Vision, Mission and Values).
- **Councillors** requiring strategic guidance for decision-making should focus on Chapters 1-3 (Introduction, Legislative Framework, and IDP Development Process) and Chapters 5-6 (Strategic Framework).
- **Municipal Officials** responsible for implementation should consult Chapter 8 (Projects and Programmes), Chapter 9 (Financial Plan), and Chapter 10 (Performance Management).
- **Sector Departments and Other Spheres of Government** should refer to Chapter 3 (IDP Development Process) for alignment requirements and Chapter 8 for projects requiring their support.
- **Investors and Business** seeking development opportunities should consult Chapter 4 (Situational Analysis), particularly the socio-economic analysis, and Chapter 7 (Spatial Development Framework).
- **Researchers and Analysts** will find detailed data in Chapter 4 and the Annexures.

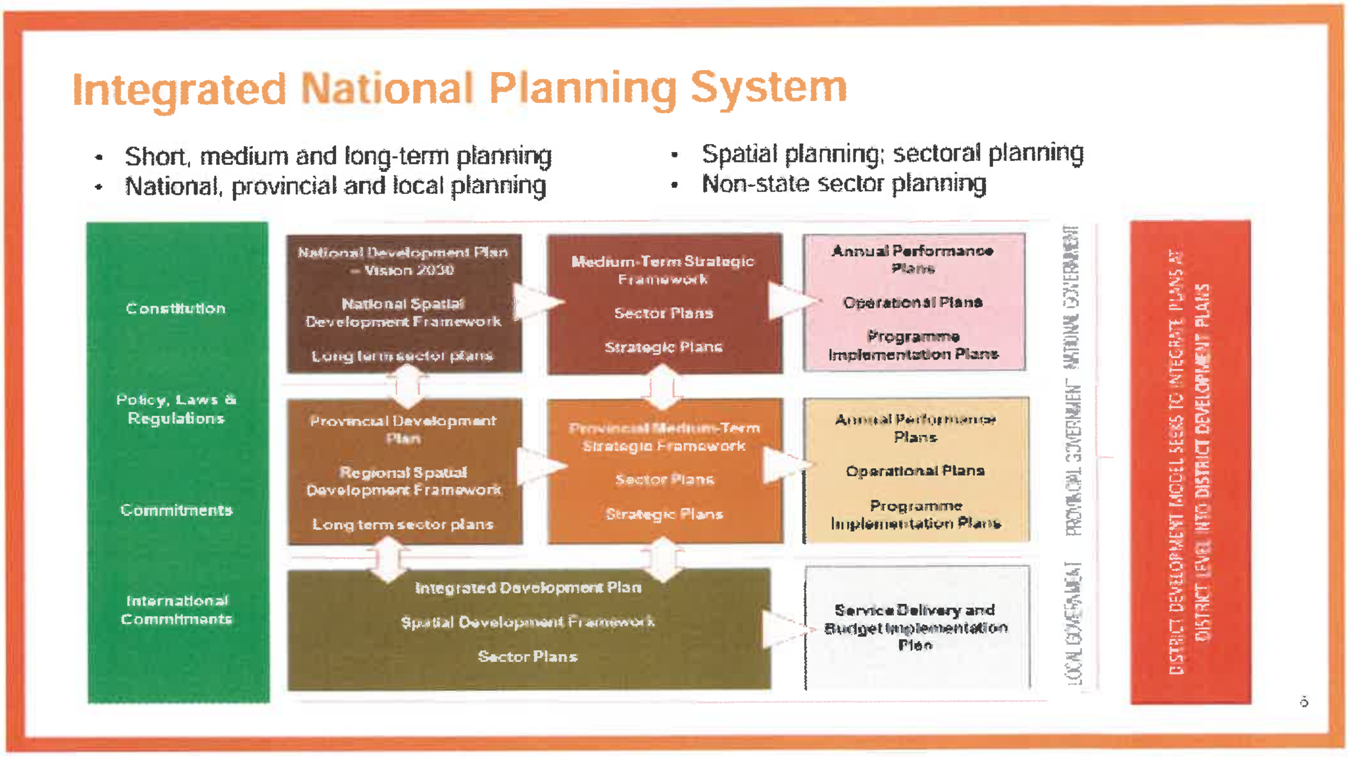
Cross-references are provided throughout the document to guide readers to related information in other chapters. The Table of Contents provides detailed navigation, while the List of Tables and List of Figures enable quick location of specific data.

END OF CHAPTER 1

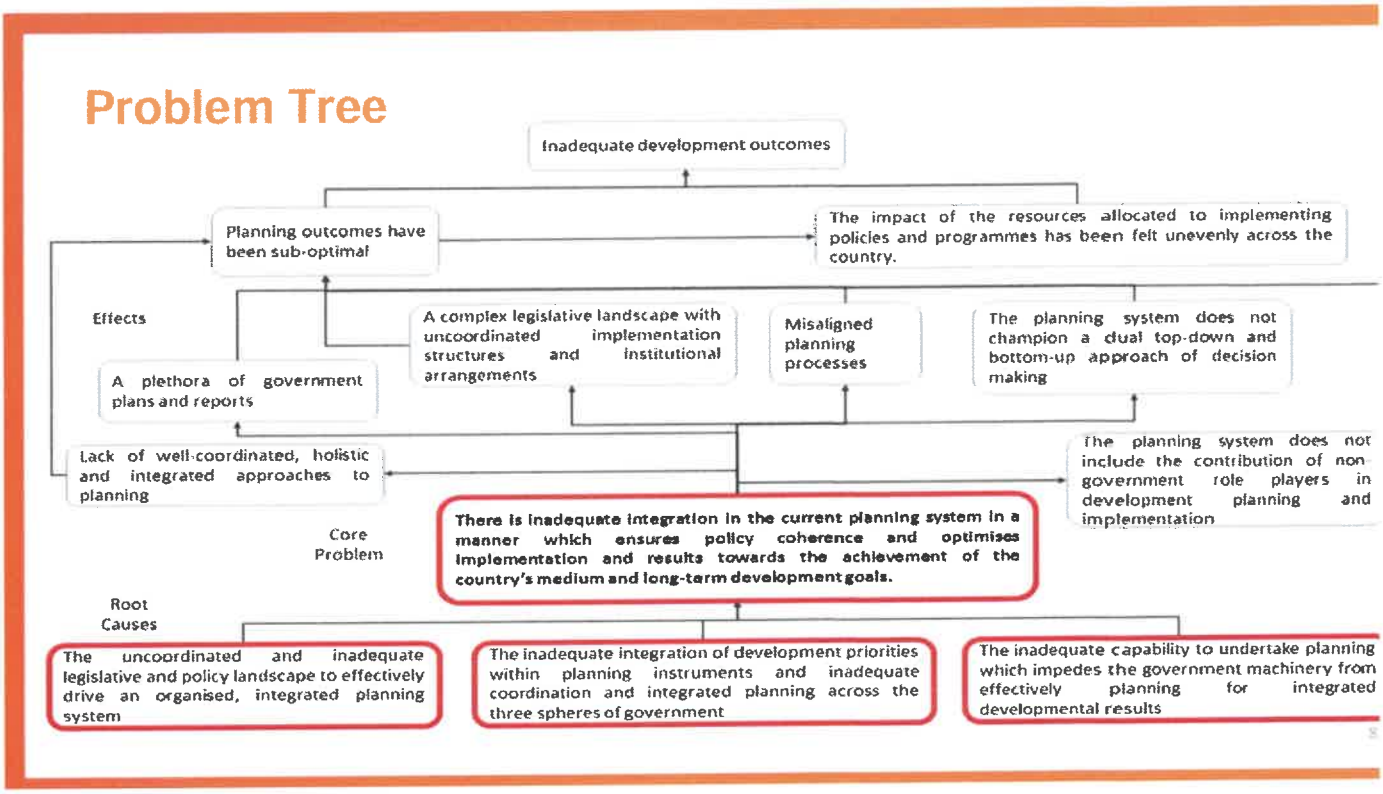
CHAPTER 2

LEGISLATIVE AND POLICY FRAMEWORK

This chapter presents the legislative and policy framework within which the Xhariep District Municipality IDP has been developed. The IDP is not developed in isolation but must align with and give effect to a hierarchy of constitutional provisions, legislation, and policy directives emanating from all three spheres of government, as well as relevant international frameworks to which South Africa is a signatory.



Source: Policy Framework for Integrated Development Planning, 2023



Source: Policy Framework for Integrated Development Planning, 2023

2.1 CONSTITUTIONAL FRAMEWORK

2.1.1 Chapter 7: Local Government

The Constitution of the Republic of South Africa, 1996 establishes local government as a distinctive, interdependent, and interrelated sphere of government. Chapter 7 (Sections 151-164) provides the constitutional foundation for local government, establishing municipalities as the institutions through which local government is exercised. The Constitution guarantees the right of municipalities to govern the local government affairs of their communities, subject only to national and provincial legislation.

Section 151(3) provides that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution. Section 151(4) further provides that the national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

2.1.2 Objects of Local Government (Section 152)

Section 152 of the Constitution sets out the objects of local government, which provide the overarching framework within which all municipal activities, including the IDP, must be pursued:

Section	Object of Local Government
(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
(e)	To encourage the involvement of communities and community organisations in the matters of local government

Table 2.1: Constitutional Objects of Local Government

Section 152(2) further provides that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1). This provision acknowledges that municipalities operate within resource constraints while still requiring them to pursue these constitutional objectives.

2.1.3 Developmental Duties of Municipalities (Section 153)

Section 153 establishes specific developmental duties for municipalities, requiring them to:

a) Structure and manage their administration, and 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.

These developmental duties establish local government as a key agent of development, not merely a service delivery mechanism. The IDP is the primary instrument through which municipalities discharge these developmental duties, integrating social and economic development objectives with service delivery planning.

2.1.4 Cooperative Government (Chapter 3)

Chapter 3 of the Constitution establishes the principle of cooperative government, requiring all spheres of government to respect the constitutional status, institutions, powers, and functions of government in the other spheres; not assume any power or function except those conferred on them in terms of the Constitution; exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional, or institutional integrity of government in another sphere; and cooperate with one another in mutual trust and good faith.

Section 41(1)(h) further requires all spheres of government to cooperate with one another in mutual trust and good faith by fostering friendly relations, assisting and supporting one another, informing one another of matters of common interest, coordinating their actions, and adhering to agreed procedures. The IDP process provides a key mechanism for implementing these cooperative governance requirements at the local level.

2.1.5 Bill of Rights Implications

Chapter 2 of the Constitution, the Bill of Rights, has significant implications for municipal planning and service delivery. Several rights have direct relevance to the IDP, including the right to access adequate housing (Section 26), the right to access healthcare services, sufficient food and water, and social security (Section 27), the right to a healthy environment (Section 24), the right to just administrative action (Section 33), and the right to access information (Section 32).

Section 7(2) imposes a duty on the state to respect, protect, promote, and fulfil the rights in the Bill of Rights. Municipalities, as organs of state, are bound by this duty in all their planning and implementation activities. The IDP must therefore be developed and implemented in a manner that advances the progressive realisation of these rights within available resources.

2.2 NATIONAL LEGISLATION

The legislative framework governing municipal planning comprises numerous Acts of Parliament that establish requirements, procedures, and standards. The following key legislation has direct bearing on the development and implementation of this IDP:

2.2.1 Local Government: Municipal Systems Act 32 of 2000

The Municipal Systems Act (MSA) is the foundational legislation for integrated development planning. It establishes the systems and procedures that enable municipalities to move progressively towards the social and economic upliftment of local communities. The Act addresses the following key areas relevant to the IDP:

- **Chapter 4 (Community Participation):** Requires municipalities to develop a culture of community participation and to establish mechanisms, processes, and procedures for community participation in municipal affairs, including the IDP process.
- **Chapter 5 (Integrated Development Planning):** Establishes the requirement for each municipality to adopt an IDP (Section 25), specifies the core components of the IDP (Section 26), and sets out the process for adoption and amendment.
- **Chapter 6 (Performance Management):** Requires municipalities to establish performance management systems linked to the IDP, including key performance indicators and targets.
- **Chapter 8 (Municipal Services):** Provides for the provision of municipal services in a manner that is conducive to the prudent, economic, efficient, and effective use of available resources and the improvement of standards of quality over time.

2.3 NATIONAL POLICY FRAMEWORK

2.3.1 National Development Plan (NDP) Vision 2030

The National Development Plan, adopted in 2012, sets out a long-term vision for South Africa to eliminate poverty and reduce inequality by 2030. The NDP identifies nine key pillars for development:

(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 healthcare

(vii) Building a capable state

(viii) Fighting corruption and enhancing accountability

(ix) Transforming society and uniting the nation

Chapter 8 of the NDP specifically addresses transforming human settlements and the national space economy, with objectives directly relevant to municipal planning including upgrading informal settlements, improving public transport, increasing housing density, and fixing the gap between where people live and work.

2.6 INTERNATIONAL FRAMEWORKS

South Africa is a signatory to several international agreements and frameworks that have implications for municipal planning. While these frameworks do not directly bind municipalities, they inform national policy and provide guidance on best practice in sustainable development.

2.6.1 United Nations Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development, adopted by the United Nations in 2015, comprises 17 Sustainable Development Goals with 169 targets. The SDGs provide a global framework for addressing poverty, inequality, climate change, environmental degradation, and other developmental challenges. Several SDGs have direct relevance to the IDP:

SDG	IDP Relevance
SDG 1: No Poverty	Poverty alleviation programmes, social development
SDG 6: Clean Water and Sanitation	Water services provision and planning
SDG 7: Affordable and Clean Energy	Electricity access, renewable energy
SDG 8: Decent Work and Economic Growth	Local economic development, job creation
SDG 9: Industry, Innovation, Infrastructure	Infrastructure development
SDG 11: Sustainable Cities and Communities	Spatial planning, human settlements
SDG 13: Climate Action	Climate change adaptation and mitigation
SDG 16: Peace, Justice, Strong Institutions	Good governance, accountability

Table 2.3: Sustainable Development Goals Relevant to the IDP

2.7 LEGISLATIVE COMPLIANCE CHECKLIST

The following checklist summarises the key legislative requirements for the IDP and confirms compliance:

Requirement	Reference	Status
Process Plan adopted by Council	**MSA s28**	✓
Public participation undertaken	**MSA s28-29**	✓
Vision for long-term development	**MSA s26(a)**	✓
Assessment of existing level of development	**MSA s26(b)**	✓
Development priorities and objectives	**MSA s26(c)**	✓
Development strategies aligned with sector plans	**MSA s26(d)**	✓
Spatial Development Framework	**MSA s26(e)**	✓
Operational strategies	**MSA s26(f)**	✓
Disaster Management Plan	**MSA s26(g)**	✓
Financial plan with 3-year budget projection	**MSA s26(h)**	✓
Key performance indicators and targets	**MSA s26(i)**	✓
Alignment with district framework	**MSA s27**	✓
Budget linked to IDP	**MFMA s21**	✓
SDBIP to be developed post-budget	**MFMA s53**	✓
Municipal SDF compliant with SPLUMA	**SPLUMA s20-21**	✓

Table 2.4: Legislative Compliance Checklist

END OF CHAPTER 2

CHAPTER 3

IDP DEVELOPMENT PROCESS

This chapter outlines the process followed in developing the Xhariep District Municipality Integrated Development Plan for the 2026-2031 period. The development process was governed by the Municipal Systems Act 32 of 2000 and the associated regulations, which establish requirements for planning, public participation, and adoption. This chapter describes the planning phases, the schedule of activities, the mechanisms for community and stakeholder participation, and the roles and responsibilities of various actors in the process.

3.1 OVERVIEW OF THE IDP PROCESS

3.1.1 Five-Year IDP versus Annual Review

The Municipal Systems Act distinguishes between the adoption of a new five-year IDP at the commencement of each council term and the annual review of the IDP during the term. This IDP represents a new five-year IDP for the 2026-2031 council term, following the 2026 Local Government Elections.

A new five-year IDP involves a comprehensive process of analysis, strategy development, and project planning, starting from a fresh assessment of the situation and allowing for fundamental reconsideration of the municipality's strategic direction. In contrast, the annual review focuses on assessing progress, updating information, and making adjustments as circumstances require, without fundamentally altering the strategic framework unless warranted by significant changes.

3.1.2 Legal Requirements for the IDP Process

Section 28 of the Municipal Systems Act establishes the requirements for the adoption of the IDP. The municipality must, through appropriate mechanisms, processes, and procedures established in terms of Chapter 4 of the Act:

- Allow the local community to be consulted on its development needs and priorities;
- Allow the local community to participate in the drafting of the IDP;
- Provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
- Require the municipal council to adopt the IDP.

Section 29 further requires the municipality to give notice to the public of the particulars of the process it intends to follow and to consult the local community before adopting the IDP. The municipality must also provide an opportunity for persons to submit representations.

3.1.3 Process Plan

In terms of Section 28(1) of the MSA, the Municipal Manager must manage the IDP process. To this end, the Xhariep District Municipality adopted a Process Plan that set out the programme for the preparation of the 2026-2031 IDP. The Process Plan was adopted by Council in August 2025 and set out:

- The structures responsible for managing and coordinating the IDP process;
- The phases of the planning process and the activities within each phase;
- The timeframes and deadlines for each activity;
- The mechanisms for public participation;
- The resources required for the process.

3.1.4 Planning Principles

The IDP development process was guided by the following principles:

- **Inclusivity:** Ensuring that all communities and stakeholders have the opportunity to participate in the process.
- **Transparency:** Making information about the process and the content of the IDP publicly available.
- **Integration:** Ensuring alignment between different municipal plans and with the plans of other spheres of government.
- **Evidence-based:** Basing planning decisions on reliable data and analysis.
- **Realism:** Ensuring that plans are achievable within available resources and institutional capacity.
- **Accountability:** Establishing clear responsibilities and performance targets to enable accountability.

3.2 PLANNING PHASES

The IDP development process was organised into six distinct but interrelated phases. Each phase produced specific outputs that fed into subsequent phases, ensuring a logical progression from analysis to strategy to implementation planning.

Phase	Key Outputs
Phase 1: Preparation	Process Plan, stakeholder database, resource allocation, institutional arrangements
Phase 2: Analysis	Situational analysis, community needs assessment, SWOT analysis, priority issues
Phase 3: Strategies	Vision, mission, values, strategic goals, objectives, development strategies
Phase 4: Projects	Project identification, prioritisation, costing, implementation plans
Phase 5: Integration	Sector plan alignment, financial plan, performance framework, SDF
Phase 6: Approval	Draft IDP, public comment, council adoption, MEC submission

Table 3.1: IDP Planning Phases and Key Outputs

3.2.1 Phase 1: Preparation (July – August 2025)

The preparation phase focused on establishing the institutional arrangements and resources required for the IDP process. Key activities included:

- Establishment of the IDP Steering Committee and IDP Representative Forum
- Drafting and adoption of the Process Plan by Council
- Compilation of stakeholder database and communication plan
- Allocation of budget and resources for the IDP process
- Coordination with local municipalities on the District IDP Framework
- Public notice of the IDP process

3.4 COMMUNITY AND STAKEHOLDER PARTICIPATION

3.4.1 Legal Framework for Participation

Chapter 4 of the Municipal Systems Act establishes the requirements for community participation in municipal affairs. Section 16 requires municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. Section 17 requires municipalities to establish appropriate mechanisms, processes, and procedures to enable the local community to participate in the affairs of the municipality.

For the IDP specifically, Section 28 requires that the local community be consulted on its development needs and priorities and that the community participates in the drafting of the IDP. Section 29 further requires that notice be given to the public and that an opportunity be provided for representations to be made.

3.4.2 Participation Mechanisms

The following mechanisms were employed to enable community and stakeholder participation in the IDP process:

Mechanism	Description
IDP Representative Forum	Multi-stakeholder forum including ward councillors, traditional leaders, sector departments, business, labour, NGOs, and community organisations
IDP/Budget Roadshows	Community meetings held across the district to consult on needs, priorities, and provide feedback on the draft IDP
Stakeholder Workshops	Focused sessions with specific stakeholder groups such as business, agriculture, and youth
Public Notices	Newspaper advertisements and notices at municipal offices informing the public of the IDP process and opportunities to participate
Written Submissions	Formal opportunity for members of the public to submit written comments on the draft IDP
Public Hearings	Formal hearings to receive oral representations on the draft IDP
Digital Platforms	Municipal website and social media channels used to disseminate information and receive feedback

Table 3.3: Community Participation Mechanisms

3.7 QUALITY ASSURANCE

3.7.1 Internal Quality Review

The IDP underwent an internal quality review process to ensure compliance with legislative requirements, internal consistency, and fitness for purpose. The IDP & Budget Steering Committee reviewed each chapter of the draft IDP, checking for accuracy of data, alignment with strategic objectives, and clarity of presentation. The Municipal Manager provided final sign-off before the draft was released for public comment.

3.7.2 MEC Assessment

In terms of Section 32 of the MSA, the MEC for Local Government may, within 30 days of receiving a copy of the IDP, request the municipality to adjust the plan if it does not comply with legislative requirements or is not aligned with national and provincial policy. The MEC may also facilitate the resolution of disputes or inconsistencies between the IDP and the plans of other municipalities or organs of state.

The Provincial CoGTA conducts an annual IDP Assessment that evaluates the quality of municipal IDPs against a set of criteria. Feedback from previous assessments was incorporated into this IDP to address identified areas for improvement.

3.7.3 Continuous Improvement

The IDP is a living document that will be reviewed annually during the council term. The annual review provides an opportunity to assess progress, update information, and make adjustments as circumstances change. A formal mid-term review will also be conducted to assess whether the strategic framework remains appropriate and to make more substantive amendments if required.

The quality of the IDP will also be enhanced through the performance management system, which will generate regular reports on progress against IDP objectives. These reports will inform the annual review process and enable evidence-based adjustments to strategies and projects.

END OF CHAPTER 3

CHAPTER 4

DISTRICT PROFILE AND SITUATIONAL ANALYSIS

This chapter provides a comprehensive profile of the Xhariep District Municipality and its three local municipalities: Kopanong, Letsemeng, and Mohokare. The situational analysis examines the geographical, demographic, socio-economic, infrastructure, environmental, and institutional dimensions of the district to establish the baseline for planning and to identify key development challenges and opportunities.

STATISTICAL PROFILE · FREE STATE PROVINCE · DC16

Xhariep District

Population & Demographic Dynamics

Source: Stats SA, Census 2022 Municipal Fact Sheet, Report No. 03-01-82 (2023) ·
Local municipalities: Letsemeng · Kopanong · Mohokare

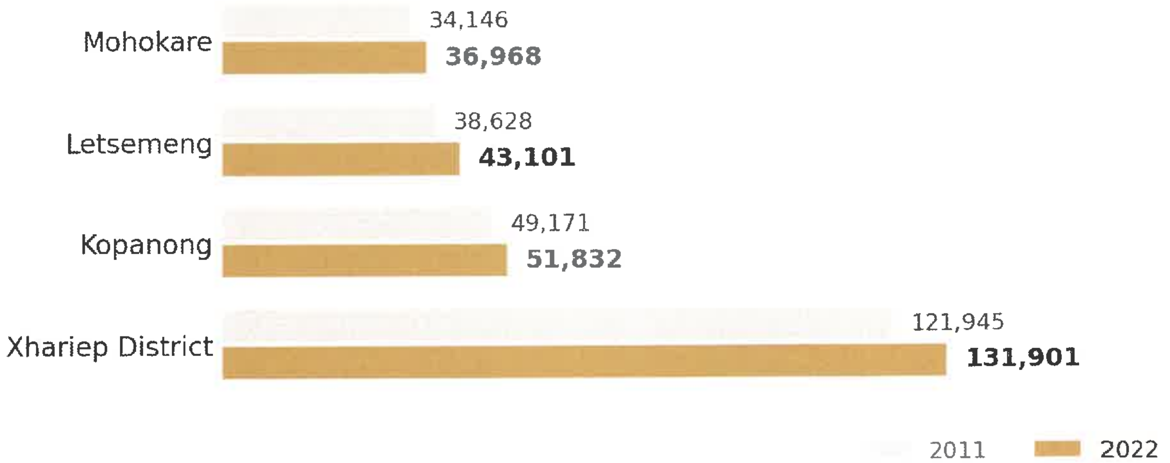
Xhariep is the smallest and most sparsely populated of the Free State's five district municipalities - a semi-arid expanse of sheep and cattle farmland in the southern part of the province, anchored by the Gariep Dam, South Africa's largest reservoir. A decade of population decline has reversed since 2011, even as the district's population continues to age faster than the provincial average. The figures below are drawn from Census 2022, Stats SA's most recent national population and housing census. Census 2022 is the dataset that succeeds the 2011 Census at municipal level - Stats SA's separate "Community Survey" product (last run in 2016) is an interim survey between censuses, and no Community Survey was conducted in 2022. Where 2011 figures appear alongside, they have been re-aligned by Stats SA to current (2018) municipal boundaries for comparability.

131,901	**28**	**+0.8%**	**3**
POPULATION, 2022	MEDIAN AGE (YRS)	ANNUAL GROWTH '11–'22	LOCAL MUNICIPALITIES

01 **A decline that has turned the corner**

Population by municipality, 2011 → 2022

Between 2001 and 2011, Xhariep's population was contracting at roughly −1.0% a year - among the steepest declines of any Free State district, as residents left the district's farming towns for Bloemfontein and Gauteng. Census 2022 shows that trend reversing: the district grew to 131,901 people, up from 121,945 in 2011, an annual rate of +0.8%. That is still well below the national rate of 1.8% a year, and Xhariep remains the smallest district in the Free State by population - but it is no longer shrinking.

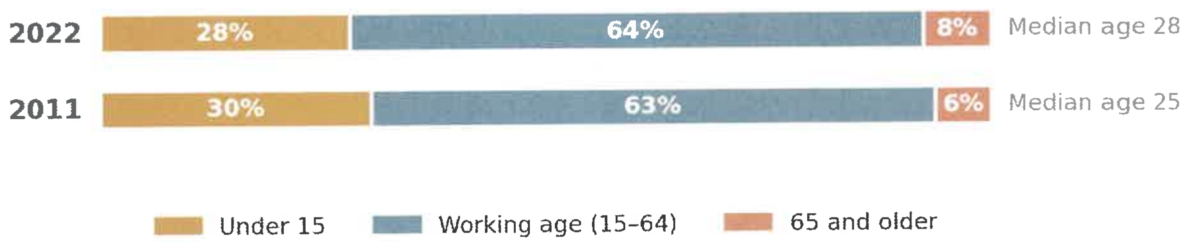


The recovery is uneven across the three local municipalities. Letsemeng — home to the diamond-mining town of Koffiefontein — is now growing fastest, at +1.1% a year, having also shrunk fastest before 2011 (−1.0%). Kopanong, the district's largest municipality by both population and land area (15,190 km²), has the slowest growth of the three at +0.5% a year. Mohokare sits in between at +0.8%.

02 An ageing population

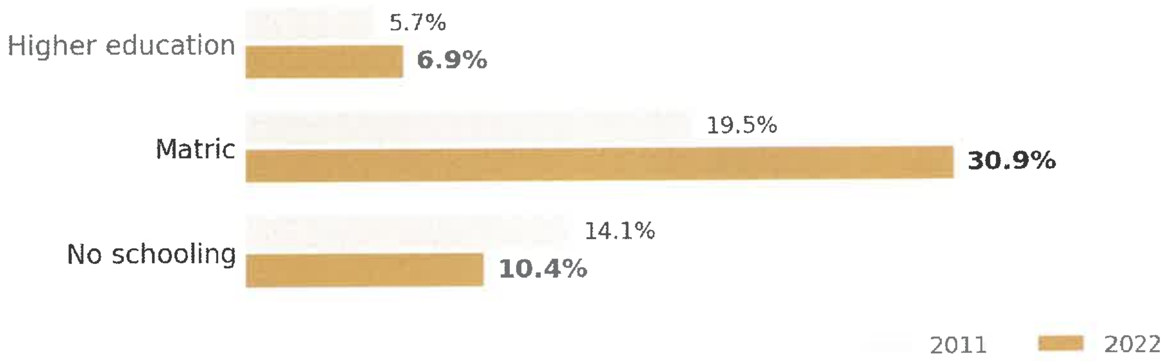
Age structure, Xhariep District, 2011 → 2022

Xhariep's median age rose from 25 to 28 between 2011 and 2022 — matching the national trajectory, but starting from, and arriving at, an older base than South Africa as a whole. The share of children under 15 fell while the share of working-age (15–64) and elderly (65+) residents both grew, a pattern consistent with an out-migration of young adults of childbearing age combined with longer life expectancy.



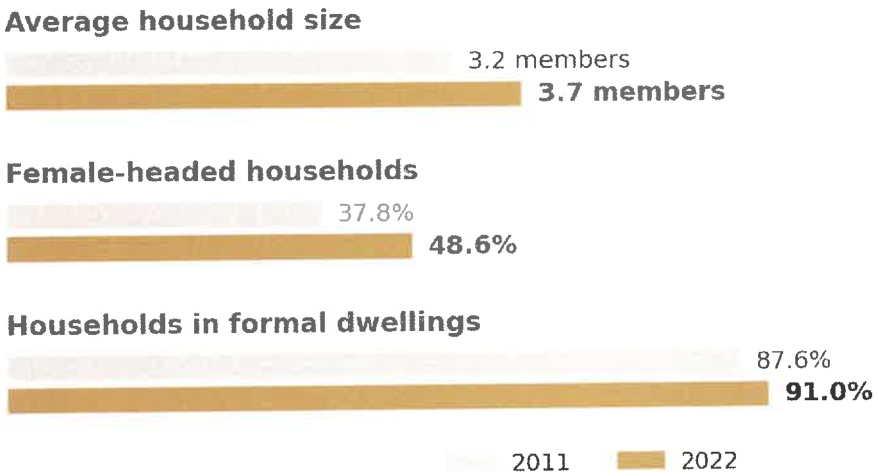
The district's total dependency ratio — the number of children and elderly people supported per 100 working-age residents — eased slightly from 57.9 to 55.5. But this hides sharp local divergence: in Mohokare, the ratio dropped from 62.9 to 53.4, the steepest improvement of any Free State local municipality, while in Kopanong it edged upward, from 57.4 to 57.8. Mohokare also aged the fastest of the three, with its median age climbing four years, from 24 to 28.

03 **Rising matriculation, falling illiteracy**
Educational attainment, population aged 20+, Xhariep District
Educational outcomes improved markedly over the intercensal period. The share of adults with no schooling at all dropped by close to a third, while the share who had completed Matric rose by more than half — the most significant shift in the district's human-capital profile in this dataset.



School attendance among 5–24 year-olds rose from 69.8% to 73.0%, and Census 2022 introduced a new indicator showing 56.3% of children aged 0-4 were attending an early childhood development (ECD) facility - a baseline figure with no 2011 comparator. Of the three local municipalities, Mohokare posted the largest gain in Matric completion (18.0% → 30.2%) and the highest share of residents with higher education by 2022 (8.5%).

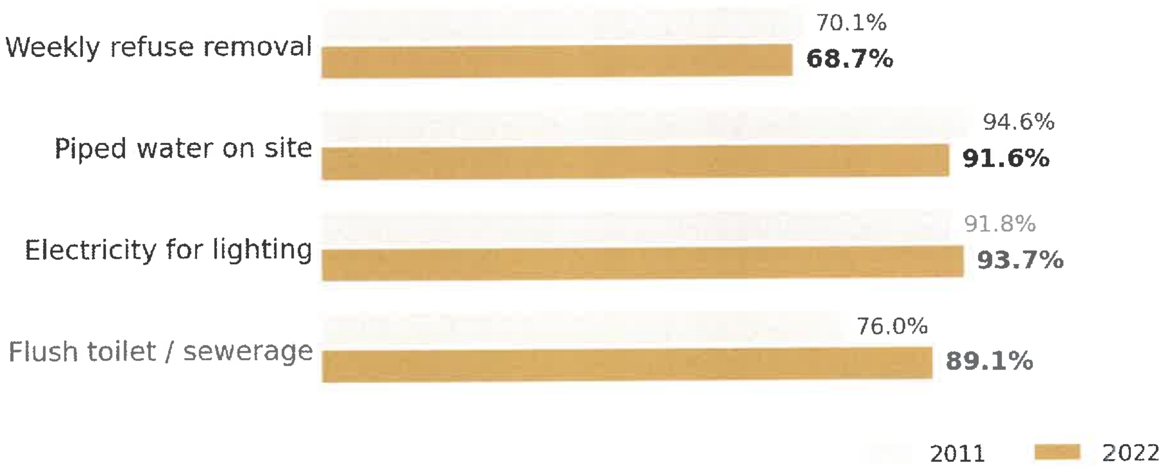
04 **Smaller population, bigger households**
Household composition, Xhariep District
Nationally, the average household is shrinking - from 3.6 members in 2011 to 3.5 in 2022. Xhariep moved in the opposite direction, from 3.2 to 3.7 members per household, among the largest average household sizes in the province. Female-headed households grew from 37.8% to 48.6% of all households - a faster rise than the national shift (41.2% → 49.2%) - while the share of households in formal dwellings improved from 87.6% to 91.0%.



05 **Service access: progress, with two exceptions**

Basic household services, Xhariep District, 2011 → 2022

Sanitation and electrification both advanced. But two services that were already near-universal in 2011 — piped water on site and weekly refuse removal - actually lost ground district-wide, a pattern worth flagging for service-delivery planning even as the headline indicators improve.



The local picture diverges sharply by service and by municipality:

Indicator (%)	Letsemeng	Kopanong	Mohokare
Flush toilet / sewerage	72.8 → 82.5	82.1 → 96.0	70.5 → 86.6
Weekly refuse removal	68.0 → 69.2	76.5 → 70.1	63.0 → 66.4
Piped water on site	90.8 → 90.6	96.1 → 92.1	96.2 → 91.9
Electricity for lighting	92.8 → 89.9	92.6 → 97.1	89.7 → 93.0

All three local municipalities saw piped water access on-site decline, despite starting from a very high base (90–96% in 2011). Letsemeng is the outlier on electricity, the only local municipality where access for lighting fell (92.8% → 89.9%) even as it improved everywhere else in the district. Kopanong posted the strongest sanitation gain of the three, reaching 96.0% flush-toilet coverage, but is the only municipality where weekly refuse removal coverage fell by more than a marginal amount (76.5% → 70.1%).

— **What the numbers say, together**

Xhariep's demographic story between 2011 and 2022 is one of stabilisation rather than transformation: a population decline that has levelled into modest growth, a workforce-age cohort that is holding steady even as the district ages, and a generation reaching far higher levels of school completion than the one before it. Households have grown larger and more often female-headed, and basic services have mostly — though not uniformly — improved. The exceptions, particularly the district-wide dip in piped water access and the unevenness in refuse collection and electrification between municipalities, are the clearest signals in this data for where local planning attention is still needed.

Source: Statistics South Africa, Census 2022 Municipal Fact Sheet, Report No. 03-01-82 (Pretoria: Stats SA, 2023). statssa.gov.za
2011 figures are Stats SA's re-aligned values, mapped to 2018 municipal boundaries for direct comparability with 2022. Xhariep District's geographic area itself changed in the 2018 boundary re-determination, reducing from 37,674 km² to 34,250 km² following the transfer of part of its territory to Mangaung Metropolitan Municipality.

4.9 SWOT ANALYSIS

The following SWOT analysis summarizes the key strengths, weaknesses, opportunities, and threats facing the Xhariep District. This analysis provides a strategic overview of the internal capabilities and external environment that will shape development interventions over the 2026-2031 IDP period.

STRENGTHS

- Strategic location on N1 national corridor
- Abundant agricultural land for livestock and crops
- Access to water from Orange River and Gariep Dam
- Tourism potential (Gariep Dam, heritage sites, game farms)
- Strong community networks and social cohesion
- Renewable energy potential (excellent solar radiation)

WEAKNESSES

- High unemployment (31.9%) and poverty rates (62%)
- Declining and ageing population (9.8% decrease since 2011)
- Low population density (3.9/km²) increasing service costs
- Ageing and deteriorating infrastructure
- High grant dependency (84%) and limited own revenue (6.5%)
- Skills shortages and low education levels
- Limited economic diversification

OPPORTUNITIES

- Agri-processing and value addition in agriculture
- Tourism development (eco-tourism, adventure, heritage)
- Renewable energy projects (solar farms)
- Irrigation agriculture using Orange River water
- District Development Model coordinated investment
- Cross-border trade opportunities with Lesotho
- Land reform and emerging farmer development

THREATS

- Climate change and increasing drought frequency
- Continued out-migration of skilled and young population
- Reduction in national grants and fiscal austerity
- Load shedding and energy supply constraints
- Stock theft and rural crime
- Land degradation and desertification
- Global economic uncertainty affecting agriculture

Figure 4.1: SWOT Analysis for Xhariep District Municipality

4.9.1 Fishbone Critical Analysis: Root Cause Analysis

The following fishbone (Ishikawa) diagram identifies the root causes contributing to the district's primary development challenge: high unemployment and persistent poverty. This cause-and-effect analysis reveals the interconnected factors across six major categories that must be addressed to achieve sustainable development outcomes.

EFFECT **High Unemployment and Persistent Poverty** Unemployment: 31.9% (narrow) | 48.2% (expanded) | 52% (youth) Poverty: 62% below Upper Bound Poverty Line

ROOT CAUSE CATEGORIES:

ECONOMIC FACTORS	→ Over-reliance on agriculture (12.4% GDP) vulnerable to drought → Government sector dominance (37.4% GDP, 38% employment) → Weak manufacturing base (4.1% GDP) and limited value-addition → Small economy (R4.8 billion) with limited multiplier effects

HUMAN CAPITAL FACTORS	→ Low education: Only 10.3% with higher education, 38.4% incomplete secondary → Skills mismatch: Training not aligned with local economic opportunities → Out-migration of skilled youth (9.8% population decline since 2011) → Limited access to tertiary education and skills training in district

INFRASTRUCTURE FACTORS	→ Low population density (3.9/km²) makes infrastructure economically unviable → Ageing water infrastructure with high non-revenue water (42%) → Deteriorating road network limiting market access for products → Limited broadband connectivity constraining digital economy

FISCAL FACTORS

→ Extreme grant dependency (84.04% equitable share) limiting fiscal autonomy

→ Minimal own revenue generation (6.49%) due to limited economic base

→ High operational costs relative to revenue due to geographic spread

→ Limited access to alternative funding (PPPs, bonds) due to small scale

ENVIRONMENTAL FACTORS

→ Semi-arid climate (300-500mm rainfall) creates chronic water scarcity

→ Increasing drought frequency reducing agricultural productivity

→ Land degradation and desertification reducing livestock capacity

→ Limited climate adaptation capacity and resilient practices

INSTITUTIONAL FACTORS

→ Limited technical capacity in economic development planning

→ Weak intergovernmental coordination despite DDM structures

→ Insufficient private sector partnerships due to perceived risk

→ Limited community structures and social capital mobilization

Figure 4.2: Fishbone (Ishikawa) Root Cause Analysis - Xhariep District Development Challenges

4.9.2 Fishbone Analysis: Key Insights and Strategic Implications

Interconnected Root Causes: The fishbone analysis reveals that unemployment and poverty in Xhariep District result from multiple interconnected root causes across six categories. The analysis shows that economic factors (narrow base, over-reliance on agriculture and government) interact with human capital deficits (low education, out-migration) and infrastructure constraints (low density, aging systems) to create a self-reinforcing cycle of underdevelopment.

These challenges are compounded by fiscal constraints (84% grant dependency limiting investment capacity), environmental vulnerabilities (climate change, water scarcity), and institutional weaknesses (limited technical capacity, weak coordination). Addressing these interlinked causes requires integrated interventions that break the poverty cycle through: (1) economic diversification beyond agriculture, (2) human capital development and skills retention, (3) strategic infrastructure investment, (4) revenue enhancement and fiscal sustainability, (5) climate adaptation and environmental management, and (6) institutional strengthening and partnership development.

Strategic Intervention Requirement: The strategic interventions outlined in subsequent chapters of this IDP specifically target these root causes through coordinated programmes addressing economic development, infrastructure investment, human capital development, environmental sustainability, and institutional capacity building. Success requires simultaneous action across all six categories rather than isolated interventions in single areas.

4.10 KEY DEVELOPMENT CHALLENGES

Based on the situational analysis and fishbone root cause analysis, the following key development challenges have been identified as priorities for the IDP period:

Priority	Challenge	Description
1	Unemployment	High unemployment (31.9% narrow, 48.2% expanded) and limited formal employment opportunities, particularly for youth (52%)
2	Poverty	Pervasive poverty (62% below UBPL) with high dependence on social grants (68% of households) for income
3	Population Decline	Out-migration of young and skilled residents (9.8% decline since 2011), leading to ageing population and human capital loss
4	Infrastructure	Ageing water, sanitation, and roads infrastructure requiring significant investment for refurbishment
5	Water Security	Water scarcity, drought vulnerability, and high non-revenue water losses (42%) threatening service delivery
6	Economic Base	Narrow economic base dominated by agriculture (12.4%) and government (37.4%), with limited diversification
7	Fiscal Constraints	High grant dependency (84.04%), limited own revenue (6.49%), and constrained fiscal space for development
8	Climate Change	Vulnerability to climate change impacts including drought, extreme temperatures, and land degradation
9	Skills Shortages	Low education levels (10.3% tertiary) and skills shortages limiting economic development and institutional capacity
10	Service Delivery	Challenges in maintaining service levels given vast distances (34,250 km²), low density (3.9/km²), and backlogs

Table 4.9: Priority Development Challenges

These challenges inform the strategic objectives and programmes outlined in the subsequent chapters of this IDP. Addressing these challenges will require coordinated action across all spheres of government, partnership with the private sector, and active participation of communities.

END OF CHAPTER 4

CHAPTER 5

VISION, MISSION AND STRATEGIC OBJECTIVES

This chapter presents the strategic framework that will guide the development of the Xhariep District Municipality over the 2026-2031 IDP period. The framework comprises the municipality's vision, mission, core values, strategic goals, and key performance areas. These elements provide the foundation for the programmes, projects, and performance targets detailed in subsequent chapters.

The strategic framework responds directly to the situational analysis and root cause analysis presented in Chapter 4, addressing the identified development challenges through a coherent and integrated approach. It reflects the municipality's constitutional mandate, aligns with national and provincial planning frameworks, and incorporates the priorities expressed by communities during the public participation process.

5.1 VISION STATEMENT

A vision statement articulates the desired future state that the municipality aims to achieve. It serves as a guiding star for all planning and decision-making, inspiring stakeholders and providing direction for collective effort. The vision statement must be ambitious yet achievable, specific to the district's context, and resonant with community aspirations.

OUR VISION"A community-oriented municipality, with a sustainable environment for business and economic opportunities."*(A Heart of Development with Opportunity for All)*

5.1.1 Unpacking the Vision

The vision statement comprises three key elements that define the municipality's aspirations:

Community-oriented: Places the community at the centre of all municipal activities, ensuring that services and programmes are responsive to community needs and that residents are active participants in governance and development. This approach recognizes that sustainable development can only be achieved when communities are empowered to shape their own future and when their voices are heard in decision-making processes.

Sustainable environment: Commits to environmental stewardship and sustainable development, ensuring that current development does not compromise the ability of future generations to meet their needs. Given the district's semi-arid climate, water scarcity challenges, and vulnerability to climate change, environmental sustainability is not merely an aspiration but an imperative for long-term viability.

Business and economic opportunities: Prioritises economic development and job creation, recognising that sustainable livelihoods are essential for poverty reduction and improved quality of life. With unemployment at 31.9% and poverty affecting 62% of the population, creating an enabling environment for business growth and economic diversification is central to the district's development agenda.

5.2 MISSION STATEMENT

The mission statement describes the municipality's core purpose and how it will work towards achieving the vision. It defines what the municipality does, for whom, and how. Where the vision describes the destination, the mission describes the journey.

OUR MISSION "To provide sustainable services and coordinate development through effective partnerships, good governance, and community participation."

5.2.1 Key Elements of the Mission

Sustainable services: Delivering quality services in a manner that is financially, environmentally, and institutionally sustainable over the long term. This requires prudent financial management, efficient use of resources, capacity building, and infrastructure investment to ensure that services can be maintained and improved over time.

Coordinate development: Playing a coordination role in bringing together different stakeholders and spheres of government to achieve integrated development outcomes. As a district municipality, Xhariep has a unique mandate to facilitate coordination between local municipalities, provincial departments, national programmes, and development partners to ensure that interventions are aligned and mutually reinforcing.

Effective partnerships: Building collaborative relationships with other spheres of government, the private sector, civil society, and development partners. Given the municipality's limited fiscal capacity (84% grant dependency) and the scale of development challenges, strategic partnerships are essential for mobilizing resources, expertise, and investment to achieve development objectives.

Good governance: Upholding principles of transparency, accountability, responsiveness, and ethical conduct in all municipal affairs. Good governance is both a constitutional requirement and a practical necessity for maintaining public trust, ensuring efficient resource use, and creating an enabling environment for development and investment.

Community participation: Ensuring that communities are meaningfully involved in decision-making processes that affect their lives. This goes beyond statutory consultation requirements to embrace genuine partnership with communities in identifying needs, setting priorities, implementing programmes, and monitoring outcomes. Community participation is the foundation of the "community-oriented" approach articulated in the vision statement.

5.3 CORE VALUES

The core values of the Xhariep District Municipality define the principles and ethical standards that guide the conduct of councillors, officials, and the organization as a whole. These values shape the organizational culture and inform how the municipality interacts with communities and stakeholders. They are not aspirational statements but binding commitments that must be reflected in day-to-day operations and decision-making.

ACCOUNTABILITY	TRANSPARENCY	INTEGRITY
BATHO PELE (People First)	UBUNTU	PROFESSIONALISM
EXCELLENCE	INNOVATION	RESPONSIVENESS
RESPECT	INCLUSIVENESS	ANTI-FRAUD AND CORRUPTION

Table 5.1: Core Values of Xhariep District Municipality

5.4 STRATEGIC GOALS

The municipality has adopted four Strategic Goals to guide development over the 2026-2031 period. These goals provide the overarching framework for all programmes, projects, and performance targets. They respond directly to the development challenges identified in Chapter 4 and align with national and provincial planning frameworks, particularly the National Development Plan 2030 and the Medium-Term Strategic Framework 2024-2029.

Strategic Goal	Description and Rationale
GOAL 1	**Provision of sustainable and accessible basic services to all communities**
	This goal addresses the infrastructure backlogs and service delivery challenges identified in Chapter 4. It responds to the constitutional mandate to provide basic services and recognizes that reliable water, sanitation, roads, and environmental health services are foundational to human dignity, public health, and economic development. Given the district's low population density (3.9/km²), aging infrastructure (42% non-revenue water), and vast geographic spread (34,250 km²), achieving this goal requires innovative approaches to service delivery, strategic infrastructure investment, and coordinated planning with local municipalities.
GOAL 2	**Provide a safe, healthy, and secure environment for residents and visitors**
	This goal addresses multiple development priorities including environmental health, disaster management, climate adaptation, and community safety. It recognises that a safe and healthy environment is both a basic human right and a precondition for economic development and investment. The goal encompasses disaster risk reduction (given vulnerability to drought and climate change), environmental management (addressing land degradation and water scarcity), public health services, and collaboration with law enforcement agencies to combat rural crime and stock theft.
GOAL 3	**Promote economic growth, job creation, and poverty alleviation**
	This goal responds to the most critical development challenges identified in the situational analysis: unemployment (31.9% narrow, 48.2% expanded, 52% youth) and poverty (62% below UBPL). It addresses the root causes identified in the fishbone analysis including narrow economic base, over-reliance on agriculture and government, skills deficits, and limited private sector investment. Achieving this goal requires economic diversification, support for SMMEs, agricultural value-addition, tourism development, skills development, and creation of an enabling environment for business and investment.
GOAL 4	**Promote Good Governance, Organisational Development, and Financial Sustainability**
	This goal addresses institutional capacity constraints and fiscal sustainability challenges. It recognizes that effective service delivery and development require a well-functioning municipality with adequate capacity, sound financial management, transparent governance, and meaningful public participation. Given the

	municipality's high grant dependency (84.04%), limited own revenue (6.49%), and technical capacity constraints, this goal is essential for ensuring that the municipality can fulfill its constitutional mandate and implement the IDP effectively. It encompasses organizational development, financial management, performance management, ICT infrastructure, public participation, and intergovernmental relations.

Each strategic goal addresses multiple development challenges and opportunities identified through the situational analysis and root cause analysis. The goals are mutually reinforcing and require integrated implementation to achieve sustainable development outcomes.

Table 5.2: Strategic Goals 2026-2031

5.5 KEY PERFORMANCE AREAS (KPAs)

In alignment with the national Key Performance Areas for local government, the municipality organizes its work under six priority areas. These KPAs provide a framework for organising departmental responsibilities, allocating resources, and monitoring performance. Each KPA contributes to achieving multiple strategic goals and addresses specific aspects of the municipality's constitutional mandate.

KPA 1: Municipal Transformation and Organizational Development

Strategic Objective: Build institutional capacity, develop skills, and transform the organization to deliver effectively and efficiently.

This KPA addresses organisational development, human resource management, skills development, transformation, ICT infrastructure, and institutional performance management. It responds to the root cause analysis findings regarding limited technical capacity, high vacancy rates, and skills shortages. Key focus areas include recruitment and retention of critical skills, training and development programmes, organizational restructuring, ICT systems implementation, change management, and building a performance-oriented culture.

KPA 2: Local Economic Development

Strategic Objective: Create an enabling environment for economic growth, support SMMEs, promote agriculture and tourism, and create employment opportunities.

This KPA addresses economic development planning and implementation, SMME support, tourism development, agricultural value-addition, EPWP job creation, youth and women empowerment, and investment promotion. It directly targets the unemployment and poverty challenges and responds to opportunities identified in the SWOT analysis including agri-processing, tourism potential, renewable energy, and cross-border trade with Lesotho.

KPA 3: Municipal Financial Viability and Sustainability

Strategic Objective: Ensure sound financial management, improve audit outcomes, optimize grant utilization, and explore alternative revenue streams.

This KPA encompasses financial planning and budgeting, revenue management, expenditure control, supply chain management, asset management, and audit compliance. It addresses the fiscal constraints identified in the root cause analysis (84% grant dependency, 6.49% own revenue) and aims to improve financial sustainability through revenue enhancement, cost containment, improved budget planning, clean audits, and efficient grant management.

KPA 4: Good Governance and Public Participation

Strategic Objective: Strengthen democratic governance, enhance public participation, ensure transparency and accountability, and combat fraud and corruption.

This KPA addresses council effectiveness, public participation mechanisms, communication and stakeholder engagement, transparency and access to information, anti-corruption measures, ward committee functionality, and oversight and accountability. It operationalizes the "good governance" element of the mission statement and ensures compliance with constitutional principles of cooperative governance, transparency, and accountability.

KPA 5: Basic Service Delivery and Infrastructure Development

Strategic Objective: Coordinate bulk infrastructure provision, maintain roads through RRAMS, deliver environmental health services, and manage disaster risks.

This KPA addresses roads maintenance (RRAMS), environmental health services (water quality monitoring, food hygiene, waste management licensing), disaster management, firefighting services, and coordination of bulk water and sanitation infrastructure. As a district municipality, Xhariep plays a coordination and support role to local municipalities, particularly for specialized services and infrastructure that benefits multiple municipalities.

KPA 6: Spatial Rationale and Environmental Management

Strategic Objective: Implement the Spatial Development Framework, promote sustainable land use, manage environmental resources, and adapt to climate change.

This KPA addresses spatial planning, land use management, environmental management, climate change adaptation, biodiversity conservation, and sustainable resource management. It responds to environmental threats identified in the SWOT analysis (climate change, drought, land degradation) and ensures that development is spatially rational, environmentally sustainable, and aligned with SPLUMA principles. Key focus areas include SDF implementation, integrated environmental management, water resource protection, and climate adaptation planning.

5.6 ALIGNMENT WITH NATIONAL AND PROVINCIAL FRAMEWORKS

The strategic framework of this IDP is aligned with national and provincial planning frameworks to ensure coherence across spheres of government and to facilitate leveraging of resources and support. The following table demonstrates how the strategic goals align with key national and provincial priorities:

Xhariep Strategic Goal	NDP 2030 Alignment	MTSF 2024-2029 Priority	Free State Growth & Development Strategy
Goal 1: Sustainable basic services	Chapter 8: Transforming settlements	Priority 1: Economic transformation and job creation	Priority 1: Basic services and infrastructure
Goal 2: Safe and healthy environment	Chapter 5: Environmental sustainability; Chapter 11: Health care	Priority 2: Education, skills and health	Priority 3: Social development and wellbeing
Goal 3: Economic growth and job creation	Chapter 3: Economy and employment; Chapter 6: Rural economy	Priority 1: Economic transformation and job creation	Priority 2: Economic growth and development
Goal 4: Good governance and financial sustainability	Chapter 13: Building a capable state	Priority 7: A capable, ethical and developmental state	Priority 4: Good governance and institutional development

Table 5.3: Alignment with National and Provincial Planning Frameworks

This alignment ensures that the municipality's planning is integrated with broader government priorities and facilitates access to sector-specific grants, programmes, and technical support from provincial and national spheres.

Xhariep District Municipality Objective Key Results (OKR): Annual Framework

Xhariep District Municipality OKRs: Objectives Key Results							
Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Performance Managemet System							
PMS Review follows a unique logic and review process, such tha the quarterly activities must start prior to the end of the financial year, planning for the next year to follow. So the Quarterly targets for PMS commence in the previous year (2025/2026) in Q3							
				Quarter 3 (2025/2026)	**Quarter 4 (2025/2026)**	**Quarter 1 (2026/2027)**	**Quarter 2 (2026/2027)**
Municipal Manager	**MM/ PMS Manager**	To systematically review and update the Performance Management System (PMS) Framework to ensure alignment with the Municipality's Integrated Development Plan (IDP), legislative requirements, and best practices, thereby enhancing accountability, transparency, and effectiveness in monitoring and improving service delivery and organisational performance by June 2026	Reviewed PMS Framework and Plan by June 2026	1.1. Establish a review team with key stakeholders	2.1. Conduct stakeholder consultations and workshops to collect feedback on the current PMS	3.1. Finalize PMS framework revisions based on feedback	4.1. Complete full implementation of the revised PMS framework
				1.2. Gather and analyze current PMS framework documentation and performance data	2.2. Benchmark against best practices and regulatory requirements	3.2. Develop an implementation and communication plan for the updated PMS framework	4.2. Monitor initial performance and gather user feedback
				1.3. Identify gaps and areas for improvement based on latest organizational priorities	2.3. Draft revised PMS framework addressing identified gaps and incorporating SMART principles	3.3. Prepare training materials and schedule training sessions for relevant staff	4.3. Make any necessary minor adjustments based on feedback
				1.4. Develop a detailed review plan with timelines and deliverables	2.4. Circulate draft for internal review and comments. Draft Performance Contracts for Senior Mnagers (Directors) and Managers reporting directly	3.4. Begin pilot testing or phased roll-out of revised PMS framework. Signed/approved performance contracts for directors and managers	4.4. Officially close the review process and report completion to senior management by June 2026

					to Senior Management distributed.	reporting directly to senior management in place	
		Ensure regular quartely reporting on Circular 88 by June 2026	Compliant reporting on circular 88 by June 2026	1 quatrerly report submitted	1 quatrerly report submitted	1 quatrerly report submitted	1 quatrerly report submitted

Transparent, Accountable Governance Practice

Xhariep District Municipality OKRs: Objectives Key Results

Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Municipa Manager	**PMS Manager**	Ensure compliance with statutory requirements, promote transparency and accountability, and facilitate meaningful public participation in municipal governance through tabling and publishing of the Final Annual Report and Annual Performance Report to Council by 31 January 2026.	Table the final Annual Report and Annual Performance Report in Council by 31 January 2026	Compile and finalise the Annual Report and Annual Performance Report, incorporating audited financial statements and audit findings. Submit draft Annual Report to Internal Audit and Auditor-General. Prepare documentation for Council tabling. Plan public notification and consultation processes.	Table the final Annual Report and Performance Report in Council by 31 January. - Make the Annual Report publicly available immediately after tabling. - Invite local community and stakeholders to submit representations on the report. - Submit the Annual Report to the Auditor-General, Provincial Treasury, and Provincial	Address issues raised in the Oversight Report and Auditor-General's findings. - Develop and implement corrective action plans. - Report progress on implementation to Council and stakeholders.	Review and update reporting processes and templates based on lessons learned. - Prepare for the next annual reporting cycle. - Engage stakeholders to improve transparency and participation

					Department of Local Government. - Conduct Council meetings to discuss the Annual Report and consider the Oversight Report. - Prepare and adopt the Oversight Report by 31 March.		
Performance Managemet System (following a sequence starting from Quarter 1 of 2026/2027 hence forth).							
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Municipal Manager	**MM/ PMS Manager**	Provision of a structured and transparent framework that enables the district to plan, monitor, measure, review, and improve its performance in delivering services and achieving strategic goals as outlined in the Integrated Development Plan (IDP) by June 2026	Develop, implement, and fully operationalise a structured and transparent Performance Management System (PMS) framework that enables the district municipality to plan, monitor, measure, review, and improve service delivery and strategic goal achievement as outlined in the IDP, with 100% of departments	Establish Performance Management Steering Committee (including performance management experts if needed, experts can be Performance Audit Committee members, PT, NT, CoGTA).	**100% of departments submit Q1 reports on time**: Collect and collate Q1 performance data.	**100% of departments submit Q2 reports**: Collect and collate Q2 performance data.	**100% of departments submit Q3 reports**: Collect and collate Q3 performance data.
				Approved PMS framework: Develop or update the PMS framework	Conduct first quarterly performance review meetings.	Conduct second quarterly performance review meetings.	Conduct third-quarter performance review meetings.

			aligned and reporting quarterly by June 2026.	aligned with the IDP.			
				100% of Departments have KPIs aligned: Conduct training workshops for management and staff on PMS processes.	**Performance review report presented to Management**: Identify underperformance and develop corrective action plans.	**Internal audit report completed**: Implement corrective actions from previous reviews.	Prepare draft annual performance report.
				100% of the Management trained on PMS: Set and align departmental KPIs with IDP objectives	Engage stakeholders in reviewing performance indicators.	**Corrective actions tracked and reported**: Conduct internal audit of performance data for accuracy and compliance.	Plan and initiate next financial year's PMS cycle, including KPI review and target setting.

Promote Infrastructure Investment and Economic Growth in the Xhariep District Municipality

Xhariep District Municipality OKRs: Objectives Key Results

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Municipal Manager.	**MM/CFO/Dir PSD/ Dir CS**	**Promotion and Facilitation of Infrastructure Investment and Economic Growth by June 2026**	Competetive bidding opportunities for Infratsructure Investment and Economiic Growth within the district by June 2026	Number of bids issued out for competitive bidding in the prior year. Quarterly report on progress	Number of bids issued out for competitive bidding in the prior year. Quarterly report on progress	Number of bids issued out for competitive bidding in the prior year. Quarterly report on progress	Number of bids issued out for competitive bidding in the prior year. Quarterly report on progress
			Number of funding proposals submitted for funding by June 2026	1 funding proposals submitted. Quarterly progress report.	1 funding proposals submitted. Quarterly progress report.	1 funding proposals submitted. Quarterly progress report.	1 funding proposals submitted. Quarterly progress report.

			Source funds for the establishment of a District Disaster Management Centre by June 2026	Submission of proposals. Source credible service providers to assist in drafting proposals Quarterly report on progress	Report on the progress, and mitigating proposals to yield desired results and outcomes	Report on the progress and provide improvement measures	Final Report submission to management

Improved Integrated Development Planning throughout the district

Xhariep District Municipality OKRs: Objectives Key Results

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Municipal Manager	**MM / IDP Manager**	Reviewed Integrated Development Plan by May 2026	Reviewed 5 year IDP by June 2026 (2026-2030)	**Inception:** Inception and conduct baseline analysis. Process Plan/ Framework Adoption	**Stakeholder engagement**: Affected parties. Interest parties. Local municipalities, departments. Identify spatial challenges and priorities	**Public Participation. Update Draft IDP. Table Draft to Council**: Integrate sector plans, environmental considerations, and infrastructure frameworks. Prepare capital investment frameworks aligned with spatial priorities.	**Table to Council**: Table Final IDP document togethre with sector plans

Enhance Spatial Planning, Land Use Management and Efficiency by ensuring effective Spatial Planning Practices across the district

Xhariep District Municipality OKRs: Objectives Key Results

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Municipal Manager	**MM / IDP Manager**	**Effective functional Spatial Planning and**	Number of joint spatial development	**Establish** a (1) district joint spatial planning forum.	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting

		Land Use Management structure by June 2026	planning meetings by June 2026	Coordinate quarterly meetings			
	MM / IDP Manager	**Enhance Spatial Planning and efficiency across the district by June 2026**	Review the District Spatial Development Framework/Plan by June 2025	**Inception:** Inception and conduct baseline analysis	**Stakeholder engagement**: Affected parties. Interest parties. Local municipalities, departments. Identify spatial challenges and priorities	**Update Draft SDF**: Integrate sector plans, environmental considerations, and infrastructure frameworks. Prepare capital investment frameworks aligned with spatial priorities.	**Table to Council**: Table sector plan to Council with the reviewed IDP
Director: Planning and Social Development and Planning	**Dir PSD/LED Manager**	**Business Licensing, Spatial Planning and Land Use**: To promote legal business operations, ensure compliance with local by-laws and national laws, stimulate economic growth—particularly in both township and "town" economies—formalise informal businesses, and create a safe, sustainable,	**Business Licensing**: Number of business applications facilitated for approval/disapproval by June 2026.	Facilitate approval of business applications received in partnership with local municipalities in ccordance to the act and regulations	Facilitate and Conduct inspections on all 100% of new licensed premises. Maintain 100% accuracy and completeness of licensing records	Monitoring report on service delivery and compliance; public awareness campaign outcomes; update on institutional arrangements.	Comprehensive quarterly report including performance against annual targets; preparation for annual performance report; review of IWMP objectives and adjustment plans.

		and equitable environment for businesses to operate by June 2026					
	Dir/ PSD/MHS: Manager	**Spatial Planning and Land Use**: To ensure that businesses comply with health, safety, and environmental standards to protect public health and the environment by June 2026	Ensure compliant business approval processess and business Licensing that complies with health and safety standards by June 2026	Facilitate approval of business applications received in partnership with local municipalities in ccordance to the act and regulations. Conduct quarterly awareness or stakeholder meetings	Resolved 90% of reported non-compliance cases	Maintain 100% accuracy and completeness of licensing records	Achieve 100% collection of licensing fees due

Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Legal Services							
Director Corporate Services	**Dir: Corporate Services / Legal Services Manager**	**Legal Services**: To provide proactive, professional, and comprehensive legal advisory and support services that	**Legal Services:** Provide proactive, accurate, and timely legal advice and support to Management (administration) by June 2026	Review and update legal policies and procedures; conduct legal risk assessments; initiate training for staff on legal compliance.	Provide legal advice during Management meetings; draft and review contracts, agreements, and by-laws.	Monitor ongoing litigation; coordinate with external legal practitioners; update Management on legal risks and compliance.	Evaluate legal advisory services; update legal frameworks as needed; report on legal service performance.

		ensure the municipality's compliance with all relevant legislation, effectively manage legal risks and litigation, facilitate sound governance and intergovernmental cooperation, and maintain efficient legal administration, thereby enabling the municipality to achieve its strategic goals and deliver sustainable service by June 2026	**Legal Services**: Manage litigation and legal risk to protect the municipality's interests by June 2026	Identify and prioritize active litigation cases; develop litigation management strategy.	Coordinate with external attorneys; prepare legal documentation and court submissions.	Monitor case progress; advise management on risk mitigation.	Review litigation outcomes; update risk registers; recommend policy or procedural changes.
			Legal Services: Ensure legal compliance in drafting and reviewing municipal by-laws, policies, and contracts by June 2026	Review existing by-laws and policies for legislative compliance; identify gaps.	Draft or amend by-laws and policies; consult with relevant stakeholders.	Facilitate Council approval processes for new or amended by-laws.	Disseminate updated by-laws; provide training on new legal requirements.
			Facilitate intergovernmental cooperation and minimize legal disputes by June 2026	Establish communication protocols withNational, Provincial and Local Government Legal Units.	Participate in Intergovernmental legal forums; share best practices.	Mediate or advise on intergovernmental disputes.	Report on cooperative initiatives and dispute resolutions.
			Manage legal administration including records, contracts, and access to information by June 2026	Audit legal records and contract registers; ensure compliance with PAIA and POPIA.	Update contract templates; process access to information requests.	Source training for staff on records management and information legislation.	Review administrative processes; implement improvements

Xhariep District Municipality OKRs: Objectives Key Results							
Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Human Resource Development							

		Capacity Building: Skills Development	Develop and implement a comprehensive capacity-building program by June 2026	**Establish Functional Steering Committee Establishment:** target: 1 committee formed).	1 Quarterly meeting.	1 Quarterly meeting	1 Quarterly meeting
Director Corporate Services	**Dir: Corporate Services / Human Resource Manager**	**Human Resource Development:** To cultivate a competent, motivated, and productive workforce that can effectively deliver services and achieve the municipality's strategic goals by June 2026	**HRM& D:** Development and approval of the Human Resource Development (HRD) Plan by June 2026	**Skills Audit:** Completion of a comprehensive capacity needs assessment (Skills Audit)	Development of a **Capacity Building Plan (annual training plan)**. Table in Management and Council for Approval. Design a tailored capacity-building program based on assessment outcomes	**Source funding**: to enable the implementation of the Capacity Building Plan. Primary focus on priority skills for the district.	**Annual report:** Capacity building plan and funding source progress, and implemented trainings
				Review and align the organizational structure to support HRD objectives and municipal mandates	Program Development and Initial Implementation Design and launch targeted training programs based on the skills audit results/outcomes Partner with educational institutions and training providers for customized learning programs addressing critical skills.	Capacity Building and Monitoring. Implement performance management systems linked to HRD interventions to track improvements and identify further needs. Conduct organizational culture and climate surveys to assess the impact of HRD initiatives and identify areas for improvement.	Evaluation, Reporting, and Continuous Improvement Evaluate the effectiveness of HRD programs through performance metrics and feedback mechanisms. Prepare and submit progress reports on HRD implementation to executive management and council. Update the HRD

					Develop and implement mentorship and coaching programs to support knowledge transfer and skills development. Begin employee orientation and onboarding improvements to enhance new staff integration.	Monitor the progress of succession planning and talent management strategies.	plan and training programs based on evaluation outcomes and emerging organizational needs. Review and revise HR policies and procedures to ensure compliance with legislation and best practices. Recognize and reward employee development achievements to motivate continued growth
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Integrovernmental Relations (IGR): District Basic Services Forums							
MM/DCS/IGR/DDM	**MM/ IGR/DDM**	Promote and facilitate effective cooperation, coordination, and communication between the district municipality and the local	Reviewed Intergovernmental relations implementation framework. Established District IGR forums by June 2026	Establish District IGR Forums Secretariat Management Teams. Convene initial or first quarterly IGR Forum meetings; collect initial progress reports from	Facilitate technical support structure meeting; review and consolidate project progress reports; resolve emerging disputes; submit quarterly progress report.	Conduct mid-year review of IGR forums performance; host stakeholder engagement sessions; update on service delivery coordination; submit report on	Finalise annual IGR performance report; review and amend IGR Framework if necessary; plan next year's IGR activities; disseminate final

		municipalities within its jurisdiction, as well as with provincial and national spheres of government, to ensure coherent policy implementation, integrated planning, efficient service delivery, and sustainable development in line with constitutional principles of cooperative governance by June 2026		municipalities from previous financial year. Identify required technical support for forums		implementation of resolutions.	meeting minutes and reports.
	MM/ IGR/DDM	**IGR: Functional District Basic Services Forums by June 2026**	**Municipal Manager's Forum: Technical IGR Forum:** Number of meetings by June 2026	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting
	MM/ IGR/DDM		**Mayors Forum: Political IGR Forum:** Number of meetings by June 2026	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting
	MM/ IGR/DDM		**Water Forum:** Number of meetings by June 2026	**Establish** a (1) district Water forum. Coordinate quarterly meetings	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting

	MM/ IGR/DDM		**Waste & Environmental Forum:** Number of meetings by June 2026	**Establish** a (1) district Waste & Environmental forum. Coordinate quarterly meetings	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting
	MM/ IGR/DDM		**Energy Forum:** Number of meetings by June 2026	**Energy Forum:** 1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting
	MM/ IGR/DDM		**Technical DDM Forum:** Number of meetings by June 2026	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting	1 Quarterly meeting
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Improved and Strengthened Public Participation Mechanism							

Director: Corporate Services	**Dir: Corporate Services / Office of the Speaker**	**Public Participation:** Enhanced Public Participation Mechanisms by June 2026	Enhance and strengthen the public participation mechanism by increasing the number of community consultation sessions per year, achieving maximum stakeholder attendance at each session, and implementing a feedback system that addresses 90% of submitted public concerns within 30 days by June 2026.	**Planning and Baseline Assessment:**. Identify and map key stakeholders and target groups for engagement. Develop or update the annual public participation and communication strategy, including key projects and timelines	**Outreach and Engagement:** Expansion. Launch a series of public consultation events such as hearings, roundtable discussions, and facilitated public meetings. Pilot new engagement tools (e.g., online surveys, participatory mapping) to broaden reach and inclusivity	**Deepening Participation and Feedback**. Hold follow-up engagement sessions, focusing on underrepresented groups or areas with low participation. Provide consolidated feedback to stakeholders on issues raised and how input is being used in decision-making. Organize community-based verification meetings or site visits to validate progress and gather further input. Monitor and report on participation metrics (e.g., attendance rates, satisfaction, response rates)	**Review, Reporting, and Improvement:** Compile and analyze quarterly participation data and outcomes for internal and public reporting. Evaluate the effectiveness of different participation methods and channels used during the year. Update the public participation strategy based on lessons learned and stakeholder feedback for the next cycle. Prepare an annual report summarizing achievements, challenges, and recommendations for further strengthening public participation mechanisms

Xhariep District Municipality OKRs: Objectives Key Results

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provision of Rural Roads and Assets Management System							
Municipal Manager	**IDP Manage r**	Provision of the Rural Roads and Assets Management System in accordance to existing standards by June 2026	Successful implementation of the RRAMS programme by end June 2026	1 Quarterly implementation plans. Build up from monthly project steering committee meetings (PSC)	1 Quarterly implementation plans. Build up from monthly project steering committee meetings (PSC)	1 Quarterly implementation plans. Build up from monthly project steering committee meetings (PSC)	1 Quarterly implementation plans. Build up from monthly project steering committee meetings (PSC)
	IDP Manage r		100% Grant expenditure by end June 2026	35% expenditure	35% expenditure	20% expenditure	10% expenditure

Xhariep District Municipality OKRs: Objectives Key Results

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Integrated Waste Management Plan							
Direcctor: Planning and Social Development	**MHS: Manager**	Provision of a strategice framework to ensure integrated, sustainable, and cost-effective waste management planning that protects the environment and enhances community well-being within the district by June 2026	Reviewed Integrated Waste Management Plan by June 2026	Inception and Baseline Assessment	Stakeholder Engagement and Waste Assessment	Drafting and Review of Updated IWMP	Finalization and Approval

	MHS: Manager	Implement a Coordinated health and hygiene awareness campaigns primarily at schools and other strategic places by June 2026	Number of awareness campaign by June 2026	1 Health & Hygiene awareness campaign	1 Health & Hygiene awareness campaign	1 Health & Hygiene awareness campaign	1 Health & Hygiene awareness campaign
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Extended Public Works Programme							
Director:Planning and Social Development	**EPWP Manager**	Creation of Employemnt and Skills Development (Short Term Relief Opportunities) through the EPWP incentives by June 2026	Number of Project Steering Committee Meetings by June 2026	1 Quarterly Steering Committee mMeeting	1 Quarterly Steering Committee mMeeting	1 Quarterly Steering Committee mMeeting	1 Quarterly Steering Committee mMeeting
			Number of short-term contracts executed towards the EPWP programme by June 2026	Number of short-term contracts executed towards the EPWP programme	Number of short-term contracts executed towards the EPWP programme	Number of short-term contracts executed towards the EPWP programme	Number of short-term contracts executed towards the EPWP programme.
			100% Grant expenditure by end June 2026	25% expenditure	50% ecpenditure	75% expenditure	100% expenditure
			Train at least 80% of participants, by June 2026	Train at least 20% of participants.	Train at least 20% of participants	Train at least 20% of participants	Train at least 20% of participants
			100% of projects registered and data submitted on time by June 2026	100% of projects registered and data submitted on time.	100% of projects registered and data submitted on time.	100% of projects registered and data submitted on time.	100% of projects registered and data submitted on time.
Xhariep District Municipality OKRs: Objectives Key Results							

Office	Owner	Objective	KPI	Annual Planning/Key Results			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Disaster Management							
Director: Planning and Social Development	**Manager: Disaster Managememt**	Provide a coordinated and integrated approach to disaster risk management, focusing on preventing or reducing disaster risks, ensuring effective preparedness, and enabling rapid and efficient response and recovery to protect lives, property, and the environment	Rveiwed Disaster Management Plan by June 2026	Risk assessment. Stakeholder engagement. Updated risk profile; 2+ workshops; risk mapping completed.	Institutionall review. Draft Plan Update. Capacity assessment; draft plan prepared; updated protocols	Public concultation. Validation. Training. 2+ validation sessions; 1-2 training workshops; final plan ready	Approval. Submission. Monitoring framework. Plan adopted; submitted to province; M&E framework established
		(DRM) Disaster Risk Management: To establish and maintain an integrated, coordinated, and effective system to reduce disaster risks, enhance emergency preparedness, and ensure rapid and	Development/Review of a Disaster Risk Management Monitoring and Evaluation (M&E), and a functional mechanism by June 2026	Submission of quarterly report on the Disaster Risk Mitigation Plan implementation progress; update on any Disaster Relief or intervention projects; stakeholder engagement initiated or continued.	Progress report on Disaster and Risk Mitigation programs; financial report (if any) on budget utilization; service provider performance review (if any).	Monitoring report on service delivery and compliance; public awareness campaign outcomes; update on institutional arrangements.	Comprehensive quarterly report including performance against annual targets; preparation for annual performance report; implementation of the disaster risk mitigation objectives and

		efficient response and recovery from Disasters by June 2026		Conduct Quarterly awareness campaigns across target audience. Quarterly Advisory forum meetings.			adjustment plans.
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Environmental Health Management							
Director: Planning and Social Development	**MHS: Manager**	Air Quality Management Plan: Ensure a comprehensive, legally mandated plan to guide air quality management actions that reduce pollution, protect human health, and promote sustainable development within the district	Approved District Air Quality Management plan by June 2026	Formal partnership with Agriculture and Environmental Affairs. Complete baseline air quality assessment and emissions inventory; initiate stakeholder engagement workshops; submit inception report.	Develop draft AQMP including vision, goals, and strategic actions; conduct public participation and stakeholder feedback sessions; update emissions data.	Finalize AQMP draft incorporating feedback; establish compliance monitoring systems and reporting protocols; begin public awareness campaigns.	Submit final AQMP for council approval and inclusion in Integrated Development Plans (IDPs); implement enforcement and monitoring frameworks; prepare annual report.

	MHS: Manager	To ensure the provision of safe, reliable, and sustainable water and wastewater services within the district municipality by implementing a comprehensive Water and Wastewater Quality Management program that continuously monitors, controls, and improves water quality in compliance with national standards (e.g., SANS 241), promotes public health, supports environmental protection, and fosters cooperative governance by June 2026	Implemetation and monitoring of the Water Quality Management Plan (National and Provincial Guidelines acording to existing standards) by June 2026	Baseline assessments; plan development; staff training. Baseline reports; WQM plan updated; 6 staff trained (EHPs). Conduct quarterly sampling and publicise reports acoordingly	Monitoring; compliance checks; public and stakeholder engagements. 90% monitoring completed; 95% complaints resolved; 2 awareness sessions	Enforcement; infrastructure maintenance; data review. Enforcement actions issued; 100% plant audits; trend analysis completed	Reporting; strategic review; planning. Annual report submitted; program review; budget approved; coordination meeting held
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Local Econoic Development and Rural Development Planning							

Planninga nd Social Development	**LED: Manager**	Rural Development Plan: Provision of a strategic framework to foster inclusive, sustainable, and integrated rural development, ultimately improving livelihoods and reducing poverty in rural districts in line with the National Development Plan and other government initiatives by June 2026	Reviewed District Rural Development Framework/Plan by June 2026	Partnership with Agriculture and Rural Development. Baseline assessments completed; land redistribution projects initiated; stakeholder engagement sessions held.	Agricultural input distribution and farmer training underway; rural infrastructure projects commenced; youth training programs launched.	Mid-year progress report submitted; monitoring of agricultural production; community participation feedback collected.	Final quarterly report and annual performance review submitted; evaluation of employment creation and infrastructure outcomes; planning for next cycle.
	LED: Manager	**Promotion of Local Economic Development and Tourism Planning**: stimulate sustainable economic growth and development within the district by leveraging local	Rveiewed Local Economic Development Strategy by June 2026	Partnership with CoGTA and Economic & Small Business Dept. Situational Analysis. Stakeholder Engagement. Updated economic profile; 2+ engagement sessions; situational report submitted	Strategy review. Alignment with IDP and PGDS. Gap analysis; project review; draft revised strategy; 1+ coordination forum	Valifation of draft strategy. Capacity building workshops. 2+ validation workshops; final strategy approval; 1+ training session	Implementation planning: M&E framework reporting. Implementation plan; M&E framework; progress report; budget planning

	LED: Manager	resources, skills, and opportunities, promoting job creation, reducing poverty, and improving the quality of life for all residents through inclusive, participatory, and coordinated efforts among government, private sector, and civil society by June 2026	Incorporate the Promotion of Tourism, Arts and Culture and Heritage within the Reviewed Local Economic Development Strategy by June 2026	Planning, stakeholder engagement, product development. Annual plan finalised; 2+ workshops; 3 tourism projects identified; participants trained (source traiing).	Marketing campaigns, facilitate grading, 70% marketing target; at least 3 establishments graded; 3 events supported	Monitoring, capacity building, transformation initiatives. Monitoring report; facilitatae 2 training sessions; at least 3 entrepreneurs supported; 3 green projects	Reporting, strategic review, next cycle planning. Reports submitted; strategy reviewed; budget secured; facilitatae at least the formalisation of 2 partnerships
	LED: Manager		(Incorporating Tourism Development)Reiewed Local Economic Development Strategy by June 2026	Partner with FSGLTA, all three local municipalities. Tourism Campaign launch; stakeholder engagement; joint marketing agreements. Launch major campaign; agreements signed in all provinces; 2+ engagement sessions	Marketing intensification; seasonality campaigns; grading support. 70% marketing reach; Facilitate at least 20+ establishments graded; 3+ seasonal campaigns	Monitoring; capacity building; transformation initiatives. Monitoring report; facilitate 20+ trained; 20+ entrepreneurs supported (source support); sustainability projects	Reporting; strategic review; next year planning. Reports submitted; strategy updated; budget secured; facilitate 2+ partnerships formalized
	LED: Manager		Renewable Energy	Planning, policy alignment, stakeholder engagement: Renewable energy plan aligned; 2+ workshops; 3 projects prioritized; 50+ trained	Project development, investment facilitation. 3+ projects advanced; R500m investment facilitated; 60% local content; REIPPPP report	Monitoring, innovation, skills development. 90% project monitoring; 2 innovation projects; 100 trained; 10% increase in black-owned participation	Reporting, strategic review, future planning. Reports submitted; strategy updated; budget secured; 1+ partnerships

	LED: Manager		Slar Hub/Park	Planning, policy alignment, stakeholder engagement: Renewable energy plan aligned; 2+ workshops; 3 projects prioritized; 50+ trained	Project development, investment facilitation. 3+ projects advanced; R500m investment facilitated; 60% local content; REIPPPP report	Monitoring, innovation, skills development. 90% project monitoring; 2 innovation projects; 100 trained; 10% increase in black-owned participation	Reporting, strategic review, future planning. Reports submitted; strategy updated; budget secured; 1+ partnerships
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**			**Annual Planning/Key Results**			
		Objective	**KPI**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**
Financial Vialiblity and Management							
Chief Financial Officer	**Manager: Budget**	Ensure sound, sustainable, and transparent financial viability and management in the district municipality by implementing effective budgeting, revenue collection, expenditure control, asset management, and financial reporting systems that comply with the	Approved annual budget aligned with IDP and SDBIP by 30 June (Target: 100%)	Establish Budget Steering Committee. Submit IDP and Budget Review Process to Council for approval	Conduct budget planning workshops.	Align IDP priorities with the draft budget. Table draft budget to Council	Submit final draft budget to Council for adoption
	Compliance & Reporting		Submission of mid-year financial and performance reports to Council on time (Target: 100%)	Prepare and submit mid-year budget and performance reports.	Conduct mid-year budget review and adjustment.	Monitor expenditure and revenue trends.	Address underperformance or budget deviations

	Manager: Expenditure	Municipal Finance Management Act (MFMA) and related legislation, thereby supporting service delivery, promoting accountability, and maintaining long-term fiscal sustainability by June 2026	Percentage of expenditure within approved budget limits (Target: ≥95%)	Conduct quarterly expenditure reviews. - Implement cost control measures. - Update cash flow forecasts. - Report quarterly financial status to Counc	Conduct quarterly expenditure reviews. - Implement cost control measures. - Update cash flow forecasts. - Report quarterly financial status to Counc	Conduct quarterly expenditure reviews. - Implement cost control measures. - Update cash flow forecasts. - Report quarterly financial status to Counc	Conduct quarterly expenditure reviews. - Implement cost control measures. - Update cash flow forecasts. - Report quarterly financial status to Counc
	Chief Financial Officer		Submission of annual financial statements and audit report to Auditor-General by 31 August (Target: 100%)	Finalize annual financial statements. - Coordinate with Auditor-General for audit process. - Address audit findings. - Prepare annual report including financial and performance outcomes.			
	Chief Financial Officer		Improvement in audit outcomes (Target: unqualified audit opinion with no material findings)	Implement corrective action plans based on audit findings. - Strengthen internal controls and compliance. - Conduct training on financial management best practices.	Implement corrective action plans based on audit findings. - Strengthen internal controls and compliance. - Conduct training on financial management best practices.	Implement corrective action plans based on audit findings. - Strengthen internal controls and compliance. - Conduct training on financial management best practices.	Implement corrective action plans based on audit findings. - Strengthen internal controls and compliance. - Conduct training on financial management best practices.

	Manager: Supply Chain Management	**Supply Chain Management**: To establish and maintain an efficient, fair, equitable, transparent, competitive, and cost-effective Municipal Supply Chain Management (SCM) system in the district municipality that ensures timely procurement and disposal of goods, services, and assets in compliance with legislative and regulatory frameworks, thereby supporting operational commitments, maximizing value for money, and promoting good governance by June 2026	**Demand Management Plan:** Planning and quantifying goods and services required, ensuring alignment with the IDP and budget, and preparing accurate specifications throughout the year until June 2026	100% of departments submitted Demand Management Plans aligned with IDP and approved budget. - Review and approve Demand Management Plans. - Conduct market and industry analysis for procurement planning. Facilitate demand management workshops with departments. Quarterly Reports on the implementaion of the demand management plan	100% of procurement processes comply with SCM policy and legislative thresholds. Monitor acquisition processes and documentation. - Conduct internal audits on procurement compliance. - Address deviations and implement corrective actions.. Quarterly Reports on the implementation of the demand management plan	Quarterly Reports on the implementaion of the demand management plan	Quarterly Reports on the implementaion of the demand management plan
	Manager: Supply Chain Management		**Acquisition Management:** Procuring goods and services through authorized, competitive, and compliant processes, adhering to thresholds and procurement regulations until June 2026	100% SCM officials trained on updated SCM policies and regulations. - Organize SCM training sessions and workshops	- Update SCM manuals and guidelines. - Conduct compliance awareness campaigns.	Conduct compliance awareness campaigns.	Conduct compliance awareness campaigns.

	Chief Financial Officer	**MSCOA**: Implementation of a standardized multi-segment framework that links financial transactions to specific funding sources, functions, projects, and geographic regions, among other dimensions.	Impementationm of the full mSCOA project by June 2026	Submit initial quarterly progress report; hold mSCOA Steering Committee meeting; update risk register; conduct data quality review.	Report on system upgrades and integration; address any data anomalies; provide evidence of compliance to Treasury; conduct staff training.	Mid-year review of mSCOA implementation; submit progress and risk reports; ensure all financial transactions are mSCOA-compliant.	Finalize annual compliance report; confirm all required reports were submitted; review and update governance structures and risk register.
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Information Communication and Technology							
Director: Corporate Services	**Manager: IT**	To establish and maintain a secure, reliable, and efficient Information Communication and Technology (ICT) environment in the district municipality that supports and enables effective service delivery, enhances administrative	Developing and enforcing ICT policies and governance frameworks aligned with national legislation by June 2026	ICT Governance Framework approved and implemented (Target: 100%). - Establish ICT Steering Committee. - Develop/approve ICT governance policies and frameworks. - Conduct ICT risk assessment and security audit. - Align ICT	ICT infrastructure uptime (Target: ≥ 99%). - Conduct preventive maintenance on hardware and networks. - Monitor network performance and resolve issues. - Implement disaster recovery and backup procedures. ICT service requests	Percentage compliance with ICT security standards and policies (Target: 100%): - Conduct internal ICT compliance audits. - Update security protocols and patch management. - Review and update ICT policies as needed. Percentage of critical systems	**Annual ICT performance report submitted to Management** and relevant stakeholders (Target: 100%): Compile and analyze ICT performance and compliance data. - Prepare and submit annual ICT report. - **Plan ICT improvements for the next cycle.**

		efficiency, ensures compliance with relevant legislation and standards, and aligns ICT strategy with the municipality's Integrated Development Plan (IDP) by June 2026.		strategy with IDP.	resolved. Provide user support and helpdesk services. - Track and report on service request resolution times.	with tested disaster recovery plans (Target: 100%): Test and validate disaster recovery and business continuity plans. - Train relevant staff on recovery procedures.	**Percentage of ICT projects delivered on time and within budget (Target: ≥ 90%):** - Monitor ongoing ICT projects. - Conduct project reviews and lessons learned sessions. - Adjust project plans as necessary.
			Percentage of ICT staff trained on security and governance policies (Target: 80%) by June 2026 by June 2026	% of ICT staff trained. - Organize ICT governance and security training workshops. - Roll out awareness campaigns on ICT policies.	% of ICT staff trained. Quarterly reports on awareness campaigns on ICT policies	% of ICT staff trained. Quarterly reports on awareness campaigns on ICT policies	% of ICT staff trained. Quarterly reports on awareness campaigns on ICT policies

Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**			**Annual Planning/Key Results**			
		Objective	**KPI**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**
Corporate Communications							

Director: Corporate Services	**Manager: Communications**	**Corporate Communictaions**: To develop and implement a strategic, consistent, and transparent Corporate Communications function in the district municipality that effectively facilitates timely, clear, and relevant communication internally and externally; promotes the municipality's brand and reputation; fosters two-way engagement with stakeholders and communities; and supports the municipality's strategic goals and service delivery commitments by June 2026	Corporate Communications Strategy developed and approved (Target: 100%) by June 2026	Conduct stakeholder analysis and communication needs assessment. - Establish communication governance structures (e.g., Communication Committee). -	Draft and submit Communications Strategy for approval. Percentage of staff trained on communication protocols and brand guidelines (Target: 80%).	Stakeholder Participation	final Approval to Council
	Manager: Communications			Increase in social media engagement and followers (Target: 15%). Manage and update social media platforms regularly. - Create content calendars aligned with municipal events and campaigns. - Monitor and report on digital engagement metrics.	Manage and update social media platforms regularly. - Create content calendars aligned with municipal events and campaigns. - Monitor and report on digital engagement metrics.	Manage and update social media platforms regularly. - Create content calendars aligned with municipal events and campaigns. - Monitor and report on digital engagement metrics.	Manage and update social media platforms regularly. - Create content calendars aligned with municipal events and campaigns. - Monitor and report on digital engagement metrics.
	Manager: Communications		Maximise media presence of the Municipality by June 2026	Percentage of internal communication bulletins/newsletters distributed on schedule (Target: 100%)	Percentage of internal communication bulletins/newsletters distributed on schedule (Target: 100%)	Percentage of internal communication bulletins/newsletters distributed on schedule (Target: 100%)	Percentage of internal communication bulletins/newsletters distributed on schedule (Target: 100%)

Xhariep District Municipality OKRs: Objectives Key Results				
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**

				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Security Services							
Director: Corporate Services	**Chief Security Officer**	To provide a safe, secure, and well-coordinated environment within the district municipality by effectively managing and delivering comprehensive security services that protect municipal assets, employees, and the public; ensure compliance with relevant legislation and policies; reduce crime and security risks; and support the municipality's service delivery objectives through proactive risk management and stakeholder collaboration by June 2026	Conducting risk assessments to identify vulnerabilities and threats to municipal assets and personnel by June 2026	Security Risk Assessment completed for all municipal facilities (Target: 100%). Percentage of security staff trained on emergency response and incident management (Target: 90%)	Percentage of municipal properties with functional security systems installed (Target: 100%). Number of security incidents reported and resolved within 48 hours (Target: ≥90%)	Percentage reduction in security breaches compared to previous quarter (Target: 10% reduction). Number of stakeholder safety awareness campaigns conducted (Target: ≥3 per quarter)	Annual Security Services performance report submitted to Council (Target: 100%). Percentage compliance with municipal security policies and legislation (Target: 100%)
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			

				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Risk Management							
Municipal Manager	**Chief Risk Officer**	To enable the municipality to achieve its strategic and operational objectives by proactively identifying, assessing, and managing risks by June 2026	**Risk Policy & Framework:** Review and update of Risk Management Policy and Framework by June 2026	Conduct initial policy review; Plan for annual update	Finalize and approve updated Risk Management Policy and Framework		
			Number of Risk Identification Sessions Conducted by June 2026	Conduct Risk identification Sessions with Management		Conduct Risk identification Sessions with Management	
			Risk Assessment: Percentage of identified risks assessed and documented by June 2026	Update and maintain a risk register		Update and maintain a risk register	
			Risk Mitigation: Implementation of risk mitigation actions by June 2026	Monitor progress on risk treatment plans	Implement and monitor risk mitigation actions	Monitor progress on risk treatment plans	Implement and monitor risk mitigation actions
			Risk Monitoring & Reporting: Quarterly risk reporting to Management and Audit Committee by June 2026	Prepare and submit risk reports to relevant committees	Prepare and submit risk reports to relevant committees	Prepare and submit risk reports to relevant committees	Prepare and submit annual risk report, including disclosures
			Risk Awareness & Training: Number of risk management training/workshops held by June 2026		Conduct risk management training/worksho ps for staff and risk committees		Conduct risk management training/worksho ps for staff and risk committees
			Risk Committee Effectiveness: Frequency of Risk	Hold Risk Management	Hold Risk Management	Hold Risk Management	Hold Risk Management

			Management Committee meetings by June 2026	Committee meetings	Committee meetings	Committee meetings	Committee meetings
			Audit Alignment: Alignment of internal audit plan with risk register by June 2026	Review risk register for audit planning	Align internal audit plan with risk register		
			Compliance: Number of compliance checks conducted by June 2026	Conduct compliance checks related to risk management	Conduct compliance checks related to risk management	Conduct compliance checks related to risk management	Conduct compliance checks related to risk management
			Incident Response: Average response time to risk incidents by June 2026	Track and report response times to risk incidents	Track and report response times to risk incidents	Track and report response times to risk incidents	Analyse incident response data and improve protocols

Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**	**Objective**	**KPI**	**Annual Planning/Key Results**			
				Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Internal Audit							
	Chief Audit Executive	Systematically evaluate and improve the effectiveness of risk management, internal controls, governance, and compliance processes by June 2026	**Audit Planning:** Development and approval of risk-based annual internal audit plan by June 2026	Draft and submit audit plan for approval	Finalize and communicate approved audit plan	Review and update audit plan if necessary	Prepare preliminary audit plan for next year
			Audit Execution: Percentage of planned audits completed by June 2026	Begin execution of scheduled audits	Continue audit execution and fieldwork	Complete audits and draft reports	Finalize audit reports and submit to Audit Committee
			Audit Reporting: Timely submission of audit reports to	Submit Q1 progress report	Submit Q2 audit reports and progress updates	Submit Q3 audit reports and progress updates	Submit annual audit report and summary to Council

			Audit Committee by Junly 2026				
			Compliance Audits: Number of compliance audits conducted by June 2026	Conduct compliance audits on financial and operational areas	Conduct follow-up audits on prior findings	Conduct compliance audits on governance and controls	Conduct final compliance audits and prepare summary
			Risk Management Alignment: Percentage alignment of audit plan with risk register by June 2026	Review risk register and align audit focus	Adjust audit plan based on emerging risks	Monitor risk environment and update audit focus	Evaluate risk alignment and report to management
			Performance Management Audits: Audits of municipal performance measurement systems by June 2026	Plan and initiate audits of performance management system	Conduct audits and assess compliance with MSA	Report findings and recommend improvements	Follow-up on implementation of recommendation s
			Training & Development: Number of internal audit staff training sessions by June 2026	Conduct training on new audit methodologies and standards	Provide refresher training and skills development	Conduct specialized training on IT or forensic auditing	Evaluate training needs and plan next year's program
			Audit Committee Engagement: Number of Audit Committee meetings supported by June 2026	Prepare materials and support Q1 Audit Committee meeting	Prepare materials and support Q2 Audit Committee meeting	Prepare materials and support Q3 Audit Committee meeting	Prepare materials and support Q4 Audit Committee meeting
Xhariep District Municipality OKRs: Objectives Key Results							
Office	**Owner**			**Annual Planning/Key Results**			
		Objective	**KPI**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**

Administration and Council Admin Support Services							
Director: Corporate Services	**Manager: Administration**	**Admin Support:** To provide efficient, effective, and professional administrative and governance support to enable the municipality to fulfill its constitutional and legislative mandates by June 2026	**Governance Support**: Provide secretariat services, organize and facilitate council and committee meetings, support decision-making by June 2026	Support and organise council and committee meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organize council and committee meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organize council and committee meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organize council and committee meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes. Prepare annual governance report
			MAYCO Support: Provide secretariat services, organise and facilitate the sitting of MAYCO meetings by June 2026	Support and organise MAYCO meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organise MAYCO meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organise MAYCO meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes	Support and organise MAYCO meetings according to the adopted Council Schedule of meetings; prepare agendas and minutes
			Management Support: Provide secretariat services, organize and facilitate management meetings, support decision-making by June 2026	Support and organize management meetings according to the adopted Schedule of meetings; prepare agendas and minutes	Support and organize management meetings according to the adopted Schedule of meetings; prepare agendas and minutes	Support and organize management meetings according to the adopted Schedule of meetings; prepare agendas and minutes	Support and organize management meetings according to the adopted Schedule of meetings; prepare agendas and minutes
			Administrative Management: Manage municipal records, documentation, and administrative processes for efficiency and	Conduct audit of records and filing systems; update record management policies	Maintain and update municipal records; ensure compliance with filing standards	Conduct mid-year audit of records and update filing systems	Conduct year-end audit of records; archive documents as per retention policy

			compliance by June 2026				
			Policy and Legislative Compliance: Facilitate the implementation of council resolutions, by-laws, and policies; ensure adherence to legislation and governance frameworks by June 2026	Track implementation of Q1 council resolutions and by-laws; report on compliance	Monitor and report on Q2 implementation progress; identify gaps and recommend corrective actions	Review implementation status of policies and by-laws; prepare mid-year compliance report	Prepare annual compliance report; recommend policy updates
			Organisational Flexibility: Organise administrative structures to respond to changing priorities and circumstances by June 2026	Review organisational structure and workflows; identify areas for improvement	Implement recommended changes; provide training on new processes	Monitor effectiveness of organisational changes; adjust as needed	Conduct annual organisational review; prepare recommendations for improvement

5.7 CONCLUSION

This strategic framework - comprising vision, mission, values, strategic goals, and key performance areas – provides clear direction for the municipality over the 2026-2031 IDP period. It responds directly to the development challenges and opportunities identified in the situational analysis, aligns with national and provincial planning frameworks, and reflects the priorities expressed by communities during public participation processes.

The framework recognizes that achieving the vision of "a community-oriented municipality with a sustainable environment for business and economic opportunities" requires integrated action across multiple fronts: building institutional capacity, creating economic opportunities, delivering sustainable services, protecting the environment, and ensuring good governance. Success will depend on effective partnerships, efficient resource use, community participation, and sustained commitment from all stakeholders.

The subsequent chapters of this IDP translate this strategic framework into concrete development strategies, sector plans, programmes, projects, budgets, and performance indicators. Chapter 6 outlines the development strategies for achieving the strategic goals, Chapter 7 integrates sector plans, Chapter 8 details programmes and projects, Chapter 9 presents the financial plan, and Chapter 10 establishes the performance management framework.

END OF CHAPTER 5

CHAPTER 6

DEVELOPMENT STRATEGIES

This chapter presents the development strategies that will guide the implementation of the strategic goals and objectives outlined in Chapter 5. Each strategy provides the framework for addressing specific development challenges identified in Chapter 4 and achieving the desired outcomes. The strategies are organized according to the six Key Performance Areas and inform the programmes, projects, and budgets detailed in subsequent chapters.
These strategies translate the vision of "a community-oriented municipality with a sustainable environment for business and economic opportunities" into concrete approaches that respond to the root causes of unemployment, poverty, and underdevelopment identified through the situational analysis and fishbone analysis. Each strategy includes strategic objectives, key interventions, implementation approaches, and alignment with national and provincial programmes.

6.1 LOCAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

6.1.1 Strategic Overview

The draft Local Economic Development (LED) Strategy (2024-2029) aims to stimulate economic growth, create employment, and reduce poverty in the district. Given the economic profile analysis (Chapter 4) showing unemployment at 31.9% (narrow definition), 48.2% (expanded), and 52% for youth, alongside poverty affecting 62% of the population, economic development is the municipality's foremost priority. The strategy responds directly to the economic root causes identified in the fishbone analysis: over-reliance on agriculture (12.4% GDP) and government (37.4% GDP), weak manufacturing base (4.1%), and small economic scale (R4.8 billion GDP).
The LED Strategy is structured as a five-year action plan with measurable targets: create 5,000+ jobs by 2029, support 500+ SMMEs, attract R820 million in investment, and achieve 30% tourism growth. The strategy is aligned with the National Development Plan's Chapter 3 (Economy and Employment) and Chapter 6 (Rural Economy), the MTSF Priority 1 (Economic Transformation and Job Creation), and the Free State Growth and Development Strategy Priority 2 (Economic Growth and Development).

6.1.2 Five-Phase Implementation Framework

The Strategy implementation is structured into five sequential phases, each with specific objectives, activities, milestones, and outputs:

6.1 LOCAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

6.1.1 Strategic Overview

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(Chapter 4) showing unemployment at 31.9% (narrow definition), 48.2% (expanded), and 52% for youth, alongside poverty affecting 62% of the population, economic development is the municipality's foremost priority. The strategy responds directly to the economic root causes identified in the fishbone analysis: over-reliance on agriculture (12.4% GDP) and government (37.4% GDP), weak manufacturing base (4.1%), and small economic scale (R4.8 billion GDP).
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6.1.2 Five-Phase Implementation Framework

The LED Strategy implementation is structured into five sequential phases, each with specific objectives, activities, milestones, and outputs:

Please see *Table 6.1: LED Strategy Five-Phase Implementation Framework (2024-2029)*

6.1.3 Priority Economic Sectors and Programmes

The LED strategy focuses on five priority sectors identified through the SWOT analysis as having the greatest potential for job creation and economic growth in the Xhariep context. Each sector has a dedicated programme with specific targets and budget allocations:
Table 6.2: LED Sector-Specific Programmes with Budgets and Targets

6.1.4 SMME Development Programme

The SMME development programme (proposed R50 million budget) provides comprehensive support to 500+ small businesses over the five-year period through the full business development cycle:

Business Registration and Compliance: Assistance with business registration, tax compliance (SARS, CIPC), licensing, and regulatory requirements

Linkages to Support Institutions: Connections to SEDFA (Small Enterprise Development and Finance Agency), NEF (National Empowerment Fund), NYDA (National Youth Development Agency), and local business chambers

Business Training and Mentorship: Workshops on financial management, bookkeeping, marketing, business planning, tendering processes, tax compliance, and digital business tools; One-on-one mentorship for 12 months

Access to Funding Facilitation: Facilitation of access to SEFA loans, NEF funding, microfinance institutions, and private-sector partnerships; Grant application support

Business Incubation Hubs: Establishment of incubation hubs in Trompsburg and Smithfield providing shared office space, equipment, internet connectivity, and business support services

Supplier Development: Local procurement promotion with 30% local procurement target for municipal and infrastructure projects; Supplier database; Training on supply chain management, contract management, and quality standards.

Cooperative Development: Support for 10+ agricultural cooperatives, services cooperatives, and worker cooperatives; Training on cooperative governance, management, and financial sustainability

Target Groups and Impact: Youth entrepreneurs (60% of beneficiaries), women-owned businesses (50% of beneficiaries), people with disabilities, emerging farmers, and informal traders transitioning to formal business. Expected impact: 500+ SMMEs supported, 1,500 jobs created

6.1.5 Job Creation Targets and Initiatives

Given the unemployment crisis (31.9% narrow, 52% youth unemployment), the municipality has set an ambitious target of creating 5,000+ jobs by 2029 through multiple channels:

Sector-Specific Job Creation: Agriculture (1,200 jobs), Tourism (800 jobs), SMMEs (1,500 jobs), Infrastructure & Construction (1,000 jobs), Green Economy (500 jobs)

Expanded Public Works Programme (EPWP): Infrastructure EPWP projects (roads maintenance, water infrastructure), environmental EPWP (water quality monitoring, environmental management), social sector EPWP (early childhood development, home-based care), and non-state EPWP (NGO partnerships)

Community Works Programme (CWP): Partnership with Department of Cooperative Governance for CWP sites providing regular part-time work opportunities; Target: 200+ participants per year

Labour-Intensive Construction Methods: Incorporation of labour-intensive methods in infrastructure projects where technically feasible and economically viable; 30% local procurement target ensures local job creation

Youth Employment Programmes: Partnerships with Department of Labour for youth employment initiatives, internship programmes, learnerships, and work-integrated learning; Target: 60% of all jobs created go to youth under 35 years

6.1.6 LED Governance and Institutional Arrangements

Effective LED implementation requires strong governance structures and institutional arrangements:

LED Steering Committee: Chaired by Executive Mayor, including portfolio heads, municipal manager, LED manager, and representatives from private sector, labour, and community organizations; Quarterly meetings to provide strategic direction and oversight

LED Forums: Established in each of the three local municipalities (Kopanong, Letsemeng, Mohokare); Bring together local businesses, entrepreneurs, farmers, and community representatives; Monthly meetings to identify opportunities, challenges, and coordinate local initiatives

LED Unit (Project Management Unit): Dedicated LED Manager and support staff responsible for day-to-day implementation; Project management, monitoring and evaluation, stakeholder coordination, reporting; Housed in District Municipality with field presence in local municipalities

Partnerships and Coordination: Strategic partnerships with District Municipality, three Local Municipalities, Private-Sector investors and businesses, and SEDFA, Department of Economic Development and Tourism (Free State), Department of Agriculture, DBSA and NEF, Academic institutions, and NGOs and community organisations

6.1.7 Monitoring, Evaluation and Reporting Framework

The LED Strategy includes a comprehensive monitoring and evaluation framework to track progress and ensure accountability:

Table 6.3: LED Strategy Monitoring and Evaluation Framework

Reporting Mechanisms:

Quarterly Performance Reports: LED Unit prepares quarterly reports on all KPIs, submitted to LED Steering Committee and Council Portfolio Committee

Annual LED Review: Comprehensive annual review of LED strategy implementation, presented to Council and incorporated into IDP Annual Report

Mid-Term Evaluation (2027): Independent mid-term evaluation at end of Year 3 to assess progress, identify challenges, and recommend adjustments

Final Impact Evaluation (2029): Comprehensive final evaluation assessing overall impact on employment, poverty reduction, economic growth, and community well-being

The LED Strategy and Action Plan provides a structured, evidence-based pathway to unlock the district's economic potential and address the root causes of unemployment and poverty identified in Chapter 4. Successful implementation requires strong leadership, effective partnerships between government, private sector, and communities, sustained commitment over the five-year period, and regular monitoring and adaptation based on performance data.

Phase	Timeframe	Strategic Objective	Key Activities	Milestones & Outputs
Phase 1: Institutional Setup	0-6 Months (2025-2026)	Establish governance and planning systems	• Establish LED Steering Committee • Create LED Forums in each LM • Set up Project Management Unit (PMU) • Finalize project pipeline • Develop stakeholder database	• LED structures approved • Project pipeline finalized • Stakeholder agreements signed • Functional LED governance • Approved implementation plan
Phase 2: Economic Activation	6-18 Months (2025-2026)	Stimulate local economy and job creation	• Launch SMME support programmes • Develop informal markets • Red tape reduction initiatives • Pilot tourism events • Business training workshops	• 100+ SMMEs supported • 3 markets operational • 1 major tourism event hosted • Increased business activity • Short-term job creation (500+ jobs)
Phase 3: Sector Expansion	Year 2-3 (2026-2028)	Grow key economic sectors	• Develop 2 agri-hubs • Expand tourism infrastructure • Support construction sector • Promote agricultural cooperatives • Establish processing facilities	• 2 agri-hubs operational • Tourism growth 15% achieved • Local contractors engaged • 10+ cooperatives established • Sector growth & increased production
Phase 4: Investment Scaling	Year 3-4 (2028-2029)	Attract investment and scale projects	• Investment promotion strategy • Host investment summit • Develop PPP framework • Establish industrial zones • Leverage	• Investment summit held • R500m+ investment pipeline secured • PPP projects launched • Increased investment inflows

Phase	Timeframe	Strategic Objective	Key Activities	Milestones & Outputs
			DBSA/NEF funding	• Infrastructure expansion
Phase 5: Sustainability	Year 4-5 (2029-2030)	Ensure long-term economic sustainability	• Evaluate LED impact • Strengthen value chains • Expand export markets • Institutionalize best practices • Develop succession planning	• LED impact report completed • Employment growth sustained (5,000+ jobs cumulative) • Sustainable funding model • Long-term growth & economic resilience

Sector Programme	Key Actions & Targets	Budget & Funding	Timeline	Expected Impact
1. AGRICULTURE DEVELOPMENT (R120M)	• Establish 2 agri-hubs (Kopanong, Letsemeng) • Support 10+ agricultural cooperatives • Develop agro-processing facilities • Provide farmer training & mentorship • Strengthen agricultural value chains • Support emerging farmers (land reform beneficiaries)	R120 million Funding: • Dept of Agriculture • Land Bank • DBSA • Municipality	Year 2-3 (2026-2028)	• Agri value chain growth • 1,200 jobs created • Increased agricultural output • Cooperative viability • Food security improvement
2. TOURISM DEVELOPMENT (R200M)	• Develop Gariep Dam tourism node (water sports, accommodation) • Create heritage tourism routes (Anglo-Boer War sites) • Promote eco-tourism & game farms • Host annual tourism events • Upgrade tourism infrastructure & signage • Tourism skills training	R200 million Funding: • Dept of Tourism • Private Sector (PPPs) • SA Tourism • Municipality	Year 1-3 (2025-2028)	• Tourism revenue +30% • Tourism expansion • Local business support • 800 jobs created • Increased tourist numbers

3. SMME DEVELOPMENT (R50M)	• Business training & mentorship (500+ SMMEs) • Access to funding facilitation (SEDFA, NEF) • Establish business incubation hubs • Supplier development programme • Cooperative development • Youth & women entrepreneur support	R50 million Funding: • SEFA • NYDA • SEDA • Municipality	Year 1-5 (2024-2029)	• 500+ SMMEs supported • Business growth • 1,500 jobs created • Enterprise development • Youth/women empowerment
4. INFRASTRUCTURE & CONSTRUCTION (R200M)	• Implement infrastructure projects • Support local SMME contractors • 30% local procurement target • Contractor training & development • Develop trading & market infrastructure • Roads & logistics improvement	R200 million Funding: • MIG • DBSA • Province (Roads) • Municipality	Year 2-4 (2026-2029)	• Improved infrastructure • SMME contractor growth • Local economic multiplier • 1,000 jobs created • Enhanced connectivity
5. GREEN ECONOMY (R150M)	• Promote renewable energy projects (solar farms) • Develop waste management enterprises • Support climate-smart agriculture • Energy efficiency programmes • Green skills training	R150 million Funding: • Green Fund • IPPs • DMRE • DBSA • Municipality	Year 2-5 (2026-2030)	• Renewable projects launched • Green jobs created (500) • Environmental sustainability • Climate adaptation • Energy security
TOTAL INVESTMENT	**All sector programmes integrated**	**R820 MILLION TOTAL**	**2024-2029**	**5,000+ JOBS CREATED**

Key Performance Indicator	Baseline (2024)	Annual Target	5-Year Target (2029)	Reporting Frequency	Responsible
Jobs Created	Low/minimal	1,000 jobs/year	5,000+ jobs	Quarterly	LED Unit
SMMEs Supported	Limited	100 SMMEs/year	500+ SMMEs	Quarterly	SEDFA / Municipality

Investment Attracted	Minimal	R164 million/year	R820 million cumulative	Annual	Municipality / LED Unit
Tourism Growth (%)	Low baseline	6% per annum	+30% cumulative	Annual	Tourism Dept
Agricultural Output	Moderate	Incremental increase	Significant increase	Annual	Agriculture Dept
Unemployment Rate	31.9% (narrow)	1% reduction/year	Reduced to 28%	Annual	LED Unit / Stats SA
Cooperatives Established	Few	2-3 per year	10+ cooperatives	Annual	Agriculture / SEDA
Local Procurement (%)	<20%	Incremental increase	30% achieved	Quarterly	SCM / LED Unit

6.2 SERVICE DELIVERY AND INFRASTRUCTURE STRATEGY

6.2.1 Strategic Overview

The service delivery and infrastructure strategy responds to Strategic Goal 1 (Provision of sustainable and accessible basic services to all communities) and addresses the infrastructure challenges identified in Chapter 4: aging infrastructure (42% non-revenue water), low population density (3.9 persons/km²) increasing service delivery costs, and vast geographic spread (34,250 km²). The strategy addresses the infrastructure root causes from the fishbone analysis: unviable economics due to low density, aging water and sanitation infrastructure, deteriorating road network, and limited broadband connectivity.

As a district municipality, Xhariep's primary infrastructure responsibilities are coordination and support to local municipalities for bulk services, roads maintenance through the RRAMS grant, and environmental health services. The strategy emphasizes coordination, innovative service delivery models for low-density areas, and strategic infrastructure investment prioritizing maintenance and renewal over new capital projects.

6.2.2 Water Services Strategy

The water services strategy is built on four strategic pillars addressing the full spectrum of water service provision:

1. ACCESS EXPANSION

Key Interventions:

- Facilitate the extension of reticulation networks to unserved areas
- Provide communal standpipes where reticulation is not feasible
- Implement yard connections programme

2. QUALITY ASSURANCE

Key Interventions:

- Daily water quality testing at treatment works
- Monthly compliance monitoring at distribution points
- Blue Drop certification maintenance

3. LOSS REDUCTION

Key Interventions:

- Facilitate leak detection and repair programme
- Meter replacement and installation
- Pressure management
- Consumer awareness campaigns

4. INFRASTRUCTURE RENEWAL

Key Interventions:

- Facilitate asset condition assessments
- Prioritised refurbishment programme
- Preventive maintenance schedules
- Emergency repair capacity

These four pillars form the foundation of the district's water services strategy and address the key challenges facing Xhariep:

- Current water access: **93%** (Target 2031: **98%**)
- Non-revenue water: **42%** (Target 2031: **30%**)
- Water quality compliance: **95%** (Target 2031: **99%**)
- Blue Drop score: **75%** (Target 2031: **88%**)

6.2.3 Infrastructure Development Approach

Infrastructure development will be guided by the following principles:

Asset Management: Implementing a comprehensive asset management system to track infrastructure condition, plan maintenance, and optimize lifecycle costs

Prioritisation: Prioritizing projects based on risk, impact, strategic alignment, and available resources using a transparent project prioritization matrix

Maintenance First: Prioritising maintenance and refurbishment of existing infrastructure before new capital investments to maximize return on historical investment

Coordination: Coordinating infrastructure investments with local municipalities and sector departments through the DDM structures to avoid duplication and maximize impact

6.2.4 Roads and Transport

While roads are primarily a provincial and local municipality function, the district plays a coordination role through the RRAMS (Rural Roads Asset Management System) grant of R2.621 million annually. The roads strategy focuses on:

- Maintaining the district roads asset register with accurate condition assessments;
- Coordinating road maintenance priorities with Free State Department of Police, Roads and Transport;
- Implementing the RRAMS programme effectively to achieve 100% expenditure and measurable road condition improvements; and advocating for increased road maintenance funding given the vast road network and deteriorating condition.

6.3.1 Strategic Overview

Financial sustainability is critical for the municipality to deliver on its mandate. The financial analysis revealed high dependence on government grants (84.04% from equitable share) and limited own revenue base (6.49% of total revenue). The fishbone analysis identified fiscal constraints as a key root cause of underdevelopment: extreme grant dependency limiting fiscal autonomy, minimal own revenue generation, high operational costs relative to revenue, and limited access to alternative funding sources. The financial viability strategy addresses these constraints through revenue enhancement, expenditure management, and improved financial governance.

The strategy is aligned with MFMA requirements, National Treasury regulations, and the municipality's commitment to achieving and maintaining clean audit outcomes. Given the limited scope for revenue enhancement in a district municipality with no trading services, the strategy emphasizes optimal use of existing revenue streams, strict expenditure controls, and compliance excellence to ensure continued grant funding.

6.3.2 Revenue Enhancement

The revenue enhancement strategy focuses on optimizing existing revenue sources:

Grant Management: Maximizing grant funding through full compliance with grant conditions, timely reporting, 100% spending of conditional grants, and maintaining audit compliance to ensure continued funding

Alternative Revenue Streams: Exploring alternative revenue sources including interest on investments, facility rental income, sale of tender documents, and event hosting fees

Investment Management: Optimal cash flow management and investment of surplus funds in approved financial instruments to maximize investment income within prudential limits

Grant Applications: Proactive identification and application for project-specific grants from national and provincial departments for LED, infrastructure, and capacity building initiatives

6.3.3 Expenditure Management

Cost containment and efficient expenditure management are priorities given fiscal constraints:

Cost Containment: Implementation of National Treasury cost containment measures including restrictions on travel, catering, entertainment, consultants, and events

Budget Controls: Strict budget controls with monthly expenditure monitoring, variance analysis, and corrective action on over-spending; No unauthorized, irregular, fruitless or wasteful expenditure

Supply Chain Efficiency: Efficient supply chain management with competitive procurement processes, contract management, demand management, and preferential procurement to support local economic development

Capital Budget Spending: Target of 95% or higher capital budget spending through improved project planning, procurement efficiency, and contractor management

6.3.4 Clean Audit Strategy

The municipality is committed to maintaining unqualified audit opinions and working towards clean audits:

Financial Records: Maintaining accurate and complete financial records, daily reconciliations, and monthly financial statements

Audit Findings: Addressing prior year audit findings through action plans with clear responsibilities and deadlines; Prevent recurrence through process improvements

Internal Audit: Regular internal audit reviews covering financial management, supply chain management, performance management, and risk management

Audit Committee: Effective audit committee oversight with quarterly meetings, review of internal audit reports, and recommendations to Council

Training: Continuous training for finance staff on MFMA compliance, GRAP standards, financial management, and supply chain management

6.4.1 Strategic Overview

Good governance is foundational to effective service delivery and development. The governance strategy responds to Strategic Goal 4 (Promote good governance, organizational development, and financial sustainability) and operationalizes the mission statement commitment to "good governance and community participation." The strategy focuses on strengthening council oversight, enhancing transparency and accountability, deepening public participation, and ensuring compliance with legislative requirements.

The strategy is guided by the Batho Pele principles, the municipality's core values (accountability, transparency, integrity), Section 152 constitutional objects of local government, and Chapter 4 of the Municipal Systems Act on community participation. It recognizes that the vision of a "community-oriented municipality" can only be achieved through genuine partnership with communities and meaningful participation in decision-making processes.

6.4.2 Council Effectiveness

Strengthening council's oversight and decision-making capacity:

Council Support: Comprehensive induction for new councillors, ongoing training on legislative frameworks, oversight tools, and financial management; Provision of research and information support for evidence-based decision-making

Committee System: Effective portfolio committee oversight of administration; Regular committee meetings with adequate preparation; Monitoring of committee resolutions and recommendations

Oversight Reports: Quarterly performance reports to Council; Annual oversight report on Annual Report; Monitoring of audit action plans

Ethics and Integrity: Code of conduct for councillors; Declaration of interests; Anti-corruption measures; Protection of whistleblowers

6.4.3 Public Participation

Deepening community participation beyond statutory consultation requirements:

IDP and Budget Participation: IDP Representative Forum meetings, community consultations in all three local municipalities, written submissions, public hearings on draft IDP and budget

Communication Channels: Municipal website, social media platforms, community radio, print media, SMS communication for meeting notifications and service disruptions

Complaints Management: Customer care system with complaints register, response timeframes, escalation procedures, and feedback to complainants; Target: 80% complaint resolution within 14 days

Access to Information: Implementation of Promotion of Access to Information Act (PAIA); Publication of key documents (IDP, budget, annual report, policies) on website; Public access to council and committee meetings

Stakeholder Engagement: Regular engagement with traditional leaders, business forums, community-based organizations, NGOs, and sector departments

6.5 INSTITUTIONAL DEVELOPMENT AND HUMAN RESOURCES STRATEGY (REVISED)

6.5.1 Strategic Overview

Organisational capacity is essential for effective service delivery and implementation of the strategic goals outlined in Chapter 5. The institutional development strategy addresses the institutional root causes identified in the fishbone analysis (Chapter 4): limited technical capacity in economic development planning and project management, weak intergovernmental coordination, insufficient private sector partnerships, and limited community development structures. The strategy focuses on optimizing the current organizational structure, attracting and retaining skilled personnel, building capacity through training, implementing effective performance management, and ensuring an enabling organizational culture.

This strategy is informed by the current organisational structure approved by Council on 04 December 2024, which provides the institutional framework for service delivery. The analysis below assesses the structure's alignment with the district municipality's constitutional and legislative mandate, identifies strengths and gaps, and provides specific recommendations for strengthening institutional capacity to deliver on the ambitious LED Strategy (R820 million investment, 5,000+ jobs) and other strategic priorities.

6.5.2 Organisational Structure Analysis and Assessment

Current Organizational Structure:

The municipality operates with a macro-structure comprising the Office of the Municipal Manager and three departments:

- **Office of the Municipal Manager:** Includes IDP coordination, Internal Audit, Risk Management, and Performance Management functions. This structure provides strong governance oversight and planning coordination capacity.
- **Planning and Social Development Department:** Houses LED (Manager + 2 Officers), EPWP (Manager + Officer), Municipal Health Services (Manager + Senior Practitioner + 4 Practitioners + Data Capturer), and Disaster Management (Manager + 2 Officers). This department is responsible for key development mandates.
- **Corporate Services Department:** Currently experiencing a critical vacancy at Director level. Houses HR and Labour Relations (Manager + 4 specialist officers with 2 vacancies), Strategic and Legal Services, IT (Manager + Officer), Councillor Support, Communications (Manager vacant), Records Management (2 vacancies), and support services (security, facilities, drivers, general assistants).
- **Budget and Treasury Office:** Led by Chief Financial Officer, with three managers covering Expenditure and Payroll, Supply Chain Management, and Budget, Assets and Technical Support. The office has 3 vacant positions at technical and support levels.

Assessment Against District Municipality Mandate

District municipalities have specific functions under the Constitution and Municipal Structures Act. The assessment below evaluates the organizational structure against these mandates:

District Function/Mandate	Current Capacity	Assessment
Integrated Development Planning	✓ Manager: IDP ✓ Data Capturer ✓ IDP Steering Committee ✓ IDP Representative Forum	ADEQUATE: Dedicated IDP function with appropriate governance structures. Capacity sufficient for coordination role.
Local Economic Development	✓ Manager: LED ✓ 2 LED Officers ✓ EPWP Manager + Officer ✓ LED Forum ✓ LED Steering Committee	ADEQUATE but needs strengthening: Current capacity supports general LED coordination. However, R820M LED Strategy requires Project Management Unit addition.
Bulk Water Services (where WSA)	X NO dedicated Water Services Unit X NO Water Services Coordinator X NO Technical Officer	CRITICAL GAP: District is designated Water Services Authority but has no dedicated water services coordination capacity. This gap undermines Strategy 6.2.
Municipal Health Services	✓ Manager: Municipal Health ✓ Senior Environmental Health Practitioner ✓ 4 Environmental Health Practitioners ✓ Data Capturer	STRONG: Well-staffed function with appropriate coverage across district. Complies with National Health Act requirements.
Fire Fighting Services	Included under Disaster Management: ✓ Manager: Disaster Management ✓ 2 Disaster Management Officers	ADEQUATE: Disaster management function includes firefighting coordination. Capacity sufficient for district coordination role.
Disaster Management	✓ Manager: Disaster Management ✓ 2 Disaster Management Officers ✓ Disaster Management Advisory Forum	STRONG: Complies with Disaster Management Act requirements. Appropriate capacity for district coordination role.
Municipal Roads (RRAMS)	X NO dedicated Infrastructure/Technical Services Unit X NO Infrastructure Coordinator X R2.6M RRAMS grant managed without dedicated technical capacity	SIGNIFICANT GAP: RRAMS grant and roads coordination function require dedicated technical capacity. Infrastructure coordination role under-supported.
Spatial Planning Coordination	X NO dedicated Spatial Planning Officer X SDF coordination capacity absent	GAP: District must coordinate SDF implementation and spatial planning across 3 LMs. No dedicated capacity for this coordination role.

Table 6.4: Organizational Structure Assessment Against District Mandate

Strengths of Current Structure

The organizational structure demonstrates several strengths that provide a foundation for effective service delivery:

- **Strong Governance Infrastructure:** Dedicated functions for Internal Audit, Risk Management, and Performance Management provide robust oversight and accountability mechanisms essential for clean audit achievement
- **LED Capacity:** LED function with Manager and 2 Officers provides foundation for LED Strategy implementation, complemented by dedicated EPWP unit supporting job creation initiatives
- **Municipal Health Services Excellence:** Well-staffed Municipal Health Services function (Manager + Senior Practitioner + 4 Practitioners) provides appropriate coverage across the vast district (34,250 km²) and demonstrates commitment to this core district function
- **Disaster Management Compliance:** Disaster Management function (Manager + 2 Officers) complies with Disaster Management Act requirements and provides appropriate capacity for coordination across 3 local municipalities
- **IDP Coordination:** Dedicated IDP Manager and Data Capturer provide appropriate capacity for district planning coordination role and IDP process management
- **Performance Management System:** Critical for implementing the performance management system described in Strategy 6.5. PMS Manager and PMS Officer. This allows the municipality's ability to achieve the 100% performance agreements target and effectively manage performance across the organisation.
- **Financial Management Capacity:** Budget and Treasury Office appropriately structured with dedicated managers for Expenditure and Payroll, Supply Chain Management, and Budget and Assets, supporting the Financial Viability Strategy (6.3)

Critical Gaps and Weaknesses

The analysis identifies ten critical vacant positions and several structural gaps that undermine service delivery capacity:

- **Director: Corporate Services (VACANT):** This is the most critical vacancy, creating a leadership vacuum in a department responsible for HR, IT, Communications, Legal Services, and Councillor Support. This vacancy directly impacts Strategies 6.4 (Governance) and 6.5 (Institutional Development).
- **Water Services Coordination Absent:** Despite being designated as Water Services Authority, the municipality has no dedicated water services coordination unit. This structural gap directly undermines Strategy 6.2 (Service Delivery and Infrastructure), particularly the Water Services Strategy with its four pillars (Access Expansion, Quality Assurance, Loss Reduction, Infrastructure Renewal). Without dedicated capacity, the target of reducing non-revenue water from 42% to 30% is unachievable.
- **Infrastructure Coordination Capacity Insufficient:** The municipality receives R2.621 million annually through the RRAMS grant for roads asset management but has no dedicated technical/infrastructure unit. This gap affects the municipality's ability to effectively coordinate infrastructure investments with local municipalities and implement the infrastructure development approach outlined in Strategy 6.2.

- **LED Project Management Capacity Inadequate:** The LED Strategy requires management of R820 million investment across five sectors over five years. Current capacity (1 Manager + 2 Officers) is insufficient for this scale of project management. The LED Action Plan specifically calls for establishment of a Project Management Unit (PMU), but this capacity is absent from the current structure.
- **Spatial Planning Coordination Missing:** The district must coordinate Spatial Development Framework implementation across three local municipalities (Strategy 6.6), yet there is no dedicated spatial planning capacity. This gap affects the municipality's ability to effectively coordinate land use planning and ensure implementation of spatial priorities (N1 corridor, agricultural land protection, tourism nodes).
- **Manager: Communications (VACANT):** This vacancy directly undermines Strategy 6.4 (Governance and Public Participation), particularly the public participation initiatives requiring effective communication channels (website, social media, community radio). The Communications Officer position is filled, but lack of managerial oversight limits effectiveness.
- **Remuneration and Benefits Officer (VACANT):** Affects HR service delivery, particularly administration of employment equity, succession planning, and retention strategies outlined in the staffing and recruitment strategy.
- **Records Management Administrators (2 VACANT):** Affects compliance with National Archives Act and PAIA (Promotion of Access to Information Act), undermining transparency and access to information commitments in Strategy 6.4.
- **Additional Vacancies:** Secretary to CFO, Accountant Budget and Asset, Administrator Revenue Reporting and Compliance, and Driver positions affect operational efficiency and financial management capacity.

6.5.3 Staffing and Recruitment Strategy

The staffing strategy addresses immediate vacancy filling, strategic capacity strengthening, retention, and succession planning:

Immediate Priorities (Months 1-6)

- **Fill Director: Corporate Services (Month 1-3):** This is the most urgent priority. Initiate recruitment process immediately through competitive process. Consider secondment option if permanent recruitment is delayed. This position is critical for HR strategy implementation, communications oversight, and IT governance.
- **Fill Performance Management Officer (Month 1-4):** Critical for performance management system implementation. Responsible for cascading performance agreements to all levels, quarterly reviews, and alignment with SDBIP targets.
- **Fill Manager: Communications (Month 1-6):** Essential for Strategy 6.4 implementation, particularly public participation, stakeholder engagement, and the 80% complaint resolution target. Will provide oversight to Communications Officer and coordinate communications strategy.
- **Fill Remuneration and Benefits Officer (Month 1-6):** Required for effective HR service delivery, employment equity implementation, and retention strategy support.
- **Fill All Other Vacancies (Month 1-6):** Complete recruitment for all remaining 6 vacant positions (Secretary to CFO, 2 Records Management Administrators, Accountant Budget and Asset, Administrator Revenue Reporting, Driver) to achieve 100% critical posts filled target within 6 months as per Strategy 6.5.

Strategic Capacity Additions (Months 6-12)

Beyond filling existing vacancies, the following strategic additions are required to align the organizational structure with the district mandate and strategic priorities:

- **Establish Water Services Coordination Unit:** Create dedicated capacity for water services coordination role. Minimum staffing: Water Services Coordinator (senior level) + Technical Officer (support level). Responsible for coordinating Strategy 6.2 water services pillars, supporting local municipalities, liaising with Department of Water and Sanitation, coordinating water quality monitoring, and facilitating non-revenue water reduction programmes.
- **Establish Infrastructure Coordination Unit:** Create capacity for infrastructure coordination including RRAMS grant management. Minimum staffing: Infrastructure Coordinator + Technical Support Officer (engineering/technical background). Responsible for RRAMS implementation, roads asset register maintenance, infrastructure coordination with local municipalities and province, and project prioritization matrix implementation.
- **Establish LED Project Management Unit (PMU):** As specified in LED Strategy Section 6.1.6, establish PMU to manage R820 million LED investment. Minimum staffing: LED Project Manager + M&E Officer + Administrative Support. Responsible for coordinating five-phase LED implementation, managing sector programmes (agriculture R120M, tourism R200M, SMME R50M, infrastructure R200M, green economy R150M), facilitating LED Steering Committee and Forums, monitoring 8 KPIs, and producing quarterly performance reports.

- **Add Spatial Planning Coordinator:** Create dedicated capacity for spatial planning coordination. Position housed under Planning and Social Development Department. Responsible for coordinating SDF implementation across 3 local municipalities, ensuring SPLUMA compliance, coordinating N1 corridor development, facilitating agricultural land protection, and supporting tourism node development (Strategy 6.6).

Retention Strategies

- **Competitive Remuneration:** Benchmark salaries against similar district municipalities and ensure competitive remuneration within budget affordability constraints; Conduct salary survey every two years
- **Career Development:** Create clear career progression pathways; Support professional development through study assistance (bursaries, study leave); Provide opportunities for exposure (conferences, workshops, study tours)
- **Performance Recognition:** Link performance bonuses to achievement of performance targets; Implement recognition programmes (employee of quarter/year, excellence awards); Provide public recognition of exceptional performance
- **Work Environment:** Maintain professional work environment; Provide necessary tools and equipment; Ensure occupational health and safety compliance; Support work-life balance through flexible arrangements where feasible
- **Succession Planning:** Identify critical positions and potential successors; Develop succession plans for Director positions and senior management; Implement mentorship programmes pairing experienced managers with identified successors; Provide development opportunities through acting appointments, special projects, and cross-functional exposure

Employment Equity

Implement Employment Equity Plan to achieve targets for representation of women, people with disabilities, and youth:

- Target: Women in management positions (50% by 2029)
- Target: People with disabilities (2% of total staff by 2029)
- Target: Youth (under 35 years) in professional and management positions (30% by 2029)
- Implement affirmative action measures in recruitment, promotion, and succession planning

6.5.4 Training and Development Strategy

The Workplace Skills Plan guides training and development interventions to build institutional capacity. Priority training areas aligned with strategic priorities:

- **Financial Management and MFMA Compliance:** MFMA compliance training for all financial staff, GRAP standards and financial reporting, budgeting and budget control, audit preparation and action plan implementation, supply chain management regulations; Annual refresher training; Target: 100% finance staff trained annually
- **Technical Skills Development:** Project management certification (particularly for LED PMU staff), contract management and administration, infrastructure planning and maintenance (for new Infrastructure Coordination Unit), water quality monitoring and water services management (for new Water Services Unit), spatial planning and SPLUMA compliance (for new Spatial Planning Coordinator); Partnerships with universities and professional bodies for accredited training
- **LED and Economic Development:** LED strategy formulation and implementation, SMME development and business support services, investment promotion and facilitation, tourism destination management, monitoring and evaluation for development programmes; Training for LED Manager, LED Officers, and new LED PMU staff; Partnerships with SEDA, National Treasury Cities Support Programme
- **Performance Management:** Performance management system implementation, development of performance agreements and indicators, conducting performance reviews and assessments, linking performance to strategic objectives; Priority training for new Performance Management Officer and all managers; Target: 100% managers trained on performance management within 6 months
- **Leadership and Management Development:** Middle management development programme for all managers, senior management leadership programme for directors and senior managers, change management and organizational transformation, strategic planning and implementation, people management and team leadership; Annual leadership development programme; Partnerships with UFS business school and SALGA
- **Governance and Compliance:** Municipal Systems Act and Structures Act compliance, PAIA (Promotion of Access to Information Act) implementation, POPIA (Protection of Personal Information Act) compliance, ethics and anti-corruption, risk management; Training for all staff handling sensitive information; Annual refresher training
- **Funding Mechanisms:** Leverage LGSETA (Local Government Sector Education and Training Authority) grants - submit workplace skills plan annually and ensure maximum utilization of available funding; Partnerships with universities (University of the Free State, other institutions) for subsidized training; FET colleges for technical and vocational training; Internal capacity building through knowledge sharing sessions, mentorship programmes, and communities of practice; Municipal training budget allocation (minimum 1% of personnel budget)

Annual Target: 90% of staff receive at least one training intervention per year, aligned with individual development plans and organisational priorities.

6.5.5 Performance Management System

The performance management system ensures accountability and continuous improvement across the organization:

- **Performance Agreements:** Municipal Manager and Section 56/57 managers (Directors, CFO) have performance agreements directly linked to IDP strategic objectives and SDBIP targets; Performance agreements signed within one month of IDP adoption; Key Performance Indicators (KPIs) derived from development strategies (Chapter 6); Annual targets with quarterly milestones; Cascading of performance targets from top management through all organizational levels; All staff have performance agreements aligned with departmental and organizational objectives; Target: 95% of all staff with signed performance agreements
- **Performance Reviews:** Quarterly performance reviews for Section 56/57 managers: Assessment against quarterly targets, review of challenges and constraints, identification of corrective actions, adjustment of targets where necessary (with Council approval); Mid-year performance assessments for all staff: Formal assessment at end of first half of performance cycle, opportunity to address performance gaps, revision of targets if circumstances changed significantly; Annual performance assessments: Comprehensive assessment against all performance indicators, rating of overall performance, identification of training and development needs, performance improvement plans where performance is unsatisfactory, performance bonuses linked to achievement (within budget constraints)
- **Performance Recognition:** Performance bonuses for achievement of targets (Section 56/57 managers and staff, within budget constraints and subject to affordability); Recognition programmes: Employee of the Quarter awards, Annual Excellence Awards, Long Service Awards; Public recognition through internal communication channels (newsletter, staff meetings, notice boards); Certificates of recognition for exceptional performance; Team recognition for collaborative achievements
- **Poor Performance Management:** Early identification of performance challenges through quarterly reviews; Performance counseling for employees experiencing performance difficulties; Performance Improvement Plans (PIPs): Clear identification of performance gaps, specific and measurable improvement targets, support and resources to achieve improvement, defined timeframe for improvement (typically 3-6 months), regular monitoring and feedback; Training interventions to address skills gaps; Mentorship and coaching support; Disciplinary action where poor performance persists despite interventions (in accordance with disciplinary code and procedures)
- **Performance Oversight:** Audit and Performance Committee reviews performance of Section 56/57 managers quarterly; Municipal Manager reports on organizational performance to Council quarterly; Annual performance report included in Annual Report; Independent assessment by Auditor-General as part of annual audit; Community feedback on service delivery performance through IDP Representative Forum, public participation mechanisms, and satisfaction surveys

6.5.6 Organisational Structure Recommendations

Based on the analysis of the current organizational structure against the district mandate and strategic priorities, the following recommendations are made for consideration by Council:

Priority	Recommendation	Rationale	Timeframe
URGENT	Fill Director: Corporate Services	Critical leadership vacuum affecting HR, IT, Communications, Legal Services, and overall corporate governance. Directly impacts Strategies 6.4 and 6.5.	Months 1-3
URGENT	Fill all 10 vacant positions	Achieve 100% critical posts filled target per Strategy 6.5. Vacancies undermine service delivery capacity and compliance.	Months 1-6
STRATEGIC	Establish Water Services Coordination Unit	District is designated WSA but has no dedicated water services capacity. Critical gap undermining Strategy 6.2 water services pillars. Required for non-revenue water reduction target (42%→30%).	Months 6-12
STRATEGIC	Establish Infrastructure Coordination Unit (Coordinator + Technical Support)	R2.6M RRAMS grant requires dedicated technical capacity. Infrastructure coordination role under-supported. Required for roads asset management and infrastructure investment coordination.	Months 6-12
STRATEGIC	Establish LED Project Management Unit (Project Manager + M&E Officer + Admin Support)	R820M LED Strategy investment requires dedicated project management capacity. LED Action Plan (Section 6.1.6) specifically calls for PMU establishment. Current capacity insufficient for 5-phase implementation.	Months 6-12
STRATEGIC	Add Spatial Planning Coordinator	District must coordinate SDF implementation across 3 LMs (Strategy 6.6). No dedicated capacity for spatial planning coordination, SPLUMA compliance, N1, N6 and N8 corridor coordination.	Months 12-18
REVIEW	Comprehensive Organogram Review Post-LED Strategy Adoption	Full alignment assessment between organisational structure and LED Strategy implementation requirements. Consider additional capacity needs as programmes scale up.	Year 2 (2026-27)

Table 6.5: Organizational Structure Recommendations

Implementation of these recommendations will require budget allocations in the MTREF, revision of the organisational structure (Council approval required), development of job profiles and job evaluations for new positions, and phased recruitment aligned with budget availability. The recommendations prioritise urgent vacancy filling in Year 1, strategic capacity additions in Years 1-2, and comprehensive review in Year 2 to ensure ongoing alignment between structure and strategy.

The institutional development and HR strategy recognises that organizational capacity is the foundation for achieving all strategic goals outlined in this IDP. By addressing the critical vacancies, strengthening technical capacity in key areas (water services, infrastructure, LED project management, spatial planning), implementing comprehensive training and development programmes, and establishing robust performance management systems, the municipality will build the institutional strength required to deliver on its ambitious LED Strategy (R820 million investment, 5,000+ jobs), achieve clean audit status, reduce poverty and unemployment, and fulfil its constitutional mandate to improve the quality of life of all residents in the Xhariep District.

6.6 SPATIAL DEVELOPMENT STRATEGY

6.6.1 Strategic Overview

The Spatial Development Strategy provides the framework for managing spatial growth and land use in the district. The strategy is guided by the Spatial Development Framework (SDF) approved by Council and aims to promote efficient settlement patterns, protect valuable agricultural land and environmental resources, coordinate infrastructure investment with spatial priorities, and address historical spatial imbalances. The SDF is prepared in terms of the Spatial Planning and Land Use Management Act (SPLUMA, 2013) and provides the spatial expression of the IDP vision and strategic goals.

6.6.2 Spatial Development Principles

The following SPLUMA principles guide spatial development in the district:

Spatial Justice: Addressing historical spatial imbalances and improving access to opportunities for previously disadvantaged communities; Promoting equitable distribution of resources

Spatial Sustainability: Promoting land use patterns that protect the environment and natural resources; Avoiding development in environmentally sensitive areas; Promoting compact settlement patterns

Spatial Efficiency: Optimising the use of existing infrastructure and minimising sprawl; Promoting densification where infrastructure capacity exists; Coordinating land use and transport planning

Spatial Resilience: Building capacity to withstand and adapt to shocks including climate change, economic shocks, and natural disasters; Avoiding development in high-risk areas (flood lines, unstable slopes)

Good Administration: Ensuring transparent and efficient land use management processes; Compliance with SPLUMA and municipal by-laws; Coordination between district and local municipalities

6.6.3 Spatial Priorities

The SDF identifies the following spatial priorities for the district:

N1 Development Corridor: Concentration of investment along the N1 corridor connecting major nodes (Trompsburg, Edenburg, Smithfield); Industrial and commercial development; Tourism facilities; Renewable energy projects

Agricultural Land Protection: Protection of high-value agricultural land from inappropriate development; Agricultural land only for agriculture, agri-processing, and related uses; Minimum subdivision sizes

Tourism Nodes: Development of tourism nodes at Gariep Dam (water sports, accommodation), heritage sites (Anglo-Boer War sites), and game farms; Infrastructure and facilities for tourism; Tourism route development

Housing and Infrastructure: Coordination of housing development with infrastructure capacity; Human settlements in areas with access to services, employment, and social facilities; Support for local municipalities' housing programmes

Rural Development Nodes: Support for rural development nodes and agricultural hubs; Agri-processing facilities; Rural service centres providing social and economic services; Improvement of rural access roads

6.7 ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE STRATEGY

6.7.1 Strategic Overview

Environmental sustainability is essential for the long-term wellbeing of the district. The environmental management strategy responds to Strategic Goal 2 (Provide a safe, healthy, and secure environment) and addresses the environmental threats identified in the SWOT analysis: climate change and increasing drought frequency, land degradation and desertification, and water scarcity. The strategy addresses conservation and protection of natural resources, management of environmental impacts, climate change adaptation and mitigation, and sustainable resource use.

Given the semi-arid climate (300-500mm annual rainfall), drought vulnerability, and climate change projections indicating increased temperatures and more variable rainfall patterns, environmental management and climate adaptation are not merely environmental concerns but essential for economic viability and community resilience. The strategy is aligned with the National Environmental Management Act (NEMA, 1998), the National Climate Change Response White Paper, and the Paris Agreement commitments.

6.7.2 Climate Change Response

The district is vulnerable to climate change impacts including increased drought frequency, higher temperatures, and more variable rainfall. The climate change response strategy includes:

Climate Adaptation Plan: Development of climate change adaptation plan identifying vulnerabilities, impacts, and adaptation measures; Integration of climate considerations into all planning and decision-making

Water Security: Water conservation and demand management; Rainwater harvesting; Protection of water sources; Promotion of drought-resistant crops; Support for irrigation agriculture using Orange River water

Agricultural Resilience: Support for climate-smart agriculture practices; Soil conservation; Veld management; Livestock management adapted to drought conditions; Agricultural insurance and risk management

Renewable Energy: Promotion of renewable energy projects (solar farms) as climate mitigation and economic development opportunity; Municipal energy efficiency measures; Public awareness on energy conservation

Early Warning Systems: Drought monitoring and early warning systems; Coordination with South African Weather Service; Community education on climate risks and adaptation

6.7.3 Natural Resource Management

Sustainable management of natural resources:

Biodiversity Conservation: Protection of biodiversity hotspots and threatened ecosystems; Support for protected areas and game farms; Invasive alien plant control programmes

Land Degradation: Land restoration and rehabilitation programmes; Soil erosion control; Sustainable grazing management; Support for land care initiatives

Waste Management: Support to local municipalities for integrated waste management; Promotion of waste minimization, recycling, and composting; Illegal dumping prevention and clean-up

Environmental Compliance: Environmental authorization for municipal projects; Environmental impact assessments; Compliance with environmental management plans; Environmental audits

6.8 DISASTER MANAGEMENT STRATEGY

6.8.1 Strategic Overview

The Disaster Management Strategy is a requirement of the Disaster Management Act (Act 57 of 2002) and addresses disaster risk reduction, emergency response, and post-disaster recovery. Given the district's vulnerability to drought, veld fires, severe weather events, and other hazards, disaster management is a critical component of the strategic framework. The strategy focuses on risk assessment and prevention, emergency preparedness and response, and recovery and rehabilitation.

Key elements of the disaster management strategy include:

District Disaster Management Centre: Coordination function for disaster management across the district; Liaison with Provincial Disaster Management Centre; Support to local municipalities

Emergency Response: Emergency response protocols and standard operating procedures; Communication systems and emergency contact networks; Mutual aid agreements with neighbouring municipalities and emergency services

Risk Assessment: Disaster risk assessments identifying hazards, vulnerabilities, and capacities; Priority risks: drought, veld fires, severe weather, animal diseases

Firefighting Services: District firefighting service supporting local municipalities; Fire station in Trompsburg; Fire prevention education; Veld fire management in partnership with Fire Protection Associations

Post-Disaster Recovery: Post-disaster needs assessment and recovery coordination; Support to affected communities; Coordination of humanitarian assistance

Sector	Opportunities	Key Interventions
Agriculture	Livestock value addition, irrigation farming, agri-processing, emerging farmer support	Support for emerging farmers; Market access facilitation; Development of agri-processing hubs; Value chain linkages; Land reform support; Agricultural cooperatives; Farmer training programmes
Tourism	Gariep Dam water sports and recreation, heritage sites (Anglo-Boer War), game farms, eco-tourism, adventure tourism, cross-border tourism (Lesotho)	Destination marketing and branding; Tourism route development (heritage, agri-tourism); Infrastructure improvement (signage, facilities); Skills training for tourism service providers; Partnership with SA Tourism and Free State Tourism; Tourism product development
Renewable Energy	Excellent solar radiation potential (2,200+ kWh/m²/year), large tracts of available land, proximity to Eskom transmission infrastructure	Facilitate Independent Power Producer (IPP) projects; Support community renewable energy initiatives; Partner with Department of Mineral Resources and Energy; Land identification for solar farms; Skills training for renewable energy sector
SMME Development	Local procurement opportunities, service sector growth, construction sector linkages, agri-business opportunities	Business incubation and support; Access to finance facilitation (SEDFA, NEF); Business skills training (financial management, marketing, tendering); Mentorship programmes; Supplier development; Cooperative development; Youth and women entrepreneur support

Strategic Pillar	Key Interventions
Access Expansion	Facilitate extension of reticulation networks to unserved areas; Provide communal standpipes where reticulation is not feasible (low-density rural areas); Implement yard connections programme for indigent households; Coordinate with local municipalities on infrastructure planning; Support to local municipalities for grant applications (MIG, WSIG)
Quality Assurance	Daily water quality testing at treatment works; Monthly compliance monitoring at distribution points; Blue Drop certification maintenance; Support to local municipalities for water quality management; Quarterly reporting to Department of Water and Sanitation; Community education on safe water use
Loss Reduction	Facilitate leak detection and repair programmes with local municipalities; Meter replacement and installation programmes; Pressure management interventions; Consumer awareness campaigns on water conservation; Target: Reduce non-revenue water from 42% to 30% by 2031
Infrastructure Renewal	Facilitate asset condition assessments across local municipalities; Develop prioritised refurbishment programme; Implement preventive maintenance schedules; Build emergency repair capacity; Partnership with Department of Water and Sanitation for infrastructure grants; Focus on extending asset life rather than asset replacement

Strategy	Primary Focus	Key Outcomes (2026-2031)
LED Strategy	Economic growth, job creation, SMME support, agriculture, tourism	500 jobs created; 50 SMMEs supported annually; Unemployment reduced from 31.9% to 28%; Tourism revenue increased 30%
Service Delivery & Infrastructure	Water services coordination, infrastructure maintenance, RRAMS	Water access 98%; Non-revenue water reduced from 42% to 30%; 95% capital budget spending; RRAMS 100% spent
Financial Viability	Financial sustainability, revenue optimization, clean audit	Clean audit achieved; Grant dependency reduced from 84% to 80%; 95% capital spending; Zero irregular expenditure
Governance & Participation	Good governance, public participation, accountability, transparency	80% complaint resolution within 14 days; 75% community satisfaction; Quarterly IDP Rep Forum meetings; Zero corruption cases
Institutional Development	Capacity building, skills development, performance management	100% critical posts filled; 90% staff trained annually; 95% performance agreements in place; Zero unauthorized expenditure
Spatial Development	Land use management, SDF implementation, spatial planning	SDF reviewed and adopted; N1, N8 & N6 corridor investment strategy; Agricultural land protected; Tourism nodes developed
Environmental & Climate	Environmental sustainability, climate adaptation, natural resource management	Climate adaptation plan adopted; Land degradation programmes; Water conservation 15% improvement; Renewable energy facilitated
Disaster Management	Risk reduction, emergency response, disaster preparedness	Disaster Management Plan updated annually; 100% emergency response capability; Zero disaster-related fatalities

END OF CHAPTER 6

CHAPTER 7

SECTOR PLANS INTEGRATION

This chapter provides an overview of the sector plans that guide implementation in specific functional areas. These plans provide detailed strategies, programmes, and targets for their respective sectors and are aligned with the IDP strategic framework presented in Chapter 6 (Development Strategies). Sector plans operationalize the strategic objectives and provide the technical detail necessary for effective implementation, monitoring, and evaluation.

The development and implementation of sector plans is a legislative requirement in various pieces of legislation including the Municipal Systems Act, Water Services Act, Disaster Management Act, Spatial Planning and Land Use Management Act, and others. These sector plans are not standalone documents but form an integral part of the IDP.

All strategic planning processes must be aligned and fully integrated to ensure sustainable growth and development. This chapter presents executive summaries of each sector plan, highlighting alignment with development strategies, key priorities, targets, and implementation frameworks. The full sector plans are available as separate documents and are attached as annexures to this IDP.

7.1 SECTOR PLANS OVERVIEW

The following table provides an overview of all sector plans:

Sector Plan	Status	Review Date	Linked Strategy	Annexure
Water Services Development Plan	Current (LMs)	Annual (2027)	6.2 Service Delivery	Annexure A
Spatial Development Framework	Adopted Aug 2023	2027	6.6 Spatial Development	Annexure B
LED Strategy & Action Plan	Tabled in Council, 2025	Annual (2026)	6.1 LED Strategy	Annexure C
Disaster Risk Management Plan	Current	Annual (2026)	6.8 Disaster Management	Annexure D
Financial Plan / MTREF	Annual	Annual (2026)	6.3 Financial Viability	Annexure E
Workplace Skills Plan	Annual	Annual (2026)	6.5 Institutional Development	Annexure F
Employment Equity Plan	Current	2028	6.5 Institutional Development	Annexure G
Infrastructure Master Plan	Under Development	2027	6.2 Service Delivery	Annexure H
Communication Strategy	Current	2027	6.4 Governance	Annexure I
Performance Management Policy	Current	2027	6.5 Institutional Development	Annexure J

Table 7.1: Sector Plans Overview and Status

7.2 WATER SERVICES DEVELOPMENT PLAN (WSDP)

7.2.1 Purpose and Legal Basis

The Water Services Development Plan (WSDP) is a statutory requirement for all Water Services Authorities as per Section 12 of the Water Services Act (No. 108 of 1997). The WSDP provides the strategic and operational framework for water services provision in the district.
While the three local municipalities are primarily responsible for water services delivery, the Xhariep District Municipality plays a crucial coordination role as the designated Water Services Authority. The WSDP coordinates planning, investment, and performance monitoring to ensure integrated and efficient water services.

7.2.2 Alignment with Chapter 6 Strategies

The WSDP directly supports Strategy 6.2 (Service Delivery and Infrastructure) and operationalizes the four water services pillars:

- Access Expansion: Extending water services to all residents (target: 98% RDP standard by 2031)
- Quality Assurance: Ensuring safe, potable water through rigorous testing and Blue Drop compliance (target: 90% Blue Drop score)
- Loss Reduction: Reducing non-revenue water from 42% to 30% by 2031 through leak detection, meter replacement, and pressure management
- Infrastructure Renewal: Refurbishing and maintaining water infrastructure assets (target: 80% refurbishment by 2031)

A critical challenge is the absence of dedicated water services coordination capacity identified in Section 6.5. The establishment of a Water Services Coordination Unit (Coordinator + Technical Officer) is essential for effective WSDP implementation.

7.2.3 Key Components

- Current Service Levels: Baseline assessment shows 93% of households have access to water at RDP standard. However, disparities exist between urban (near 100%) and rural farming communities (as low as 70%). Priority is extension of services to underserved rural areas.
- Water Balance and Non-Revenue Water: NRW currently at 42%, well above 25% national target. Major contributors: physical losses (30% - leaks, pipe bursts) and commercial losses (12% - meter inaccuracies, illegal connections). Target: 30% by 2031.
- Water Quality Management: Current compliance 95%, Blue Drop score 75%. Includes daily testing at treatment works, monthly monitoring at distribution points, quarterly assessments. Target: 100% compliance and 90% Blue Drop by 2031.
- Infrastructure Condition: Only 15% refurbished in past 10 years. Critical needs: treatment works, pump stations, reservoirs, reticulation networks. Target: 80% refurbishment by 2031.

7.2.4 Five-Year Targets

- Access to RDP standard: 93% → 95% (2027) → 98% (2031)
- Non-revenue water: 42% → 36% (2027) → 30% (2031)
- Blue Drop score: 75% → 85% (2027) → 90% (2031)

- Infrastructure refurbishment: 15% → 40% (2027) → 80% (2031)
- Water quality compliance: 95% → 98% (2027) → 100% (2031)

7.2.5 Implementation Framework

- District: WSA coordination, Forum secretariat, Blue Drop monitoring, LM support
- Local Municipalities: Operations, maintenance, billing, complaints
- Department Water & Sanitation: Bulk supply, drought management, regulation
- Critical Gap: Water Services Coordination Unit needed (per Section 6.5 recommendations)

7.2.6 M&E Indicators

- Monthly water quality test results
- Quarterly NRW measurements
- Annual Blue Drop assessments
- Annual infrastructure condition audits

7.2.7 Integration Points

- SDF (7.3): Water infrastructure spatial priorities
- Infrastructure Master Plan (7.9): Asset management integration
- Financial Plan (7.6): Capital budget allocations
- Disaster Management (7.5): Drought preparedness

7.3 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

7.3.1 Purpose and Legal Basis

Statutory requirement per Section 26(e) MSA and SPLUMA Act 16 of 2013. Provides spatial vision and development guidelines. Adopted August 2023 by Council. Reviewed every five years with annual updates.

7.3.2 Alignment with Chapter 6

Supports Strategy 6.6 (Spatial Development) and provides spatial expression of all development strategies. Guides infrastructure investment, protects environment, and coordinates development across the district.

7.3.3 Key Components

Development Nodes and Corridors:

- N1, N6 and N8 Development Corridor: Primary economic axis linking district towns. Priorities: industrial development, logistics, commercial, tourism
- Gariep Dam Tourism Node: Water sports, accommodation, adventure tourism, heritage sites
- Agricultural Zones: High-value land protection, subdivision restrictions, agri-hub development
- Town Centres: CBD renewal, urban consolidation, infill development, higher density
- Rural Service Points: Communal facilities for dispersed farming communities

7.3.4 Five-Year Targets

- SDF reviewed annually (100% SPLUMA compliance)
- 100% development applications assessed against SDF
- N1 corridor investment strategy adopted, 2+ major projects initiated
- Gariep Dam tourism node development plan approved
- Zero loss of high-value agricultural land
- 80% new residential development within existing urban boundaries

7.3.5 Implementation Framework

- District Spatial Planning Forum (quarterly meetings)
- Spatial Planning Coordinator (to be added per Section 6.5 - Months 12-18)
- Annual SDF review process with public participation
- Alignment with Provincial and National SDFs

7.3.6 M&E Indicators

- Development applications assessed against SDF
- Investment value in priority areas
- Agricultural land protected vs lost
- Urban consolidation percentage

7.3.7 Integration Points

- LED Strategy (7.4): Economic nodes spatially aligned
- Infrastructure Plan (7.9): Investment coordination

- Water Services (7.2): Infrastructure spatial alignment
- Environmental Strategy (6.7): Conservation areas

7.4 LOCAL ECONOMIC DEVELOPMENT STRATEGY & ACTION PLAN

7.4.1 Purpose

Framework for promoting economic growth, employment creation, and poverty reduction. Adopted 2024, annual review. Comprehensive LED Strategy and Action Plan detailed in Strategy 6.1.

7.4.2 Alignment with Chapter 6

This sector plan is the LED Strategy fully detailed in Section 6.1. Cross-reference to that section for:

- Five-Phase Implementation Framework (Phases 1-5, 2024-2029)
- Five Priority Sector Programmes (R820M total investment)
- LED Governance Structures (Steering Committee, Forums, PMU)
- Monitoring and Evaluation Framework (8 KPIs)

7.4.3 Key Targets (Summary from 6.1)

- Jobs created: 5,000+ by 2029
- SMMEs supported: 500+ over 5 years
- Investment attracted: R820 million
- Tourism growth: +30%
- Unemployment reduction: 31.9% → 28%
- Cooperatives established: 10+
- Local procurement: 30% target

7.4.4 Implementation Framework

LED Project Management Unit (to be established per Section 6.5 recommendations - Months 6-12) will coordinate implementation. LED Manager + 2 Officers + EPWP Unit currently in place. LED Steering Committee and LED Forums provide governance and stakeholder engagement.

7.4.5 Integration Points

- Skills Plan (7.7): SMME development training
- Infrastructure Plan (7.9): Infrastructure for economic development
- SDF (7.3): Economic nodes spatial alignment
- Communication Strategy (7.10): LED Forums communication

7.5 DISASTER RISK MANAGEMENT PLAN

7.5.1 Purpose and Legal Basis

Disaster Management Act 57 of 2002 requirement. Framework for disaster risk reduction, response, and recovery. Annual review 2026. Current plan operational.

7.5.2 Alignment with Chapter 6

Supports Strategy 6.8 (Disaster Management). Implements risk assessment, emergency preparedness, and recovery coordination across district and with province.

7.5.3 Key Components

- District Disaster Management Centre: 24/7 coordination, liaison with Provincial Centre, LM support
- Risk Assessment: Priority risks - drought, veld fires, severe weather, animal diseases
- Emergency Response: SOPs, communication systems, mutual aid agreements
- Firefighting Services: District service, Trompsburg fire station, prevention education
- Post-Disaster Recovery: Needs assessment, coordination, community support

7.5.4 Five-Year Targets

- Plan updated annually (100% compliance)
- 100% emergency response capability maintained
- Zero disaster-related fatalities
- Mutual aid agreements with all neighboring municipalities
- Community awareness programmes in all 3 LMs

7.5.5 Implementation Framework

- Disaster Management Manager + 2 Officers
- Disaster Management Advisory Forum (quarterly)
- Coordination with Provincial Centre
- Annual disaster simulation exercises

7.5.6 M&E Indicators

- Disaster incidents responded to
- Emergency response time
- People affected by disasters
- Essential services recovery time

7.5.7 Integration Points

- Communication Strategy (7.10): Emergency communications
- Infrastructure Plan (7.9): Critical infrastructure resilience
- Environmental Strategy (6.7): Climate adaptation, early warning

7.6 FINANCIAL PLAN AND MTREF

7.6.1 Purpose and Legal Basis

MFMA 56 of 2004, Section 21 requirement. Multi-year budget projection. Annual plan aligned with IDP. Annual review 2026.

7.6.2 Alignment with Chapter 6

Supports Strategy 6.3 (Financial Viability). Resources all development strategies. Ensures financial sustainability.

7.6.3 Key Components

- Revenue Framework: Grant funding (84%), own revenue, investment income, alternative streams
- Expenditure Framework: Operational budget, capital programme, debt servicing
- Capital Programme: Infrastructure priorities, LED funding, equipment/fleet
- Sustainability Measures: Grant dependency reduction (84%→80%), clean audit achievement

7.6.4 Five-Year Targets

- Clean audit by 2027
- Grant dependency 84%→80%
- 95% capital spending annually
- Zero irregular expenditure

7.6.5 Integration Points

- All sector plans: Budget allocations
- LED Strategy (7.4): R820M investment funding
- Infrastructure Plan (7.9): Capital programme

7.7 WORKPLACE SKILLS PLAN

7.7.1 Purpose

Skills Development Act 97 of 1998. Annual LGSETA submission. Training and development framework. Annual review 2026.

7.7.2 Alignment

Supports Strategy 6.5 (Institutional Development). Implements training strategy. Builds organizational capacity.

7.7.3 Priority Training Areas

- Financial Management & MFMA: 100% finance staff annually
- Technical Skills: Project management, infrastructure, water services
- LED & Economic Development
- Performance Management: 100% managers within 6 months
- Leadership & Management

7.7.4 Annual Targets

- 90% staff receive training
- 100% LGSETA grant utilization
- LGSETA submission by 30 April

7.8 EMPLOYMENT EQUITY PLAN

7.8.1 Purpose

Employment Equity Act 55 of 1998. Promote equal opportunity. Current plan, review 2028.

7.8.2 Targets (2026-2031)

- Women in management: 50% by 2029
- People with disabilities: 2% by 2029
- Youth in professional/management: 30% by 2029

7.8.3 Integration

- Skills Plan (7.7): Priority training for equity groups
- Staffing Strategy (6.5): Recruitment priorities

7.9 INFRASTRUCTURE MASTER PLAN

7.9.1 Purpose

Comprehensive infrastructure planning. Asset management system. Investment priorities. Under development, review 2027.

7.9.2 Key Components

- Infrastructure Asset Register: Water, roads, buildings, IT, fleet
- Asset Management System: Lifecycle planning, maintenance, refurbishment
- Investment Priorities: Critical refurbishment, water, roads, buildings
- Project Prioritization Framework: Risk, impact, strategic alignment

7.9.3 Five-Year Targets

- 100% assets registered and assessed
- Asset management system operational
- 80% infrastructure refurbishment
- 95% capital spending annually
- RRAMS 100% spent

7.10 COMMUNICATION STRATEGY

7.10.1 Purpose

Effective stakeholder communication. Support public participation. Current, review 2027.

7.10.2 Alignment

Supports Strategy 6.4 (Governance & Public Participation). Implements communication channels.

7.10.3 Communication Channels

- Website: www.xhariep.gov.za
- Social Media: Facebook,
- Community Radio
- SMS Platform
- Print Media
- Public Meetings

7.10.4 Five-Year Targets

- 75% community awareness
- 80% complaint resolution within 14 days
- Quarterly IDP Rep Forum meetings

7.11 PERFORMANCE MANAGEMENT FRAMEWORK

7.11.1 Purpose

Performance management system for accountability. Link performance to strategic objectives. Current, review 2027.

7.11.2 Alignment

Supports Strategy 6.5. Implements PMS detailed in Section 6.5.5.

7.11.3 Key Components

- Performance Planning: Organizational/Departmental Scorecards, SDBIP, Individual Agreements
- Performance Agreements: Section 56/57 managers and all staff (95% target)
- Performance Reviews: Quarterly (Section 56/57), Mid-year (all), Annual (all)
- Recognition and Consequences: Bonuses, awards, PIPs, disciplinary action

7.11.4 Five-Year Targets

- 95% staff with performance agreements
- 100% Section 56/57 quarterly reviews
- Community satisfaction 75%

7.12 SECTOR PLAN COORDINATION AND INTEGRATION

Ensure coherent implementation across all sector plans. Avoid duplication, maximize synergies.

Coordination Mechanisms:

- IDP Steering Committee: Oversees all sector plan implementation, quarterly meetings
- Annual IDP Review: Reviews all sector plans for alignment
- District Development Model: Political and Technical Hubs coordinate implementation
- Monitoring and Reporting: Quarterly SDBIP reports, Annual Report, Mid-term review

Key Integration Points:

Financial Plan (7.6) resources all sector plans. Performance Management (7.11) monitors all sectors. SDF (7.3) provides spatial framework for infrastructure and economic development. LED Strategy (7.4) integrates with Skills Plan, Equity Plan, Communication Strategy. All plans aligned with Chapter 6 Development Strategies.

7.13 SECTOR PLAN ANNEXURES REFERENCE

Full sector plans are available as separate documents and attached as annexures to this IDP:

Annexure	Sector Plan	Document Location
Annexure A	Spatial Development Framework	Municipal website / Separate document
Annexure B	LED Strategy & Action Plan	Municipal website / Separate document
Annexure C	Disaster Risk Management Plan	Municipal website / Separate document
Annexure D	Budget/Financial Plan / MTREF	Municipal website / Separate document
Annexure E	Workplace Skills Plan	Annual Budget Documents
Annexure F	Employment Equity Plan	Annual LGSETA submission
Annexure G	Infrastructure Master Plan	DoL submission / Separate document
Annexure H	Communication Strategy	Municipal website
Annexure I	Performance Management Policy	Municipal website / Separate document
Annexure J	Xhariep District One Plan	Municipal website

END OF CHAPTER 7

CHAPTER 8

PROJECTS AND PROGRAMMES

This chapter presents the projects and programmes that will be implemented over the 2026-2031 IDP period to achieve the strategic objectives outlined in Chapter 5. The projects are organised by Key Performance Area and include capital infrastructure projects, operational programmes, and catalytic initiatives. Each project is linked to the budget allocation in the MTREF (Chapter 9) and will be monitored through the Service Delivery and Budget Implementation Plan (SDBIP).

The projects and programmes translate the strategic framework and development strategies (Chapters 5 and 6) into concrete actions with specific deliverables, timeframes, and budgets. They represent the municipality's commitment to delivering tangible improvements in service delivery, economic development, governance, financial management, institutional capacity, and environmental sustainability.

8.1 CAPITAL PROJECTS OVERVIEW

8.1.1 Five-Year Capital Programme Summary

The total capital programme for the 2026-2031 IDP period amounts to R76.5 million, focused primarily on water infrastructure (65% of capital budget), institutional capacity development, and local economic development initiatives. The capital programme is aligned with the strategic priorities identified in Chapter 6 and addresses critical infrastructure backlogs, service delivery improvements, and development imperatives.

The following table provides an overview of capital allocations by Key Performance Area over the five-year IDP period:

KPA	2026/27	2027/28	2028/29	2029/30	2030/31	Total
KPA 1: Service Delivery	R8.5M	R9.2M	R10.1M	R10.8M	R11.5M	R50.1M
KPA 2: LED	R1.5M	R1.8M	R2.0M	R2.2M	R2.5M	R10.0M
KPA 3: Governance	R0.3M	R0.3M	R0.4M	R0.4M	R0.4M	R1.8M
KPA 4: Financial	R0.5M	R0.5M	R0.6M	R0.6M	R0.6M	R2.8M
KPA 5: Institutional	R1.2M	R1.5M	R1.6M	R1.7M	R1.8M	R7.8M
KPA 6: Spatial/Environmental	R0.5M	R0.7M	R0.8M	R1.0M	R1.0M	R4.0M
TOTAL	R12.5M	R14.0M	R15.5M	R16.7M	R17.8M	R76.5M

Table 8.1: Five-Year Capital Programme Summary by KPA

8.1.2 Capital Funding Sources

The capital programme will be funded through a diversified mix of grants and own funding sources. The municipality has secured commitments from national government for infrastructure grants and will continue to leverage own revenue (Capital Replacement Reserve) to co-fund priority projects.

Funding Source	Amount	% of Total
Municipal Infrastructure Grant (MIG)	R42.0M	54.9%
Regional Bulk Infrastructure Grant (RBIG)	R15.5M	20.3%
Own Funding (CRR)	R8.5M	11.1%
Water Services Infrastructure Grant (WSIG)	R6.5M	8.5%
Other Grants (EPWP, INEP)	R4.0M	5.2%
TOTAL	R76.5M	100%

Table 8.2: Capital Funding Sources 2026-2031

The funding mix reflects the municipality's high grant dependency (88.9% from grants) and limited own revenue capacity (11.1%). A key strategic priority is to increase own revenue contribution to capital projects through improved revenue collection, asset disposals, and alternative financing mechanisms. The municipality will continue to engage National Treasury and sector departments to secure additional grant allocations for priority infrastructure projects.

8.2 WATER INFRASTRUCTURE PROJECTS (KPA 1: SERVICE DELIVERY)

8.2.1 Strategic Context

Water infrastructure projects form the core of the capital programme, reflecting the district's primary mandate as Water Services Authority. These projects are aligned with the Water Services Development Plan (Chapter 7.2) and address critical infrastructure refurbishment needs, water loss reduction, bulk water supply augmentation, and water quality compliance. The total allocation of R50.1 million (65% of capital budget) over five years demonstrates the municipality's commitment to ensuring sustainable water services for all residents.

8.2.2 Key Water Infrastructure Projects

Project Name	Budget (5yr)	Primary Objective	Beneficiaries	Timeline
Water Treatment Works Refurbishment	R15.0M	Upgrade aging equipment, improve capacity	All district residents	2026-2029
Water Reticulation Network Replacement	R12.0M	Replace aging pipes, reduce leaks	Urban areas	2026-2031
Bulk Water Supply Augmentation	R8.0M	Increase storage capacity, new pipelines	Growth areas	2027-2030
Leak Detection and Repair Programme	R4.5M	Reduce non-revenue water	All supply areas	2026-2031
Water Quality Laboratory Equipment	R2.5M	Enhance testing capacity, Blue Drop	All consumers	2026-2028
Pump Station Upgrades	R3.5M	Replace pumps, improve efficiency	Rural areas	2027-2029
Reservoir Refurbishment	R2.8M	Structural repairs, capacity increase	Towns	2028-2030
Rural Water Access Extension	R1.5M	Communal standpipes, tanker points	Farming communities	2026-2031
Meter Replacement Programme	R0.8M	Replace old meters, improve billing	All consumers	2026-2029
Emergency Response Equipment	R0.5M	Rapid repair capacity	District-wide	2026-2027

Table 8.3: Water Infrastructure Projects (KPA 1)

8.2.3 Implementation Approach

Water infrastructure projects will be implemented through a phased approach coordinated with the three local municipalities (Kopanong, Letsemeng, Mohokare). Implementation will prioritize:

- Critical infrastructure with immediate service delivery impact (treatment works, major leaks)
- Projects with grant funding commitments (MIG, RBIG, WSIG)
- Geographic distribution to ensure equitable service improvements across the district
- Coordination with local municipalities to avoid duplication and maximize impact

The Water Services Coordination Unit (to be established per Section 6.5 recommendations) will play a central role in project planning, coordination, and monitoring. Technical support will be sourced from Department of Water and Sanitation where district capacity is insufficient.

8.3 LOCAL ECONOMIC DEVELOPMENT PROJECTS (KPA 2: LED)

8.3.1 Strategic Context

The LED capital programme of R10.0 million over five years supports implementation of the LED Strategy (Section 6.1 and Chapter 7.4). These projects target job creation (500+ jobs), SMME development (500+ SMMEs supported), and economic infrastructure that will unlock investment and growth opportunities. The LED projects complement operational LED programmes and represent catalytic investments in economic infrastructure and enterprise support.

8.3.2 Key LED Projects

Project Name	Budget (5yr)	Primary Objective	Expected Impact	Timeline
SMME Incubation Hub	R3.0M	Establish shared workspace, support services	100+ SMMEs, 200 jobs	2026-2028
Agri-Park/Hub Infrastructure (2 sites)	R2.5M	Processing facilities, cold storage	Agricultural value-add, 80 jobs	2027-2030
Tourism Infrastructure - Gariep Dam	R1.8M	Visitor facilities, signage, trails	Tourism growth +15%, 50 jobs	2027-2029
Trompsburg Town Revitalization	R1.2M	CBD streetscape, public spaces	Investor confidence, 30 jobs	2028-2030
Youth Enterprise Development Centre	R0.8M	Training facilities, equipment	150 youth trained, 40 jobs	2026-2028
Craft and Artisan Market Infrastructure	R0.4M	Market stalls, ablutions	50 informal traders supported	2027-2028
ICT Business Hub	R0.3M	Connectivity, workspaces	20 tech startups, 25 jobs	2029-2030

Table 8.4: LED Capital Projects (KPA 2)

8.3.3 Job Creation Targets

The LED capital projects target creation of 500+ direct jobs over the five-year period, complementing the 5,000+ jobs targeted through the comprehensive LED Strategy. Job creation will be tracked through:

- Quarterly reporting on jobs created (full-time, part-time, temporary)
- EPWP work opportunities during construction phase
- Ongoing employment in established SMMEs and enterprises
- Indirect and induced employment through multiplier effects

8.4 GOVERNANCE AND PUBLIC PARTICIPATION PROJECTS (KPA 3)

8.4.1 Key Projects

Project Name	Budget (5yr)	Primary Objective	Expected Impact	Timeline
Council Chamber Upgrade	R0.6M	Audio-visual equipment, accessibility	Improved meetings, public access	2027-2028
IDP Consultation Infrastructure	R0.4M	Mobile PA equipment, venues	Enhanced public participation	2026-2028
Public Participation Portal	R0.3M	Online consultation platform	Digital engagement	2028-2029
Records Management System	R0.3M	PAIA compliance, document management	Improved transparency	2026-2027
Ward Committee Capacity Building	R0.2M	Training facilities, materials	Effective ward committees	2026-2031

Table 8.5: Governance and Public Participation Projects (KPA 3)

8.5 FINANCIAL MANAGEMENT PROJECTS (KPA 4)

Project Name	Budget (5yr)	Primary Objective	Expected Impact	Timeline
Asset Management System Implementation	R1.2M	Comprehensive asset register, lifecycle management	Improved asset management	2026-2028
Financial Management System Upgrade	R0.8M	MSCOA compliance, integration	Clean audit readiness	2026-2027
Revenue Management System	R0.4M	Debt collection	Improved revenue collection	2027-2028
SCM System Enhancement	R0.2M	E-procurement, contract management	MFMA compliance	2028-2029
Budget and Reporting Tools	R0.2M	MTREF, SDBIP, reporting templates	Financial planning capacity	2026-2027

Table 8.6: Financial Management Projects (KPA 4)

8.6 INSTITUTIONAL DEVELOPMENT PROJECTS (KPA 5)

Project Name	Budget (5yr)	Primary Objective	Expected Impact	Timeline
ICT Infrastructure Upgrade	R2.5M	Servers, network, cybersecurity	Improved digital services	2026-2028
Performance Management System	R0.8M	PMS software, training	Enhanced accountability	2026-2027
Human Resource Management System	R0.7M	HR software, payroll integration	Efficient HR management	2027-2028
Office Equipment and Furniture	R1.5M	Workstations, meeting rooms	Improved work environment	2026-2031
Training Facilities Upgrade	R0.6M	Training room equipment, materials	Enhanced skills development	2027-2029
Fleet Replacement Programme	R1.2M	Service vehicles replacement	Operational efficiency	2026-2031
Promotion/Assistance - Library and Information Centre	R0.5M	Public access computers, resources	Knowledge access	2028-2030

Table 8.7: Institutional Development Projects (KPA 5)

8.7 SPATIAL AND ENVIRONMENTAL PROJECTS (KPA 6)

Project Name	Budget (5yr)	Primary Objective	Expected Impact	Timeline
SDF Review and Update	R0.8M	Comprehensive SDF review, SPLUMA compliance	Updated spatial framework	2026-2027
Climate Change Adaptation Plan	R0.6M	Climate risk assessment, adaptation strategy	Climate resilience	2027-2028
Disaster Management Centre Upgrade	R12M	Equipment, communications, operations room	Enhanced disaster response	2026-2028
Environmental Monitoring Equipment	R0.4M	Air quality, water quality monitoring	Environmental compliance	2027-2029
Greening and Beautification	R0.6M	Tree planting, parks, public spaces	Improved environment	2026-2031
GIS and Spatial Data System	R0.4M	GIS software, spatial data infrastructure	Spatial planning capacity	2028-2029

Table 8.8: Spatial and Environmental Projects (KPA 6)

8.8 TOP 10 PRIORITY PROJECTS FOR 2026/27

The following projects have been prioritized for Year 1 (2026/27) implementation based on strategic importance, readiness, funding availability, and expected impact. These projects will receive priority attention from the Project Management Unit and will be closely monitored through monthly progress reports to Council.

Rank	Project Name	Budget 26/27	KPA
1	Water Treatment Works Refurbishment Phase 1	R3.5M	KPA 1
2	Water Reticulation Network Replacement	R2.5M	KPA 1
3	Bulk Water Upgrade Design	R2.0M	KPA 1
4	SMME Incubation Hub Establishment	R1.2M	KPA 2
5	ICT Infrastructure Upgrade Phase 1	R1.0M	KPA 5
6	SDF Review Initiation	R0.4M	KPA 6
7	Youth Enterprise Programme	R0.6M	KPA 2
8	Disaster Management Centre Upgrade	R0.5M	KPA 6
9	Asset Management System Implementation	R0.6M	KPA 4
10	Leak Detection Equipment Procurement	R0.5M	KPA 1

Table 8.9: Top 10 Priority Projects for 2026/27

8.9 OPERATIONAL PROGRAMMES

8.9.1 Overview

In addition to capital projects, the municipality implements ongoing operational programmes that support service delivery and development outcomes. These programmes are funded through the operating budget and represent the day-to-day activities that maintain service levels, support economic development, and engage communities. Total annual operational programme budget is approximately R26.3 million.

8.9.2 Key Operational Programmes

Programme	Annual Budget	Key Outputs
Water Operations & Maintenance	R18.5M	100% water service continuity; Blue Drop compliance; infrastructure maintenance
EPWP Programme	R2.5M	300 work opportunities annually; infrastructure maintenance; community assets
Community Works Programme	R1.8M	200 participants; community asset maintenance; job creation
Municipal Health Services	R1.2M	Environmental health inspections; food safety; disease surveillance; compliance
Fire Services	R0.8M	Fire prevention and response; veld fire management; community awareness
LED Implementation	R1.0M	SMME support services; investment facilitation; LED forums; events
Public Participation	R50000	IDP processes; ward meetings; community consultations; communication

Table 8.10: Key Operational Programmes

8.9.3 EPWP Programme

The Expanded Public Works Programme (EPWP) is a key poverty alleviation and job creation initiative funded through the EPWP Integrated Grant. The programme targets creation of 300 work opportunities annually through labour-intensive infrastructure maintenance, environmental management, and social services. EPWP participants receive stipends, skills training, and work experience that enhances their employability. The municipality reports quarterly on EPWP performance to the Department of Public Works.

8.9.4 Community Works Programme

The Community Works Programme (CWP) provides regular part-time work opportunities for unemployed residents, focusing on community asset maintenance, greening, and social services. CWP participants work two days per week and receive a stipend. The programme targets 200 participants annually and is coordinated with the EPWP programme to maximize job creation impact.

8.10 PROJECT IMPLEMENTATION FRAMEWORK

8.10.1 Implementation Arrangements

Projects will be implemented through the following institutional arrangements:

- Project Management Unit (PMU): Coordinates all capital projects, manages consultants and contractors, ensures compliance with grant conditions, prepares monthly progress reports. As identified in Section 6.5, the PMU requires strengthening with dedicated project management capacity.
- Line Departments: Responsible for operational programmes within their functional areas. Departmental directors ensure programme delivery, budget management, and performance reporting.
- Supply Chain Management (SCM): Manages all procurement processes in compliance with MFMA, SCM Regulations, and municipal policies. SCM conducts competitive bidding, evaluates tenders, appoints service providers, and manages contracts.
- External Service Providers: Consultants and contractors appointed through competitive procurement processes for specialized technical services (engineering design, construction, project management).

8.10.2 Project Implementation Phases

Capital projects follow a structured implementation cycle:

- Phase 1 - Planning and Design (2-6 months): Needs assessment, feasibility study, preliminary design, environmental authorization where required, cost estimates, funding confirmation
- Phase 2 - Procurement (2-4 months): Terms of reference, tender specifications, competitive bidding, bid evaluation, award recommendation, contract signing
- Phase 3 - Detailed Design (2-4 months): Final engineering design, working drawings, bills of quantities, construction specifications, construction tender preparation
- Phase 4 - Construction Procurement (2-3 months): Construction tender, bid evaluation, contractor appointment, contract signing, site handover
- Phase 5 - Implementation (varies by project): Construction, supervision, quality control, progress monitoring, variation management, payments
- Phase 6 - Close-out (1-12 months): Practical completion, defects liability period, final account, handover to operations, project evaluation

8.10.3 Monitoring and Reporting

Project implementation will be monitored through the following mechanisms:

- Monthly project progress reports to Municipal Manager and Senior Management
- Quarterly SDBIP reports to Council covering all projects and programmes
- Mid-year budget and performance assessment (Section 72 MFMA)
- Annual Report with audited project expenditure and performance achievements
- Grant compliance reporting to National Treasury and sector departments (monthly/quarterly as per grant conditions)
- Audit and Performance Committee oversight (quarterly reviews)

8.10.4 Risk Management

Key risks to project implementation and mitigation strategies:

Risk	Impact	Mitigation Strategy
Procurement delays	High	Advance procurement planning; SCM capacity building; pre-qualification of contractors
Contractor non-performance	High	Rigorous pre-qualification; performance guarantees; active contract management; penalty clauses
Funding shortfalls	Medium	Diversified funding sources; conservative budgeting; grant application contingencies
Technical capacity constraints	Medium	PMU strengthening; consultant support; partnerships with sector departments; training
Community resistance	Low	Proactive stakeholder engagement; transparent communication; community liaison officers

Table 8.11: Project Implementation Risks and Mitigation

8.11 PROJECTS AND PROGRAMMES SUMMARY

This chapter has presented the comprehensive projects and programmes portfolio for the 2026-2031 IDP period. The key highlights are:

- Total Capital Budget: R76.5 million over five years, funded through grants (88.9%) and own funding (11.1%)
- Water Infrastructure Focus: R50.1 million (65% of capital budget) addresses critical water infrastructure needs, non-revenue water reduction, and quality compliance aligned with WSDP
- LED Catalytic Investments: R10.0 million for LED infrastructure targeting 500+ direct jobs and support for 500+ SMMEs through incubation hubs, agri-hubs, tourism infrastructure, and youth enterprise development
- Institutional Strengthening: R12.4 million across governance, financial management, and institutional development projects to build organizational capacity and achieve clean audit
- Operational Programmes: R26.3 million annually for water operations, EPWP (300 work opportunities), community works (200 participants), health services, fire services, LED implementation, and public participation
- Implementation Framework: Clear institutional arrangements (PMU, line departments, SCM), structured project cycle, robust monitoring and reporting, and proactive risk management
- Budget Linkage: All projects and programmes linked to MTREF (Chapter 9) and will be monitored through quarterly SDBIP reports and Annual Report

The projects and programmes translate the IDP strategic framework into concrete, measurable actions that will deliver tangible improvements in service delivery, economic development, governance, financial management, institutional capacity, and environmental sustainability. Successful implementation requires adequate resources (financial, human, technical), effective coordination across departments and with external partners, strong project management capacity, and continuous monitoring and evaluation.

XHARIEP DISTRICT MUNICIPALITY - CATALYTIC PROJECTS

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
Xhariep District Sola Hub	Construction of a Solar PV Power Plant with a 600MW output (±14 000ha of land)	36 months	Government / Investors	Kopanong Local Municipality, Bethulie	TBD
Xhariep Agri-Hub	Promotion Agri – Agro Value Chain, Access to markets, Small & Commercial Farmer Development	10 years	Department of Agriculture, Rural Development & Land Reform / All government departments / Investors	Kopanong Local Municipality, Springfontein	R265 037 796
Lake Gariep Initiative	Cross-border Tourism promotion, Job creation & Investment. Tourism promotion, Job creation	Ongoing	Xhariep DM, DESTEA and Key government departments	Cross-Provincial Border (Free State, Xhariep DM – Eastern Cape, Joe Gqabi – Northern	TBD

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
				Cape, Pixley Ka Seme)	
Provision of land to small scale farmers	Create a conducive environment for the development of small-scale miners in the district	Ongoing	Local Municipalities	Kopanong, Letsemeng & Mohokare Local Municipalities	TBD
Development of small-scale miners	Create a conducive environment for the development of small-scale miners in the district	TBD	DESTEA & Funding agencies	Kopanong, Letsemeng & Mohokare Local Municipalities	TBD
Sand stone mining	Business growth, Market Access, Job creation	TBD	DESTEA and other funding agencies	Mohokare LM, Zastron	TBD
N1 One Stop Shop and Truck stop	Create & establish a business hub on the N1 South, Trompsburg, with Fuel Stations, SMME hub, Truck stop, Hospitality opportunities & franchise opportunities	18 months	Funding agencies	Kopanong LM, Trompsburg	TBD

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
N6 One Stop Shop and Truck stop	Create & establish a business hub on the N6 South, Smithfield, with Fuel Stations, SMME hub, Truck stop, Hospitality & creative arts opportunities & franchise opportunities	18 months	Funding agencies	Mohokare LM, Smithfield	TBD
N8 One Stop Shop and Truck stop	Create & establish a business hub on the N8, Petrusburg, with Fuel Stations, SMME hub, Truck stop, Hospitality & creative arts opportunities & franchise opportunities	18 months	Funding agencies	Letsemeng, Petrusburg	TBD
Development of Jagersfontein Big Hole as a tourism spot	Establish the Jagersfontein big hole as a tourism spot and for tourism adventures, e.g., Bungee jumping	TBD	DESTEA, Other National Departments and funding agencies	Kopanong LM, Jagersfontein	TBD
Repair and Upgrade of the Koffiefontein Bridge	Infrastructure Development, Job Creation	18 Months	TBC	Letsemeng: Koffiefontein	TBD
Upgrading of the Trompsburg Taxi rank to a business hub	Development of the Trompsburg taxi rank area into a business hub, by also sourcing funds for possible franchises to ensure economic traffic around the town and in the district	TBD	XDM / Kopanong LM / Investors / Partnerships	Kopanong LM, Trompsburg	TBD

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
Zastron - Kloof dam and Caravan Park development	Establishment of the area as a nature spot and a tourism destination	TBD	DESTEA, Key National Departments	Mohokare LM, Zastron	TBD
Xhariep District Agro-Processing hub	Establishment, strengthening and promotion of Agro-Processing initiatives within the District, utilising existing facilities and vacant available land	TBD	XDM / Local Municipalities / Key departments / Investors / partnerships	District – wide	TBD
Development of the Bethulie Resort	Tourism promotion & marketing, Job creation	TBD	Funding departments, i.e., DESTEA and key National Departments, Investors	Kopanong LM, Bethulie	TBD
Upgrading of the Zastron Montague dam area	Tourism promotion & marketing, Job creation	TBD	Funding departments, i.e., DESTEA and key National	Mohokare LM, Zastron	TBD

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
			Departments, Investors		
Agave Syrup Agro-processing and manufacturing facility; and farming enterprise	Agro-processing & manufacturing, Job creation, poverty alleviation	TBD	Land bank, DESTEA, DARDLR, NEF, DTI, IDC, District & Mohokare LM, DAFF & Private investors	Mohokare LM, Zastron	TBD
District warehouse – plant and production	SMME development - access to the market	TBD	DESTEA, NEF, DTI, IDC, Private Sector Investment	District beneficiation	TBD
Provision of the Xhariep District disaster management centre	Promotion of an integrated and coordinated system of disaster management, emphasis on prevention and mitigation	TBD	NDMC, PDMC, Funding Agencies	District beneficiation	TBD
District Firefighting and Rescue Services	Integrated service for fire prevention and risk reduction, fire suppression and emergency response, Rescue services, disaster management	TBD	NDMC, PDMC, Funding Agencies	District beneficiation	TBD

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
	and preparedness, community engagement and training, environmental protection				
Review – Xhariep Tourism Package	Review of the Xhariep Tourism package – Springbok route, re-branding of the district, install proper signage,	3 months	DESTEA, funding agencies	District-wide: Kopanong, Letsemeng & Mohokare	TBD
Karoo STR project	Implementation of the Karoo STR program and related projects	TBD	Karoo Development participants / Investors	Karoo Region	TBD
Wine tasting festival – Jacobsdal	Tourism and marketing promotion, Job creation, Product promotion, access to markets	TBD	Funding departments, Investors	Letsemeng LM, Jacobsdal	TBD
District Heritage Festival	Tourism promotion, Product promotion, Job creation, promotion of creatives	3 weeks – activities & main event	Funding departments, Investors	All Local Municipalities (Rotating Event)	R500 000.00
District Summer Break Festival	Tourism promotion, creatives promotion, Job creation	2 weeks – activities & main event	Funding departments, Investors	Mohokare LM, Zastron	R500 000.00

Project Name	Project Description / Objectives	Timeframe / Duration	Funding Source	Region/Location	Total Project Budget
Letsemeng Brick Making factory	Job creation, business development	TBD	Funding departments / agencies / investors	Letsemeng LM, Koffiefontein	TBD
Services Master Plans – District	Proper planning and coordination	TBD	Funding departments, Investors	All Local Municipalities	TBD

MSCOA ALIGNED PROJECTS: KEY PERFORMANCE AREAS, KEY PERFORMANCE INDICATORS AND MUNICIPAL PROJECTS

Project Name Mscoa	Activities Project Description	Opex /Capex Option	Town/Area Regional Segment	2025/2026 FY	Type of grant
Rural Roads and Asset Management	Collection of road and bridge inventory data, condition assessment and traffic information	Opex	Entire District	R2 519 000	Division of Revenue (DORA)
Expanded Public Works Programme	Cleaning and greening (Job Creation)	Opex	Entire District	R1 303 000	Division of Revenue (DORA)
Environmental Health Project	Water Sampling	Opex	Entire District	R150 000	Equitable Share
Disaster Management Contribution	To support disaster relieve and reduction programmes	Opex	Entire District	-	Equitable Share
LED & Tourism Development	Tourism Exhibition, Broachers & Forums	Opex	Entire District	-	Equitable Share
Finance Management Grand (FMG)	Municipal Support (Interns)	Opex	Internal	R1 800 000	Finance Management Grand
Health, Hygiene & Communicable Decease	Ensure safety and well-being of the community	Opex	Internal		Equitable Share

Project Name Mscoa	Activities Project Description	Opex /Capex Option	Town/Area Regional Segment	2025/2026 FY	Type of grant
MSCOA	Financial Management	Opex	Internal	R 450 000	Equitable Share
License Fees –ICT Software	Internet Services	Opex	Internal		Equitable Share
Public Participation	Strengthen accountability with our stakeholders	Opex	Entire District	R50 000	Equitable Share
Youth Development		Opex	Entire District	R10 000	Equitable Share
Special Programmes	To implement effective special groups support development programmes focusing on Youth, Gender and Disabled	Opex	Entire District	R 10 000	Equitable Share
IGR	Stakeholder Relations	Opex	Entire District	R 10 000	Equitable Share
Social Responsibility Fund	To implement effective special groups support development programmes focusing on Youth, Gender and Disabled	Opex	Entire District	R90 000	Equitable Share

Project Name **Mscoa**	**Activities** **Project Description**	**Opex /Capex** **Option**	**Town/Area** **Regional Segment**	**2025/2026 FY**	**Type of grant**
Mandela Day	To implement effective special groups support development programmes focusing on Youth, Gender and Disabled	Opex	Entire District	-	Equitable Share
District Aids Council	Promote healthy living in the entire district	Opex	Entire District	R20 000	Equitable Share
OR Tambo Games	Promote healthy living in the entire district especially among youth	Opex	Entire District	-	Equitable Share

SECTOR DEPARTMENTS PROJECTS & PROGRAMMES

Draft/Final Budgeted Projects and Programmes: Department of Water and Sanitation

Project name	Timeframes			Progress/Milestone	Actual budget (R`000)	Actual budget (R`000)
	Location	Start date	End date		2025/2026	2026/2027
Brandfort Bulk Sewer Phase 2	Brandfort /Majwemasweu	April 2021	November 2024	Construction	4 000	0
Masilonyana Bulk Water Supply Phase 2 of 2	Masilonyana LM	31 March 2022	March 2025	Construction	50 000	0
Dihlabeng Bulk Water Supply Phase 3	Dihlabeng LM	June 2022	December 2028	Construction	50 000	60 000
Setsoto Bulk Water Supply 3 of 4	Senekal Matwabeng	January 2011	May 2024	Construction	133 951	100 000
Bucket Eradication Programme - Clocolan	Clocolan	N/A	March 2024	Construction	10 000	0
Refurbishment of Ficksburg WWTW	Ficksburg			Construction		
BEP Senekal	Senekal,Matwabeng	N/A	March 2024	Construction	0	0
Senekal Bulk Water Supply	Senekal,Matwabeng	N/A	February 2024	Construction	50 000	0
BEP Ficksburg Outfall Sewer	Ficksburg		March 2024	Construction	5 000	0
Mantsopa Water and Sanitation Intervention	Excelsior,Ladybrand	December 2021	October 2024	Construction	5 000	0
Construction of reversal gravity pipeline in Phuthaditjhaba and Harrismith	Qwaqwa including Uniqwa	March 2020	August 2024	Construction	5 000	0
Maluti-a-Phofung Bulk Water Supply Scheme Phase 4 of 4	Qwaqwa,Kestell,Mokgolokgweng,Diyatalawa and Makwane	June 2009	May 2025	Construction	60 000	100 000
Maluti A Phofung Bulk Sewer	Maluti A Phofung LM	TBC	TBC	Construction	70 000	100 000

Project name	Timeframes			Progress/Milestone	Actual budget (R`000)	Actual budget (R`000)
	Location	Start date	End date		2025/2026	2026/2027
Maluti-a-Phofung Intervention	Tshiame,Makgolokweng,Intabazwe,Phuthaditjaba	TBC	Mar 2027	Construction	60 000	60 000
BEP Reitz Upgrading of Waste Water Treatment Plant	Reitz		March 2024	Construction	0	0
BEP Petrus Steyn Outfall Sewer	Petrus Steyn		March 2024	Construction	5 000	0
BEP Arlington Grey Water Package Plant	Arlington		Mar-24	Construction	5 000	0
Nketoana Bulk Water Supply Scheme Phase 1 of 2	Nketoana LM	May 2013	December 2026	Construction	80 000	150 000
Rouxville Regional Bulk Water Supply Scheme	Rouxville & Roleleathunya		June 2024	Construction	0	0
Ngwathe Bulk Water Supply (Parys)	Parys	TBC	TBC	Construction	50 000	50 000
Ngwathe Bulk Sewer	Ngwathe LM	TBC	TBC	Construction	50 000	50 000
Ngwathe Bulk Water Supply Phase 2	Edenville,Koppies	July 2020	TBC	Construction	50 000	50 088
Tokologo Regional Water Supply 2	Boshof,Dealesville	July 2014	TBC	Construction	50 000	60 000
Dealesville bulk Sewer Services	Dealesville		TBC	Construction	3000	0
Tswelopele Bulk Water Supply	Tswelopele LM	April 2015	TBC	Construction	40 447	0

Project name	Timeframes			Progress/Milestone	Actual budget (R`000)	Actual budget (R`000)
	Location	Start date	End date		2025/2026	2026/2027
Matjhabeng Bulk Sewer (Welkom)	Welkom			Planning	70 000	100 000
Mafube Water and sanitation intervention	Mafube LM	TBC	TBC	Planning	15 000	
Frankfort Bulk Sewer (Mafube)	Frankfort ,Namahadi	July 2020	TBC	TBC	20 000	
Refurbishment of Kroonstad WWTW Phase 2	Kroonstad	April 2022	TBC	TBC	0	0

PROJECTS TO BE CONSTRUCTED UNDER WATER SERVICES INFRASTRUCTURE GRANT FOR 2025/26

Project Names	Local Municipality
Upgrading of Van Soelen Outfall sewer pipeline and related works in Meqheleng	Setsoto LM
Repair of Maquard Dam Wall	
Upgrading of Caledon raw water abstraction point.	
Refurbishment of Senekal WWTW and sewer network	
Internal Reticulation Services in Senekal, Matwabeng Ext. 7	
Refurbishment of Mashaeng WWTW	Dihlabeng LM
Drilling and equipping of boreholes in Clarens	
Matoding Water Supply	Nketoana LM
20,34km Pipeline (250mm dia) from Lindley to Arlington	
Refurbishment of existing, drilling & Equipping of Boreholes	
Replacement of damaged pipeline in Tlholong Ext 4	Maluti A Phong LM
DR-Qwaqwa Dev & Eqp Boreholes	
Tshiame Khalanyoni: Upgrading of bulk and network sewer reticulation	

Project Names	Local Municipality
Ugrading of the Warden sewer	Phumelela LM
Ugrading of the Warden WWTW pH2	
Increasing storage capacity in Ladybrand	Mantsopa LM
Upgrading of Bulk Outfall Sewer & Pipeline	
Refurbishment of Genoa WTW	
Koffiefontein and Ditlhake Bulk water storage 4,5ml	Letsemeng LM
Koffiefonteinn refurbishment of WWTW	
Hoopstad /Tikwana 616 Ext 5 Installation of sewer reticulation and constrution of toillet structures	Tswelopele LM
Construction of toilet structures and sewer connections-reticulation and pump station in Tkwana/Hoosptad	
Winburg construction of outfall sewer and rectification of existing network and relocation of sewer pumpstation 3	Masilonyana LM
Brandfort: Water conservation and water Demand Management	
Winburg Water conservation and water Demand Management	
Bothaville-Upgrading of Sewer Outfall Remaining Phases	Nala LM
Refurbishment of Theronia WWTW final effluent pipeline	Matjhabeng LM
Namahadi 12Ml Reservoir	MAFUBE LM
Frankfort raw water abstraction	
Oranjeville WWTW	Metsimaholo LM
Oranjeville WTW (Potable water bulk distribution)	
Viljoenskroon - Raw water pumps and recovery dam	Moqhaka LM
Construction of a 4.3Km water pipeline in 11 Avenue and repair of sluice gates in Bloemhoek dam	Ngwathe LM
Heilbron - Sewer pump line	
Heilbron - 3km Pipeline and Elevated Tower	
Rouxville Abstraction Works	Mohokare LM

Project Names	**Local Municipality**
Refurbishment of Theronia WWTW final effluent pipeline	Matjhabeng LM

DALRRD

Project name		Area		Coordinates/property description	Timeframes		Progress/Milestone	Actual budget		
		Location	Ward		Start date	End date		2024/2025	2025/2026	2026/2027
Zastron FPSU		Mohokare LM: Zastron	TBC	27.07920400000 - 30.30458200000	Apri 2024	March 2025	Execution, Monitoring & Control	R3 760 000		
Springfontein FPSU		Kopanong LM: Spring fontein	TBC	25.72345900000 - 30.24704400000	Apri 2024	March 2025	Execution, Monitoring & Control	R3 760 000		
Land Development Support: Wolveleegte No. 278		TBC	TBC	25.46102500000 - 29.04793500000	TBC	TBC	Planning	R13 031 202.54		
Strategic Land Aquisation	Pretoriusdam No. 550	Letsemeng LM	TBC	25.37686700000 - 29.08344100000	TBC	TBC	Planning	R57 210 000		
	Pretoriuskop No. 594	Letsemeng LM	TBC	25.39794800000 - 29.07473600000	TBC	TBC	Planning			
	Bergplaats No. 468	Letsemeng LM	TBC	25.34147900000 - 29.71652000000	TBC	TBC	Planning			
	Ascherberg No. 765	Letsemeng LM	TBC	25.40450800000 - 29.06747800000	TBC	TBC	Planning			
	Halma No. 66	Mohokare LM	TBC	27.37656900000 - 30.38400900000	TBC	TBC	Planning			
	Mayfair No. 167	Mohokare LM	TBC	27.36749300000 - 30.39497900000	TBC	TBC	Planning			
	Lovedale No. 263	Mohokare LM	TBC	27.32337200000 - 30.36578300000	TBC	TBC	Planning			

Project name	Area		Coordinates/property description	Timeframes		Progress/Milestone	Actual budget		
	Location	Ward		Start date	End date		2024/2025	2025/2026	2026/2027
Lismore No. 420	Mohokare LM	TBC	27.32522200000 - 30.39066400000	TBC	TBC	Planning			

Department of Education

Project name	Area		Coordinates/property description	Timeframes		Progress/Milestone	Actual budget		
	Location	Ward		Start date	End date		2025/2026	2026/2027	2027/2028
MOTHEO DISTRICT/MANGAUNG METROPOLITAN MUNICIPALITY									
Construction of a new mega school (Bergman S/S)	Mangaung		Erf 8363 Bloemside 3	2022	2026	Under Construction	10 000 000,00	37 000 000,00	10 000 000,00
Construction of a new mega school (Matlafalang P/S)	Mangaung		Erf 15669 Turflaagte	2022	2026	Under Construction	10 000 000,00	15 000 000,00	2 400 000,00
Construction of a new technical School (Kgotso Taole Technical School)	Mangaung		Erf 1249 and erf 1252 Botshabelo V	2026	2028	In Planning	20 000 000,00	40 000 000,00	30 000 000,00
Construction of new Comprehensive School	Mangaung		Erf 417 Langenhovenpark	2026	2028	In Planning	30 000 000,00	25 000 000,00	25 000 000,00
XHARIEP DISTRICT									
Construction of a school	Kopanong Local Municipality/		Portion of the Remainder of	2022	2026	Under Construction	5 000 000,00	15 000 000,00	10 000 000,00

Project name	Area		Coordinates/propert y description	Timeframes		Progress/Mileston e	Actual budget		
	Location	War d		Star t date	End date		2025/2026	2026/2027	2027/2028
	Trompsburg		Trompsburg Dorpsgronde 141						
Construction of a hostel	Kopanong Local Municipality/Trompsburg		Portion of the Remainder of Trompsburg Dorpsgronde 141	2022	202 6	Under Construction	5 000 000,00	15 000 000,0 0	10 000 000,0 0
Construction of offices	Kopanong Local Municipality/Trompsburg		Portion 16 of the Remainder of Trompsburg Dorpsgronde 141	2026	202 9	In Planning	15 000 000,0 0	15 000 000,0 0	13 000 000,0 0
Construction of a hostel	Kopanong Local Municipality/Gariepdam		Erf 339 and 341 Oranjekrag	2022	202 5	Under Construction	15 000 000,0 0	15 000 000,0 0	
LEJWELEPUTSWA DISTRICT									
Construction of a hostel (Leboneng Special School)	Matjhabeng Local Municipality/ Welkom		Erf 14104 and 14107 Welkom	2019	202 5	Under Construction	2 000 000,00		
Construction of a school (Tshehetso Primary School)	Nala Local Municipality/ Bothaville		Erf 2741 Bothaville	2019	202 5	Under Construction	1 000 000,00		
Construction of a Secondary School (Kgatelopele Secondary School)	Tswelopele Local Municipality/Bultfontein		Erf 219 Phahameng, Bultfontein	2026	202 8	In planning	4 000 000,00	4 000 000,00	4 000 000,00

Project name	Area		Coordinates/property description	Timeframes		Progress/Milestone	Actual budget		
	Location	Ward		Start date	End date		2025/2026	2026/2027	2027/2028
Construction of a Primary School	Matjhabeng Local Municipality/Welkom		Erf 34489 Hani Park, Welkom	2026	2028	In planning	4 000 000,00	4 000 000,00	4 000 000,00
Construction of a Primary School	Matjhabeng Local Municipality/Welkom		Erf 6882 Thabong, Welkom	2026	2028	In planning	4 000 000,00	4 000 000,00	4 000 000,00
Construction of a Primary School	Matjhabeng Local Municipality/Odendaalsrus		Erf 9475 Kutlwanong K9, Odendaalsrus	2030	2033	In planning	R0	R0	R0
FEZILE DABI DISTRICT									
Construction of a new Mega Technical School (Tsebo Ulwazi Technical School)	Mafube Local Municipality/Frankfort		Remainder of the Farm Aberdeen 530	2023	2026	Under Construction	2 000 000,00	33 00 000,00	20 00 000,00
THABO MOFUTSANYANA DISTRICT									
Construction of a hostel (Breda Hostel)	Dihlabeng Local Municipality/Fouriesburg		Farm Libertas No. 2	2019	2025	Under Construction			
Construction of a school (Vogelfontein Primary School)	Dihlabeng Local Municipality/Bethlehem		Erf 1274 Bakenpark Ext. 5			Design	10 000 000,00	10 000 000,00	10 000 000,00

2022/2027 List of Projects from Sector Departments

PROJECT DESCRIPTION	TARGETED AREA	SECTOR DEPARTMENT	BUDGET
			2024/2025
Boaramelo C/S (New fencing)	Jagersfontein	Dept. of Education	R 1 000 000.00

PROJECT DESCRIPTION	TARGETED AREA	SECTOR DEPARTMENT	BUDGET
			2024/2025
Bokamoso Ikamva P/S (New fencing)	Zastron	Dept. of Education	R 1 000 000.00
Edenburg C/S (New fencing)	Edenburg	Dept. of Education	R 1 000 000.00
Fencing around farming units (Hendrick Potgieter)	Reddersburg	Dept. of Education	R 1 000 000.00
Renovations and repairs Fencing Ipetleng S/S	Petrusburg	Dept. of Education	R 800 000.00 R 1 000 000.00
Fencing around farming units	Jacobsdal	Dept. of Education	R 800 000.00
Demolition of damaged hotel block Luckhoff C/S	Luckhoff	Dept. of Education	R 1 000 000.00
Fencing (P.T Sanders C/S)	Trompsburg	Dept. of Education	R 1 000 000.00
1 toilet block & 3 classroom block Samuel Johnson I/S	Zastron	Dept. of Education	R 13 200 000.00
2x Laboraties (Samuel Johnson)	Zastron	Dept. of Education	R 6 500 000.00
Employment of youth Environmental Coordinator	All 3 LMs	Dept. of Forestry, Fisheries and Environment	Operational budget
Trompsburg special school (New hostel)	Trompsburg	Dept. of Public works and Infrastructure	Client department (Funded by DOE)
Trompsburg special school	Trompsburg	Dept. of Public works and Infrastructure	Client department (Funded by DOE)
Orangekrag School (Hostel)	Gariep dam	Dept. of Public works and Infrastructure	Client department (Funded by DOE)

PROJECT DESCRIPTION	TARGETED AREA	SECTOR DEPARTMENT	BUDGET
			2024/2025
Regional bulk water supply scheme	Rouxville	Dept. of Water and Sanitation	-

Department of Public Works and Infrastructure

Project name	Area		Coordinates	Timeframes		Progress/milestone	Actual budget		
	Location	Ward		Start date	Start date		2025/2026	2026/2027	2027/2028
Welkom: Riebeeckstad (Thandanani) New Clinic	Welkom		New Clinic	09 July 2021	31 March 2025 anticipated date	89%	Client Department	Client Department	Client Department
Welkom: Rheederpark New Clinic	Welkom		New Clinic	06 Dec 2021	31 March 2025 anticipated date	84%	Client Department	Client Department	Client Department
Kroonstad: Boitumelo Hospital	Kroonstad		Refurbishment and Upgrading	30 June 2023	29 June 2025	26%	Client Department	Client Department	Client Department
Thaba Nchu: New Dinaane Clinic	Thaba Nchu		New Clinic	26 July 2024	26 July 2026	7%	Client Department	Client Department	Client Department
Parys: Father Balink New Primary School	Parys		New Primary School	21 Oct 2022	31 Jan 2025 anticipated date	89%	Client Department	Client Department	Client Department
Trompsburg: Trompsburg Special School: Hostel	Trompsburg		New Hostel	08 Aug 2022	08 Jan 2025 anticipated date	30%	Client Department	Client Department	Client Department
Trompsburg: Trompsburg Special School	Trompsburg		New Special School	23 June 2022	22 June 25	31%	Client Department	Client Department	Client Department
Thaba Nchu: Boitumelong Special School: Hostel	Thaba Nchu		New Hostel	13 July 2022	30 June 2025	39%	Client Department	Client Department	Client Department
Harrismith: Morena Tsohisi Primary School	Harrismith		New Primary School	17 March 2022	12 Feb 2025 anticipated date	45%	Client Department	Client Department	Client Department

Project name	Area		Coordinates	Timeframes		Progress/milestone	Actual budget		
	Location	Ward		Start date	Start date		2025/2026	2026/2027	2027/2028
Gariepdam: Oranjekrag School Hostel	Gariepdam		New Hostel	03 Feb 2022	12 Dec 2024	100%	Client Department	Client Department	Client Department
Viljoenskroon: DR Sello Primary School	Viljoenskroon		New Primary School	27 Feb 19	13 December 2023	98%	Client Department	Client Department	Client Department
Bothaville: Tshehetso Primary School	Bothaville		New Primary School	27 Feb 19	New date to be confirmed after legal process concluded	89%	Client Department	Client Department	Client Department
Sasolburg: Katlego Mpumelelo Secondary School	Sasolburg		New Secondary School	06 May 21	02 November 2024 EOT 2 Pending	94%	Client Department	Client Department	Client Department
Fouriesburg: Breda Farm School: Hostel	Fouriesburg		New Hostel	28 Feb 19	31 March 2025 anticipated date	89%	Client Department	Client Department	Client Department
Welkom: Leboneng Special School: Hostel	Welkom		New Hostel	28 Feb 19	25 Jan 2025 anticipated date	97%	Client Department	Client Department	Client Department
Bethlehem: Vogelfontein Primary School	Bethlehem		New Primary School	To be revised upon new appointment	To be revised upon new appointment	0%	Client Department	Client Department	Client Department
Phuthaditjhaba: Charles Mopeli Stadium **Phase 1** Construction of Paving & Parking	Phuthaditjhaba		Refurbishment and Upgrading	27 Jan 20	25 May 2023 (as per approved EOT)	89%	Client Department	Client Department	Client Department

Project name	Area		Coordinates	Timeframes		Progress/milestone	Actual budget		
	Location	Ward		Start date	Start date		2025/2026	2026/2027	2027/2028
Wepener: Qibing New Library	Wepener		Refurbishment and Upgrading	20 May 2024	28 Feb 2025 anticipated date	70%	Client Department	Client Department	Client Department

Municipal Infrastructure Grant Implementation Plans 2025/2026

Kopanong Local Municipality: 2025/2026

MIG-MIS No.	National Registration Number e.g. MIG/...../......../.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		Project Management Unit (PMU)	PMU				1,219,750.00	1,219,750.00
234990	CS/FS/11280/16/18	Springfontein: Upgrading of sports facility (MIS:234990)	Sport and recreation	Upgrade	No	5	9,200,000.00	9,200,000.00
235003	CS/FS/12402/16/18	Springfontein: Closure of existing solid waste site and construction of a waste transfer facility (MIS:235003)	Solid waste disposal site	New	No	7	5,200,000.00	5,200,000.00
463074	S/FS/20535/23/25	Edenburg: Refurbishment of the sewer pump station and waste water treatment works (MIS:463074)	Sanitation	Upgrade/ Rehab	Yes	10	8,513,541.00	8,513,541.00
527356	R/FS/20824/24/26	Jagersfontein: Construction of new 650m paved access road and storm	Roads & stormwater	New	Yes	16	8,325,972.01	8,325,972.01

MIG-MIS No.	National Registration Number e.g. MIG/....../......../.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		water between Itumeleng and Charlesville (MIS:527356)						
		Philippolis: fencing of cemeteries, access road and ablution building	Cemeteries	Upgrade	Yes	12	2,500,000.00	2,500,000.00
		Fauresmith: Refurbishment of Waste water treatment works and outfall sewer	Sanitation	Rehabilitation	No	0	8,022,845.10	8,022,845.10
		Reddersburg: Refurbishment of Wastewater treatment plant	Sanitation	Rehabilitation	No	0	8,713,573.03	8,713,573.03
		Bethulie: Upgradig of Sports Facility	Sport and recreation	Upgrade/ Rehab	Yes	0	2,366,280.00	2,366,280.00
		Springfontein:fencing of cemetries, access road and ablurtions building	Cemeteries	Upgrade	Yes	0	2,500,000.00	2,500,000.00
		Gariep Dam: Construction of a	Roads & stormwater	Upgrade	Yes	0	5,500,000.00	5,500,000.00

MIG-MIS No.	National Registration Number e.g. MIG/....../........./.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		500m paved road in Nosizwe Park						
		Trompsburg: Upgrading of 1km sewer outfall line	Sanitation	Upgrade	Yes	0	4,700,000.00	4,700,000.00
		Edenburg: Construction 500m paved road and stormwater	Roads & stormwater	Upgrade	Yes	0	5,500,000.00	5,500,000.00
		Fauresmith: Construction of 500m paved road and stormwater	Roads & stormwater	Upgrade	Yes	0	5,500,000.00	5,500,000.00
		Philippolis: Construction of 500m paved road and stormwater	Roads & stormwater	Upgrade	Yes	0	5,500,000.00	5,500,000.00
		Springfontein: Maintenace of Pump station	Roads & stormwater	Rehabilitation	Yes	0	1,394,552.61	1,394,552.61
		Total				50	**115,899,650.65**	**115,899,650.65**

Kopanong Local Municipality: MIG 2025/2026

MIG-MIS No.	National Registration Number e.g. MIG/....../........./.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		Project Management Unit	PMU				1,005,250.00	1,005,250.00
249754	CS/FS/13240/17/18	Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2) (MIS:249754)	Sport and recreation	Upgrade	Yes	5	2,757,930.00	2,757,930.00
525070	R/FS/20720/24/25	Diamanthoogte/Koffiefontein: Construction of 1.3km paved road and storm water (MIS:525070)	Roads & stormwater	Upgrade/ Rehab	Yes		10,471,658.72	10,471,658.72
510622	MIG/FS1616/S/25/26	Diamanthoogte (Koffiefontein): Construction of 252 toilet structures with yard connections (MIS:510622)	Sanitation	New	Yes		9,204,350.83	9,204,350.83
527312		Petrusburg/Bolokanang: Upgrading of stormwater channel	Sanitation	Upgrade/ Rehab	Yes		17,089,567.51	17,089,567.51
		Urgent repair of the Luckoff Canal Raw Water,Pump Station,Refurbishment of Raising main, Booster Pump Station & LuckoffTown Reservoir Roof	Sanitation	Upgrade/ Rehab	Yes	5	2,010,500.00	2,010,500.00

MIG-MIS No.	National Registration Number e.g. MIG/……/………/…..	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		Jacobdal/Ratanang: Refurbishment of 3km Canal	Water	Upgrade/ Rehab	Yes	10	6,000,000.00	6,000,000.00
529455		Luckhoff/Relebohile: Upgrading of Bulk Sewer Lines	Sanitation	Upgrade/ Rehab	Yes		9,100,062.72	9,100,062.72
		Jacobsdal/Reimvaasmaak:Construction of Waterbourne Sanitation for 438 Stands	Sanitation	New	Yes		23,290,476.40	23,290,476.40
		Petrusburg/Bolokanang: Rehabilitation of Stormwater Management System	Stormwater	Upgrade/ Rehab	Yes	20	32,921,687.97	32,921,687.97
		Total				109	**159,154,076.34**	**159,154,076.34**

Mohokare Local Municipality: MIG 2025/2026

MIG-MIS No.	National Registration Number e.g. MIG/....../......../.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities in 2025/26	Total project value registered (inclusive of budget maintenance) 'R	MIG Value (inclusive of budget maintenance) 'R
		Project Management Unit (PMU)	PMU				1,059,000.00	1,059,000.00
253354	S/FS/14243/17/18	Rouxville/Roleteathunya: Upgrading of the Waste Water Sewerage Treatment works (MIS:253354)	Sanitation	Rehabilitation	Yes	0	3,487,260.00	3,487,260.00
504267	R/FS/20583/24/26	Smithfield/Mofulatshepe: Construction of 1km paved access road with storm water (Phase 2) in Greenfields (MIS:504267)	Roads & stormwater	New	Yes	10	12,738,174.36	12,738,174.36
527485	MIG/FS1606/CF/24/26	Rouxville/Roleleathunya: Construction of the sports ground (Phase 2) (MIS:527485)	Sport and recreation	New	Yes	10	2,959,683.00	2,959,683.00
527501	MIG/FS1607/S/24/24	Zastron/Matlakeng: Repairs and refurbishment of the waste water treatment works (WWTW) (MIS:527501)	Sanitation	Rehabilitation	No	2	2,377,600.00	2,377,600.00
		Zastron/Matlakeng: Installation of 5 highmast lights in Extension 10	Street / community lighting	New	Yes	0	2,993,556.09	2,993,556.09

MIG-MIS No.	National Registration Number e.g. MIG/....../........./.....	Project Name (as it appears on MIG-MIS)	Project type	Project Category: New Upgrade Rehabilitation Upgrade/ Rehab New/ Upgrade	EPWP Yes/No	Planned job opportunities In 2025/26	Total project value registered (Inclusive of budget maintenance) 'R	MIG Value (Inclusive of budget maintenance) 'R
		Rouxville/Matlakeng: Instllation of 5 highmast lights in Extension 6	Street / community lighting	New	Yes	0	2,993,556.09	2,993,556.09
		Zastron/Matlakeng: Construction of 1km access road with related storm water in Phomolong	Roads & stormwater	New	Yes	0	13,002,332.00	13,002,332.00
		Rouxville/Roleleathunya: The upgrading of the waste water outfall sewerline	Sanitation	Upgrade	Yes	0	18,232,345.00	18,232,345.00
		Zastron/Matlakeng: The refurbishment of the Reichenberg sports grounds	Sport and recreation	Upgrade/ Rehab	Yes	0	3,763,273.20	3,763,273.20
		Total				97	**119,933,201.48**	**119,883,870.56**

END OF CHAPTER 8

CHAPTER 9: DISTRICT FINANCIAL PLAN

2026/27 · 2027/28 · 2028/29

Medium Term Revenue and Expenditure Framework

Prepared in terms of MFMA No. 56 of 2003
Municipal Budget and Reporting Regulations (GN 393/2009)
Division of Revenue Act 24 of 2024 · mSCOA

XHARIEP DISTRICT MUNICIPALITY

Registration Number DC16 · Free State Province

Based on the Final Approved 2026/27 Annual Budget: A-Schedule, Table A1 Budget Summary, and the Executive Mayor's Final Budget Report to Council (19 June 2026)

REVISED VERSION - supersedes the version dated 25-26 May 2026 (based on interim working schedule A-Schedule 7.1)

SUMMARY OF REVISIONS

This chapter has been revised to reconcile the District Financial Plan with the final approved 2026/27 Annual Budget contained in the Final Budget 2026.2027 folder - specifically the approved A-Schedule (Table A1: Budget Summary) and the Executive Mayor's Final Budget Report to Council, both finalised after this chapter was first drafted against an interim working schedule (A-Schedule 7.1, 25 May 2026). The table below summarises the material changes.

ITEM	PREVIOUS (25 May 2026 draft, A-Schedule 7.1)	REVISED (Final Budget, 19 June 2026)
2026/27 Total Operating Expenditure	R71,429,458	R67,785,000
2026/27 Operating Deficit	(R4,590,080)	(R955,784)
2026/27 Employee + Councillor Costs	R61,716,469	R58,086,000
Personnel as % of Equitable Share	108.65%†	109.5%
2027/28 Total Operating Expenditure	R72,011,497	R69,247,000
2027/28 Operating Deficit	(R2,881,320)	(R117,000)
2028/29 figures	Not available (TBD)	Now available: Revenue R68,006,000; Expenditure R71,457,000; Deficit (R3,451,000)
Budget tabling date	28 May 2026 (stated)	28 March 2026 (confirmed - 95 days before 1 July 2026)
Funding status disclosure	"Budget is NOT fully funded" (unqualified)	Deficit substantially narrowed; cash-backing compliance remains contingent on full execution of the Budget Funding Plan 2026/27

SECTION 1: EXECUTIVE SUMMARY AND OVERVIEW

1.1 Purpose and Scope of this Financial Plan

This District Financial Plan is the principal financial planning document of Xhariep District Municipality for the 2026/27 budget year and the 2027/28 and 2028/29 outer years of the Medium-Term Revenue and Expenditure Framework (MTREF). It is prepared in terms of the Municipal Finance Management Act No. 56 of 2003 (MFMA), the Municipal Budget and Reporting Regulations (Government Notice 393 of 2009), the Division of Revenue Act 24 of 2024, and the Municipal Standard Chart of Accounts (mSCOA) version 6.9. It constitutes the Financial Chapter of the municipality's Integrated Development Plan (IDP) 2026–2031.

This plan covers six key functional areas required by the MBRR:

- Revenue framework and projections
- Operating expenditure framework
- Capital expenditure programme
- Financial position and cash flow management
- Financial sustainability analysis
- Financial recovery and governance commitments

1.2 Critical Financial Position Summary

Key Metric	2026/27 Budget	Status
Total Operating Revenue	R66,839,377	*95.1% grant dependent*
Total Operating Expenditure	R67,785,000	*85.7% personnel costs*
OPERATING DEFICIT	(R955,784)	*1.4% of revenue*
Equitable Share	R53,059,000	*Only 0.25% increase*
Employee + Councillor Costs	R58,086,000	*109.5% of Equitable Share*
Grant Dependency Ratio	95.1%	*Above 85% benchmark*
Own Revenue	R3,303,377	*Only 4.9% of total*

1.3 Financial Position Summary Table

Description	2026/27 Budget	2027/28 Outer 1	2028/29 Outer 2
Total Operating Revenue	R66,839k	R69,130k	R68,006k
Total Operating Expenditure	R67,785k	R69,247k	R71,457k
Operating Surplus/(Deficit)	**(R946k)**	**(R117k)**	**(R3,451k)**
Employee % of Revenue (employee costs only)	78.1%	77.9%	82.2%
Grant Dependency	95.1%	95.2%	95.3%
Own Revenue %	4.9%	4.5%	4.7%

Note: the 2028/29 column is now populated directly from the approved A-Schedule (Table A1), rather than marked TBD as in the 25 May 2026 draft. Notably, the A-Schedule shows the operating deficit narrowing through 2027/28 and then re-widening to R3,451,000 in 2028/29 — see the caution in Section 7.3.

1.4 The Budget in One Paragraph

The 2026/27 budget reflects revenue of R66.839 million against expenditure of R67.785 million, resulting in a near-balanced deficit of R0.946 million (1.4% of revenue) - a substantial improvement on the R4.590 million deficit projected in the 25 May 2026 working schedule, achieved through the cost-containment and revenue measures adopted in the Budget Funding Plan 2026/27. Revenue derives predominantly from the Local Government Equitable Share (R53.059M, 79.4%) and conditional grants (R10.477M, 15.7%). Employee and councillor costs of R58.086 million consume 109.5% of the Equitable Share, leaving zero operational funding from the primary revenue source. The municipality remains dependent on conditional grants (which carry spending restrictions) and limited own revenue (R3.3M) to cover the personnel-cost shortfall and fund all operational activities. The originally tabled budget was assessed by Provincial Treasury as not credibly funded, principally on cash-backing and reserve grounds rather than the income-statement deficit; the Budget Funding Plan 2026/27 sets out the corrective measures now being implemented, and full funding compliance under MFMA Section 18(1)(b) depends on their continued execution. The Financial Recovery Programme addressing the structural deficit is presented in Section 7, as required under MFMA Section 23(1)(c).

SECTION 2: MUNICIPAL PROFILE AND OPERATING ENVIRONMENT

2.1 Geographic and Demographic Profile

Xhariep District Municipality (DC16) is a Category C district municipality located in the southern portion of the Free State Province. The district covers approximately 31,564 km², making it one of the largest district municipalities by area in the province. The Gariep Dam - one of the largest reservoirs in South Africa - falls within the district boundary.

The district encompasses three local municipalities: Mohokare (Smithfield, Zastron, Rouxville), Letsemeng (Koffiefontein, Jacobsdal, Luckhof, Petrusburg and Oppermansgronde), and Kopanong (Springfontein, Philippolis, Trompsburg, Gariep Dam, Edenburg, Bethulie, Reddersburg). The district headquarters are at 20 Louw Street, Trompsburg.

The district has a population of approximately 136,000 persons (2022 Census), declining from approximately 147,000 in 2011, reflecting sustained out-migration of working-age adults to larger urban centres. The unemployment rate is 31.9% and the poverty rate is 62% (below upper-bound poverty line).

2.2 Constitutional Functions and Powers

As a Category C municipality, Xhariep's constitutional functions are defined by Schedule 4 Part D and Schedule 5 Part D of the Constitution, read with the Municipal Structures Act 117 of 1998. Primary executive functions include:

- Bulk supply oversight for water and sanitation (quality monitoring, not direct provision)
- Municipal health services (environmental health, food safety)
- Regional disaster management coordination
- Municipal roads and transport (RRAMS grant for rural roads)
- Integrated development planning coordination
- Tourism promotion and local economic development coordination

CRITICAL DISTINCTION: The municipality does NOT provide trading services (water, electricity, sanitation, refuse) directly to households. These are provided by the three local municipalities. This structural limitation means own-source revenue is constrained to rental income, environmental health fees, and investment income only.

2.3 Macro-Economic Parameters

Parameter	2026	2027	2028
CPI Inflation (%)	4.75%	4.50%	4.50%
Wage Escalation Applied	4.75%	4.75%	4.75%
Goods Escalation	4.9%	4.9%	4.9%
Investment Yield Assumed	8.0%	8.5%	8.5%
LGES Growth (where not gazetted)	CPI+0.5%	CPI+0.5%	CPI+0.5%
National Expenditure Growth	3.9%	3.9%	3.9%

Source: National Treasury 2026 Budget Review (25 February 2026) and MFMA Circular 129.

SECTION 3: REVENUE FRAMEWORK AND PROJECTIONS

3.1 Revenue Philosophy and Strategy

The revenue strategy for the 2026/27 MTREF rests on three principles: (1) maximising receipts from constitutionally allocated grants through full compliance with grant conditions; (2) protecting and growing own-source revenue within the legislative limits of a Category C municipality; and (3) recovering outstanding debts through structured enforcement mechanisms.

The municipality acknowledges that its grant dependency ratio of 95.1% is well above the National Treasury benchmark of 85%. Closing this gap within the MTREF period is not achievable given structural constraints. The strategy is therefore to manage dependency prudently while building conditions for gradual own-revenue growth toward 7% by 2029 and 10% by 2031.

3.2 Revenue Summary Table (Actual Budget Data — unchanged; verified consistent with the final A-Schedule)

REVENUE SOURCE	2026/27	2027/28	% SHARE
A. OPERATING GRANTS	**R63,536,001**	**R65,996,000**	**95.1%**
Equitable Share	R53,059,000	R56,658,000	79.4%
Provincial Assistance (FS CoGTA)	R4,396,000	R4,396,000	6.6%
Finance Management Grant (FMG)	R2,000,000	R2,100,000	3.0%
EPWP Incentive Grant	R1,344,000	R1,400,000	2.0%
RRAMS Grant	R2,621,000	R2,726,000	3.9%
LGSETA Grant	R116,001	R116,000	0.2%
B. OWN REVENUE	**R3,303,377**	**R3,134,177**	**4.9%**
Investment Interest	R2,140,000	R1,930,000	3.2%
Interest from Receivables	R9,000	R9,000	0.01%
Rental Income (Buildings)	R902,557	R950,000	1.4%
Licenses & Permits	R150,000	R150,000	0.2%
Sale of Goods/Services	R101,820	R95,177	0.2%
TOTAL OPERATING REVENUE	**R66,839,377**	**R69,130,177**	**100%**

Source: National Treasury A-Schedule (Table A1) and the Executive Mayor's Final Budget Report. Grant-level allocations for 2028/29 were not yet gazetted at the time the A-Schedule was finalised; the aggregate 2028/29 operating transfer figure of R64,777,000 is reflected in Table 1.3 above and reconciles to the approved A1 Schedule.

3.3 Grant Details and Conditions

3.3.1 Unconditional Grant

LOCAL GOVERNMENT EQUITABLE SHARE: R53,059,000

- 2025/26 allocation: R52,928,000
- 2026/27 increase: R131,000 (0.25% only!)
- Percentage of total revenue: 79.4%
- Purpose: Basic municipal operations
- Legal basis: Constitution Section 214 and DoRA 2024
- Payment: Monthly in advance by National Treasury

3.3.2 Conditional Grants

1. PROVINCIAL ASSISTANCE GRANT: R4,396,000

- Provided by: Free State Provincial Treasury
- 2025/26: R4,396,000 (no increase)
- Purpose: Operational support for district municipalities
- Conditions: Subject to provincial budget priorities
- Risk: Not guaranteed in outer years; dependent on provincial fiscal position

2. FINANCE MANAGEMENT GRANT (FMG): R2,000,000

- Provided by: National Treasury
- 2025/26: R1,800,000 | Increase: R200,000 (11.1%)
- Purpose: Financial management capacity building, 5 graduate interns
- Conditions: CFO appointment, audit improvement, financial systems
- Requirement: 100% spending by year-end to avoid withholding

3. EPWP INCENTIVE GRANT: R1,344,000

- Provided by: Department of Public Works and Infrastructure (DPWI)
- 2025/26: R1,303,000 | Increase: R41,000 (3.1%)
- Purpose: Job creation through labour-intensive projects
- Condition: 520+ person-days of work opportunities documented
- Requirement: Quarterly reporting to DPWI on job creation
- Performance-based: Grant amount linked to previous year work opportunities

4. RURAL ROADS ASSET MANAGEMENT SYSTEM (RRAMS): R2,621,000

- Provided by: SANRAL and Department of Transport
- 2025/26: R2,519,000 | Increase: R102,000 (4.0%)
- Purpose: Rural roads condition monitoring and asset management
- Conditions: Maintain asset register, quarterly implementation reports

- 2026/27 Requirement: RRAMS Project Implementation Plan by 30 June 2026
- First quarterly RRAMS Council report by 30 September 2026

5. LGSETA GRANT: R116,001

- Provided by: Local Government Sector Education and Training Authority
- Purpose: Staff training and skills development
- Variable amount based on Workplace Skills Plan compliance
- Condition: Annual WSP submission and training implementation

SECTION 4: EXPENDITURE FRAMEWORK

4.1 Expenditure Philosophy

The expenditure strategy for 2026/27 is governed by four principles: (1) living within confirmed revenue; (2) protecting service delivery capacity while containing cost growth; (3) aggressively reducing fruitless and wasteful expenditure to zero; and (4) investing adequately in repairs and maintenance to protect the asset base.

4.2 Expenditure Summary Table (Revised - reconciled to the approved A-Schedule)

EXPENDITURE TYPE	2026/27	2027/28	2028/29
A. Employee Related Costs	**R52,219,000**	**R53,826,000**	**R55,876,000**
B. Remuneration of Councillors	R5,867,000	R5,900,000	R5,905,000
PERSONNEL SUB-TOTAL (A+B) - 85.7%	**R58,086,000**	**R59,726,000**	**R61,781,000**
C. Goods and Services - 13.4% (see note)	R9,114,000	R9,301,000	R9,486,000
D. Other Expenditure - 0.9% (depreciation, transfers)	R585,000	R219,000	R190,000
TOTAL OPERATING EXPENDITURE	**R67,785,000**	**R69,247,000**	**R71,457,000**

Note: items C and D are taken directly, and items A and B are revised, from the approved A-Schedule (Table A1: Budget Summary); they reconcile exactly to the schedule's Total Expenditure line for all three MTREF years. Detailed line-item allocations within Employee Related Costs (basic salaries, bonuses, medical aid, pension) and within Goods and Services (contracted services, audit fees, travel) were presented in the 25 May 2026 draft but could not be independently re-verified against the revised Employee Related Costs total for this revision; they should be confirmed against the CFO's supporting schedules (SA1, SA22), which were not included in the Final Budget folder reviewed.

4.3 The Core Expenditure Problem

THE STRUCTURAL CRISIS:

Equitable Share (primary revenue): R53,059,000

Employee Related Costs: R52,219,000

Councillors' Remuneration: R5,867,000

TOTAL PERSONNEL COSTS: R58,086,000

SHORTFALL: (R5,027,000)

- 100% of Equitable Share goes to salaries
- R0 from Equitable Share available for operations
- Must rely on conditional grants (R10.5M with restrictions)
- Must rely on own revenue (R3.3M insufficient alone)
- Provincial assistance (R4.4M not guaranteed)

4.4 Cost Containment (Circular 82 Compliance)

- Zero real growth in non-essential expenditure
- Travel, catering, entertainment strictly controlled
- Moratorium on non-essential consulting
- No new positions created
- Acting allowances capped at 3 months

SECTION 5: CAPITAL BUDGET AND ASSET MANAGEMENT

5.1 Capital Budget Overview

The capital budget for 2026/27 totals R0 (zero), confirmed in the approved A-Schedule for all three MTREF years (2026/27, 2027/28 and 2028/29). There are no unfunded capital commitments. No municipal own funds are committed to capital expenditure given the municipality's liquidity position and the operating deficit.

This is a conscious and prudent decision: investing borrowed or own-funded capital while carrying an accumulated deficit and constrained cash position would be fiscally irresponsible and contrary to sound financial management principles.

5.2 Asset Management

Current asset position:

- PPE carrying value: to be updated from the 2024/25 AFS once finalised
- Annual depreciation: R491,000 (2026/27), R219,000 (2027/28), R190,000 (2028/29) — per the approved A-Schedule
- Repairs and maintenance budget: minimal due to the deficit constraint
- Challenge: ageing infrastructure with limited maintenance capacity
- Strategy: prioritise grant-funded infrastructure programmes when available

SECTION 6: FINANCIAL POSITION AND CASH FLOW MANAGEMENT

6.1 Current Financial Position

The municipality's financial position reflects the cumulative impact of several years of structural deficits and declining grant support relative to mandatory cost increases:

- Cash-backed reserves shortfall: R51.8 million (Provincial Treasury recalculation, per the Budget Funding Plan 2026/27)
- Negative cash position: R30.8 million for 2026/27 (Treasury calculation), per the same assessment
- Current ratio: below 1:1 (liquidity constraint)
- Going concern emphasis: reflected in AGSA audit reports
- Working capital: negative position requiring careful management

These figures were assessed by Provincial Treasury against the originally tabled budget (28 March 2026). The Budget Funding Plan 2026/27 sets out the corrective measures now being implemented (Section 7.2); the cash and reserve position will be reassessed by Provincial Treasury following submission of the final approved budget.

6.2 Cash Flow Management

To avoid fruitless and wasteful expenditure from late payments, the municipality has implemented ring-fenced payment schedules for critical creditors:

- AGSA audit fees: monthly payment schedule (avoid interest penalties)
- SARS payments: monthly compliance (avoid penalties and interest)
- COIDA: structured settlement plan in place
- Grant-funded expenditure: separate bank accounts per MFMA Section 12
- Supplier payments: 30-day policy where cash permits

GOAL: Zero fruitless and wasteful expenditure in 2026/27 through proactive cash management.

SECTION 7: FINANCIAL RECOVERY PROGRAMME

REQUIRED BY MFMA SECTION 23(1)(c)

7.1 The Financial Crisis

The municipality faces a structural financial challenge characterised by:

- Structural operating deficit: R0.946 million for 2026/27 (substantially reduced from R4.59 million projected in the 25 May 2026 working schedule), narrowing to R0.117 million in 2027/28 before re-widening to R3.451 million in 2028/29 per the approved A-Schedule
- Employee and councillor costs exceed the Equitable Share by 9.5 percentage points (109.5% of Equitable Share)
- Grant dependency: 95.1% (well above the 85% benchmark)
- Cash-backed reserves shortfall of R51.8 million and a negative cash position of R30.8 million (Provincial Treasury calculation, 2026/27)
- Declining Equitable Share growth: 0.25% vs 4.75% salary escalation
- Provincial grant uncertainty in outer years

7.2 Recovery Strategies

This section has been rewritten to mirror the specific, dated actions in the signed Budget Funding Plan 2026/27 and its Implementation Plan (Annexure A), in place of the generic actions in the 25 May 2026 draft.

7.2.1 IMMEDIATE ACTIONS (2026/27)

1. REVENUE MOBILISATION

- Increase rental income by R120,000 in Year 1, rising to R150,000 by Year 3, through a dedicated Rental Committee (chaired by the Manager: Budget, Assets and Technical Support) to be appointed by 30 July 2026
- Dispose of the surplus Mercedes-Benz and the decommissioned shoe-making plant via the SCM Disposal Committee (target: September 2026), increasing trading income by a combined R200,000
- Pursue litigation against Kopanong Local Municipality to recover the R10 million rental debt, with a further R12 million collection target per the Implementation Plan
- Pursue recovery of R10 million owed by the Missao Ponto investment, including a final demand letter and, if unpaid, Council-authorised litigation
- Recover R6,508,022 through the Kruger Venter and Associates court judgement, and R850,000 from senior-manager overpayment recovery, per Council resolution
- Place conditional grant funds in a 32-day notice deposit account to capture higher investment yields, monitored monthly by the CFO

2. COST OPTIMISATION

- Phased reduction in non-essential operating expenditure: 20% in Year 1, 15% in Year 2, 15% in Year 3 (cumulative 50% over the MTREF)

- Reduce travel and subsistence claims by 50% in Year 1, rising to 75% by Year 3; strengthened travel moratorium, a 650km threshold before claims are payable, and mandatory virtual meetings where practical
- Cap acting allowances at three months and align the organisational structure to the funded establishment (50% by Year 1, 75% by Year 2, 100% by Year 3)
- Natural attrition for non-critical posts; no new appointments

3. TRADE PAYABLES AND CREDITOR MANAGEMENT

- Reduce Input VAT-related creditor balances (Kopanong LM, COIDA, Free State Government Garage, Lesedi la Molemo Africa) by R1.3 million per year as a starting target
- Negotiate payment arrangements and pursue write-off of long-standing balances where recovery is not viable, including testing the Prescription Act where applicable
- Dedicate VAT input received in 2026/27 to settling part of the creditor book

4. GRANT COMPLIANCE

- 100% spending of all conditional grants to avoid withholding
- Ring-fence all conditional grant funding in separate, cash-backed accounts per MFMA Section 12, monitored by the Budget Steering Committee
- Timely reporting to National Treasury and sector departments (RRAMS Implementation Plan by 30 June 2026; first quarterly RRAMS report to Council by 30 September 2026)

7.2.2 MEDIUM-TERM ACTIONS (2027/28 – 2028/29)

5. ESTABLISHMENT REVIEW

- Annual review of the organisational structure; target employee costs below 60% of revenue by 2030
- No forced retrenchments; multi-year approach through natural attrition

6. OWN REVENUE GROWTH

- Grow own revenue from 4.9% to 7.0% of total revenue by 2029
- Cost-reflective tariff strategy for Environmental Health fees, subject to political approval of by-laws

7. LGES FORMULA ADVOCACY

- Continued engagement with National Treasury and SALGA on the Local Government Equitable Share formula
- Build the case for district-specific adjustments, given Xhariep's position as the lowest-funded district in the Free State

7.3 Recovery Milestones and Targets (Revised)

YEAR	TARGET DEFICIT	GRANT DEPENDENCY	OWN REVENUE %	KEY MILESTONE
2026/27	(R0.946M)	95.1%	4.9%	Budget Funding Plan adopted; deficit reduced from R4.59M to near-balance
2027/28	(R0.117M)	95.2%	4.5%	Near break-even; KLM litigation and asset disposals concluded
2028/29	(R3.451M)	95.3%	4.7%	Deficit re-widens per the approved A-Schedule - requires renewed cost containment and revenue action at the budget's mid-term review
2029/30	Aspirational: sustainable / break-even	<90%	7.0%	Establishment review complete; own-revenue growth strategy in full effect (beyond current MTREF; not yet budget-confirmed)
2030/31	Aspirational: surplus	<85%	10%+	Full recovery - beyond current MTREF, subject to future budget confirmation

CAUTION FOR COUNCIL

Unlike the 25 May 2026 draft, which assumed a smooth, continuous narrowing of the deficit toward break-even, the approved A-Schedule shows the deficit nearly closing in 2027/28 (R117,000) and then re-opening to R3.451 million in 2028/29. This is not a typing error - it is what Table A1 of the approved budget shows. The Budget Steering Committee should investigate the cost and revenue assumptions driving the 2028/29 outer year and address this at the budget's mid-term review, rather than relying on the 2029/30 and 2030/31 targets below (which are aspirational and fall outside the current three-year MTREF) to resolve it on their own.

SUCCESS DEPENDS ON: increased support from National and Provincial government. Without improved Equitable Share allocations or sustained provincial support, full recovery is not achievable.

SECTION 8: FINANCIAL POLICIES

The municipality's financial management is governed by policies aligned with the MFMA and best practice:

8.1 Budget and Virement Policy

- Budget prepared per MFMA Section 17 in A-Schedule format
- Virement authority: Council for inter-vote, Mayor for intra-vote
- Section 28 adjustment budget procedures for material changes
- Quarterly budget performance monitoring to Council

8.2 Cost Containment Policy (Amended per Funding Plan 2026/27)

- Full compliance with MFMA Circular 82
- Zero real growth in non-essential expenditure
- Travel and subsistence: prior authorisation required
- Catering: capped at R50 per person
- Cell phones: essential positions only, monitored monthly
- Consulting: moratorium on non-essential services
- Fleet: optimised usage, fuel consumption targets

8.3 Supply Chain Management Policy

- MFMA Section 217 compliance (value for money, fairness, equity)
- Preferential procurement per PPPFA and B-BBEE
- Competitive bidding for transactions >R200,000
- Bid committees: Specification, Evaluation, Adjudication
- Contract management and performance monitoring
- Supplier database maintenance and verification

8.4 Investment Policy

- MFMA Section 13 compliance (approved instruments only)
- Primary objective: capital preservation
- Secondary objective: yield optimisation (target 8–8.5%)
- Approved institutions: registered banks, ABSA call accounts
- Diversification across multiple call accounts
- Monthly yield monitoring and reporting

8.5 Tariff Policy

As a Category C municipality, Xhariep has limited tariff-setting authority. Tariffs apply to:

- Environmental health licences and permits

- Building rental rates (escalated annually at CPI)
- By-law certificates and administrative fees

SECTION 9: BUDGET ASSUMPTIONS

9.1 Inflation and Growth Assumptions

Parameter	2026	2027	2028
CPI Inflation (%)	4.75%	4.50%	4.50%
Wage Escalation Applied	4.75%	4.75%	4.75%
Goods Escalation	4.9%	4.9%	4.9%
Investment Yield Assumed	8.0%	8.5%	8.5%
LGES Growth (where not gazetted)	CPI+0.5%	CPI+0.5%	CPI+0.5%
National Expenditure Growth	3.9%	3.9%	3.9%

9.2 Grant Assumptions

- Equitable Share per Division of Revenue Act 2024 (gazetted amounts)
- Conditional grants per National Treasury gazette notices
- Provincial grant subject to Free State budget availability (not guaranteed)
- FMG conditional on CFO appointment and audit improvement
- EPWP linked to performance (520+ person-days employment)
- RRAMS conditional on Project Implementation Plan approval

9.3 Own Revenue Assumptions

- Investment yield: 8.0–8.5% based on ABSA call account rates
- Rental escalation: annual CPI escalation
- No new tariffs introduced (Category C constraints)
- Licence fees: stabilised at current levels
- Kopanong LM rental: recovery plan in place for arrears

9.4 Risk Assumptions

- LGES formula revision risk: 10% reduction scenario modelled
- Provincial grant reduction risk: contingency planning required
- Cash flow recovery: dependent on grant receipts and debt recovery
- Economic environment: national growth projections may not materialise

SECTION 10: MFMA COMPLIANCE

10.1 Section 17 Compliance – Budget Format

This Financial Plan complies with MFMA Section 17 requirements:

- Budget in prescribed National Treasury A-Schedule format
- Three-year Medium-Term Revenue and Expenditure Framework
- Revenue by source and vote detailed in Section 3
- Expenditure by type and vote detailed in Section 4
- Indicative projections for 2027/28 and 2028/29 outer years, now reconciled to the approved A-Schedule

10.2 Section 21 Compliance – IDP Alignment

The budget is aligned with the IDP 2026-2031:

- All IDP projects are funded in this budget or marked unfunded
- Budget priorities reflect IDP strategic objectives
- Service Delivery and Budget Implementation Plan (SDBIP) derivation framework in place
- Performance targets in IDP linked to budget allocations

10.3 Section 24 Compliance – Budget Tabling (Revised)

Tabling and adoption timeline:

- Budget tabled: 28 March 2026 (complies with the 90-day requirement — 95 days before the 1 July 2026 start of the financial year)
- Provincial Treasury benchmark assessment: tabled budget found not credibly funded; Budget Funding Plan 2026/27 developed in response
- Public participation: budget roadshows conducted
- Council adoption target: 30 June 2026
- Gazette publication: within 10 days of adoption
- SDBIP finalisation: by 30 June 2026

The 25 May 2026 draft of this chapter stated a tabling date of 28 May 2026 and an unsupported claim of 90-day compliance (28 May to 1 July is approximately 34 days, which would not comply). This has been corrected to the date confirmed in the Budget Funding Plan 2026/27.

10.4 Section 18(1)(b) – Funding Status (Revised)

REVISED DISCLOSURE

The approved 2026/27 budget reflects revenue of R66,839,377 against expenditure of R67,785,000, an operating deficit of R955,784 (1.4% of revenue) — down from the R4,590,080 deficit (6.9% of revenue) reported in the 25 May 2026 working schedule, following implementation of the cost-containment and revenue measures in the Budget Funding Plan 2026/27. The originally tabled budget (28 March 2026) was assessed by Provincial Treasury as not credibly funded, primarily due to a calculated R51.8 million cash-backed reserves shortfall and a R30.8 million negative cash position, rather than the income-statement deficit *alone. The Budget Funding Plan 2026/27, with its Implementation Plan (Annexure A), sets out the measures adopted to move toward a funded position; full compliance with MFMA Section 18(1)(b) depends on their continued execution and will be subject to Provincial Treasury's review of the resubmitted budget. Council's adoption of this budget should be accompanied by adoption of the Budget Funding Plan 2026/27 and its Implementation Plan.*

SECTION 11: GOVERNANCE COMMITMENTS AND REPORTING

11.1 Council Commitments

Council commits to the following actions:

- Adopt the Financial Recovery Programme as part of budget approval
- Approve this budget acknowledging the R946,000 deficit and the Budget Funding Plan 2026/27
- Quarterly monitoring of recovery milestones and financial position
- Support revenue mobilisation advocacy to National/Provincial government
- Approve cost containment measures and enforce compliance
- Review and approve the SDBIP with quarterly performance targets

11.2 Management Commitments

Municipal management commits to:

- Zero wasteful and fruitless expenditure through proactive management
- 100% spending of all conditional grants to avoid withholding
- 100% compliance with all grant conditions and reporting requirements
- Monthly cash flow monitoring and creditor payment schedules
- Quarterly SDBIP performance reporting to Council
- Implementation of all cost containment measures
- Revenue collection optimisation and debt recovery, per the Budget Funding Plan Implementation Plan

11.3 Reporting Framework

Financial reporting to Council and stakeholders:

- Monthly: budget statements and cash flow reports to the Municipal Manager
- Monthly: progress reports on the Budget Funding Plan Implementation Plan to the Provincial Treasury (within 10 working days of month-end)
- Quarterly: Section 52 reports to the Mayor and Council
- Quarterly: grant expenditure reports to National Treasury
- Mid-year: Section 72 budget and performance assessment (January 2027)
- Annual: Section 71 monthly reports published on the municipal website
- Annual: Annual Financial Statements and Performance Report
- Annual: Annual Report to Council and community

CONCLUSION (Revised)

This Municipal Financial Management Plan presents an honest and transparent assessment of Xhariep District Municipality's financial position for the 2026/27 financial year and the 2027/28–2028/29 Medium-Term Revenue and Expenditure Framework period, reconciled to the final approved Annual Budget.

The plan acknowledges the stark reality: even after the cost-containment and revenue measures adopted through the Budget Funding Plan 2026/27 narrowed the projected operating deficit from R4.59 million to a near-balanced R0.946 million, the underlying structural mismatch between Equitable Share growth (0.25%) and contractual salary escalation (4.75%) persists. With employee and councillor costs consuming 109.5% of the Equitable Share, the municipality still has zero operational funding from its primary revenue source, and the approved A-Schedule shows the deficit re-widening to R3.451 million by 2028/29 absent further action.

This financial crisis is **NOT** the result of poor management or a bloated employee structure. No new positions have been created. The crisis is structural, driven by years of declining government support relative to mandatory cost increases. Xhariep receives the lowest Equitable Share allocation in the Free State Province despite serving one of the poorest and most rural communities.

The Financial Recovery Programme presented in Section 7, anchored in the signed Budget Funding Plan 2026/27 and its Implementation Plan, provides a credible and specific pathway — including asset disposals, litigation recoveries, ring-fenced grant management, and phased cost reduction — but success depends critically on increased support from National and Provincial government and on disciplined execution of every milestone in that Plan. Without improved Equitable Share allocations or sustained provincial assistance, full recovery is not achievable, and the 2028/29 deficit trend will need to be addressed at the budget's mid-term review.

As the Executive Mayor stated in the Final Budget Report: 'This budget requires a triple effort from everybody to go knock all government doors to raise operational funds.' That collective effort — from Council, management, communities, and intergovernmental partners — is what this plan calls for and what Xhariep's future depends upon.

END OF (CH9) MUNICIPAL FINANCIAL MANAGEMENT PLAN 2026/27 — REVISED

END OF (CH9) MUNICIPAL FINANCIAL MANAGEMENT PLAN 2026/27

CHAPTER 10

PERFORMANCE MANAGEMENT FRAMEWORK

This chapter outlines the Performance Management System (PMS) that will be used to monitor and evaluate the implementation of the IDP 2026-2031. The PMS ensures accountability, tracks progress towards strategic objectives, and provides the basis for evidence-based decision-making and continuous improvement. It translates the strategic intent articulated in Chapters 5 and 6, the programmes detailed in Chapter 8, and the financial resources allocated in Chapter 9 into measurable performance indicators with clear targets, responsibilities, and reporting mechanisms.

The Performance Management Framework is the accountability mechanism that closes the planning-implementation-monitoring-evaluation cycle. It ensures that the municipality delivers on its developmental commitments, learns from implementation experiences, and continuously improves service delivery and development outcomes. Performance management is embedded at all levels: organizational (institutional scorecard), departmental (SDBIP), and individual (performance agreements).

10.1 PERFORMANCE MANAGEMENT FRAMEWORK

10.1.1 Legal Framework

The Performance Management System is established in terms of Section 38 of the Municipal Systems Act (MSA, Act 32 of 2000), which requires municipalities to establish a performance management system that is commensurate with their resources, best suited to their circumstances, and in line with the priorities, objectives, indicators and targets contained in their IDPs.

The system is further regulated by:

- Municipal Planning and Performance Management Regulations (2001): Prescribes the framework for municipal performance management systems
- Municipal Finance Management Act (MFMA, Act 56 of 2003): Requires the Service Delivery and Budget Implementation Plan (SDBIP) as the key implementation and monitoring tool
- MFMA Section 52: Quarterly reporting on implementation of budget and financial state of affairs
- MFMA Section 72: Mid-year budget and performance assessment
- MSA Section 46: Annual performance reports
- MSA Section 121: Annual reports to be tabled in Council

10.1.2 Purpose of the PMS

The Performance Management System serves the following purposes:

- Translate IDP strategic objectives into measurable, time-bound performance indicators with clear accountability
- Monitor implementation progress on a continuous basis and identify early warning signs of under-performance
- Ensure accountability at organizational (municipal), departmental, and individual levels
- Provide reliable performance information for evidence-based decision-making, resource allocation, and strategic adjustments
- Facilitate organizational learning and continuous improvement through systematic review of what works and what doesn't
- Comply with legislative reporting requirements (SDBIP, Section 52, Section 72, Annual Report)
- Enable community oversight through transparent performance reporting

10.1.3 PMS Components

The Performance Management System comprises integrated components operating at different levels:

Component	Description	Responsibility
Organizational PMS	Monitors overall municipal performance against IDP objectives through Institutional Scorecard	Municipal Manager
SDBIP	Service Delivery and Budget Implementation Plan - translates annual budget into quarterly operational targets	Municipal Manager
Departmental Scorecards	KPIs cascaded to departmental level with specific targets and responsibilities	Directors
Individual Performance	Performance agreements for Section 57 managers linked to SDBIP and departmental targets	Municipal Manager
Audit Committee	Independent oversight of PMS, internal audit function, and performance information quality	Council
Performance Audit Committee	Reviews municipal performance, SDBIP implementation, and Annual Report	Council

Table 10.1: Performance Management System Components

These components are integrated through a performance management cycle: planning (IDP/Budget/SDBIP) → implementation (departmental operations) → monitoring (monthly data collection, quarterly SDBIP reports) → evaluation (mid-year and annual reviews) → adjustment (IDP review, budget adjustments) → planning cycle repeats.

10.2 INSTITUTIONAL SCORECARD

The Institutional Scorecard provides a high-level view of municipal performance against the six Key Performance Areas. It forms the Top-Layer SDBIP and is the primary accountability instrument for the Municipal Manager to Council and the community. Each KPA has strategic objectives with associated Key Performance Indicators (KPIs), baselines, and targets for the IDP period.

10.2.1 Top-Layer Scorecard Summary

The following table provides a summary of the strategic goals and key measures for each KPA, with 2031 targets representing the desired end-state of the five-year IDP period:

KPA	Strategic Goal	Key Measure	2031 Target
KPA 1	Sustainable Service Delivery	Access to RDP water standard	98%
KPA 2	Local Economic Development	Jobs created through LED	500
KPA 3	Good Governance	Audit opinion	Clean Audit
KPA 4	Financial Viability	Capital budget spending	95%
KPA 5	Institutional Development	Critical posts filled	100%
KPA 6	Spatial & Environmental	SDF implementation	Reviewed by 2027

Table 10.2: Institutional Scorecard Summary

This high-level scorecard provides the strategic direction for all municipal operations and is the basis for assessing overall IDP implementation success. Detailed KPIs for each KPA are presented in Section 10.3.

10.3 KPA PERFORMANCE INDICATORS

The following sections present the detailed Key Performance Indicators for each KPA, including indicator codes, baselines, annual targets for the first three years (2026/27, 2027/28, 2028/29), and sources of verification. These KPIs operationalize the strategic objectives and provide the measurement framework for tracking IDP implementation progress.

10.3.1 KPA 1: Basic Service Delivery and Infrastructure

KPA 1 KPIs focus on water services delivery, infrastructure maintenance, and quality compliance - the core mandate of the district as Water Services Authority:

Code	Indicator	Baseline	26/27	27/28
KPI 1.1	% households with access to RDP water standard	93%	94%	96%
KPI 1.2	% non-revenue water	42%	38%	34%
KPI 1.3	% water quality compliance (SANS 241)	95%	97%	98%
KPI 1.4	Number of water infrastructure projects completed	3	4	5
KPI 1.5	% of planned infrastructure maintenance completed	70%	80%	85%
KPI 1.6	Blue Drop score achieved	75%	80%	85%
KPI 1.7	Number of unplanned water interruptions >24hrs	15	12	10

Table 10.3: KPA 1 Performance Indicators

Source of Verification: Water Services Development Plan reports, Blue Drop assessments, Department of Water and Sanitation compliance reports, project completion certificates, maintenance logs, consumer database, water quality test results.

10.3.2 KPA 2: Local Economic Development

KPA 2 KPIs measure job creation, SMME support, EPWP work opportunities, and economic development initiatives:

Code	Indicator	Baseline	26/27	27/28
KPI 2.1	Number of jobs created through LED initiatives	-	80	100
KPI 2.2	Number of SMMEs supported annually	150	180	200

KPI 2.3	Number of EPWP work opportunities created	280	300	320
KPI 2.4	Number of tourism projects implemented	0	1	1
KPI 2.5	Number of agricultural support programmes	2	3	3
KPI 2.6	Number of youth trained in skills programmes	100	150	180

Table 10.4: KPA 2 Performance Indicators

Source of Verification: LED database, EPWP reports to Department of Public Works, SMME register, project implementation reports, training attendance registers, quarterly LED reports.

10.3.3 KPA 3: Good Governance and Public Participation

KPA 3 KPIs track governance effectiveness, public participation, complaint resolution, and intergovernmental relations:

Code	Indicator	Baseline	26/27	27/28
KPI 3.1	Number of Council meetings held as scheduled	10	11	11
KPI 3.2	% of community complaints resolved within 30 days	65%	75%	80%
KPI 3.3	Number of IDP Rep Forum meetings held	3	4	4
KPI 3.4	Number of public participation events conducted	8	10	12
KPI 3.5	% of IGR forum meetings attended	75%	85%	90%
KPI 3.6	Number of policies reviewed/developed	5	6	6

Table 10.5: KPA 3 Performance Indicators

Source of Verification: Council attendance registers, complaints register, IDP Rep Forum minutes, public participation attendance registers, IGR forum attendance records, policy register.

10.3.4 KPA 4: Financial Viability and Management

KPA 4 KPIs monitor financial performance, audit outcomes, budget implementation, and expenditure compliance:

Code	Indicator	Baseline	26/27	27/28
KPI 4.1	Audit opinion achieved	Unqual.	Unqual.	Unqual.
KPI 4.2	% of capital budget spent	85%	90%	93%
KPI 4.3	% of operating budget spent	92%	95%	96%
KPI 4.4	% debt collection rate	78%	82%	85%
KPI 4.5	Creditors paid within 30 days	85%	95%	100%
KPI 4.6	Value of irregular expenditure	R2.5M	R1.5M	R0.5M
KPI 4.7	% of AG findings addressed	70%	85%	95%

Table 10.6: KPA 4 Performance Indicators

Source of Verification: Auditor-General Management Report, Section 71 reports, Annual Financial Statements, Section 52 quarterly reports, creditor age analysis, SCM irregular expenditure register, Audit Action Plan progress reports.

10.3.5 KPA 5: Institutional Development and Transformation

KPA 5 KPIs measure human resource capacity, skills development, employment equity, and organizational effectiveness:

Code	Indicator	Baseline	26/27	27/28
KPI 5.1	% of critical vacant positions filled	75%	85%	95%
KPI 5.2	% of WSP training implemented	60%	80%	90%
KPI 5.3	% employees with signed performance agreements	80%	95%	100%
KPI 5.4	% women in senior management	40%	45%	48%
KPI 5.5	% employees with disabilities	1.5%	1.8%	2.0%
KPI 5.6	Employee turnover rate	12%	10%	8%

Table 10.7: KPA 5 Performance Indicators

Source of Verification: HR vacancy report, Workplace Skills Plan Annual Training Report, performance agreement register, Employment Equity Plan report, HR organizational structure, staff turnover analysis.

10.3.6 KPA 6: Spatial Development and Environmental Management

KPA 6 KPIs track spatial planning compliance, disaster management, environmental health, and climate change initiatives:

Code	Indicator	Baseline	26/27	27/28
KPI 6.1	SDF review completed	No	Initiated	Completed
KPI 6.2	Climate Change Adaptation Plan developed	No	No	Completed
KPI 6.3	% disaster incidents responded to within 2 hours	70%	80%	85%
KPI 6.4	Number of fire awareness campaigns	4	6	8
KPI 6.5	% environmental health inspections completed	75%	85%	90%
KPI 6.6	Disaster Management Plan reviewed	Yes	Yes	Yes

Table 10.8: KPA 6 Performance Indicators

Source of Verification: SDF Council adoption resolution, Climate Change Adaptation Plan, disaster incident logs, fire awareness campaign reports, environmental health inspection register, Disaster Management Plan review reports.

10.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

10.4.1 Purpose of SDBIP

The Service Delivery and Budget Implementation Plan (SDBIP) is the municipality's annual implementation plan, linking the IDP, budget, and performance management. It is required by Section 53 of the MFMA and Section 69 of the Municipal Finance Management Act, and serves as the primary management, implementation, and accountability tool. The SDBIP provides quarterly targets against which performance is measured, enabling in-year monitoring and early intervention where implementation challenges arise.

The SDBIP translates the five-year IDP strategic framework and the annual budget into concrete operational plans with:

- Quarterly performance targets for each KPI
- Monthly revenue and expenditure projections
- Capital project implementation milestones
- Clear responsibilities assigned to specific officials
- Cash flow forecasts aligned with expenditure plans

10.4.2 SDBIP Components

The SDBIP comprises multiple integrated components, each addressing different aspects of annual implementation:

Component	Description	Approval
Top-Layer SDBIP	High-level quarterly targets for all KPIs; institutional scorecard	Mayor (14 days after budget)
Departmental SDBIPs	Detailed operational targets per department with specific activities and milestones	Municipal Manager
Capital Projects	Project-level implementation milestones, spending schedules, and deliverables	Municipal Manager
Revenue Targets	Monthly revenue projections by source with collection strategies	CFO
Cash Flow Projections	Monthly cash flow forecasts aligned with expenditure and revenue plans	CFO

Table 10.9: SDBIP Components

The Mayor approves the Top-Layer SDBIP within 14 days of Council budget approval (by mid-July). Departmental SDBIPs are prepared by directors and signed off by the Municipal Manager.

The Top-Layer SDBIP is published on the municipal website for public transparency and accountability.

10.4.3 SDBIP Quarterly Target Setting

Annual targets from the IDP and budget are disaggregated into quarterly milestones to enable in-year monitoring and early identification of implementation challenges. The quarterly distribution depends on the nature of each indicator:

- Cumulative Indicators: Build progressively across quarters (e.g., jobs created: Q1=20, Q2=40, Q3=60, Q4=80)
- Milestone Indicators: Assigned to specific quarters based on implementation schedule (e.g., SDF review: Q1=Initiate, Q2=Draft, Q3=Consult, Q4=Adopt)
- Continuous Indicators: Same target each quarter (e.g., Council meetings: 3 per quarter for 12 annually)
- Annual Indicators: Measured once at year-end (e.g., audit opinion, annual report)

Quarterly target-setting considers implementation realities such as procurement lead times, seasonal factors (e.g., EPWP employment peaks in summer), grant transfer schedules, and capacity constraints. Targets must be realistic and achievable within the quarter while collectively delivering the annual target.

10.5 MONITORING AND EVALUATION

10.5.1 Monitoring Framework

Performance monitoring is a continuous process that tracks implementation progress, identifies variances from planned targets, and triggers corrective action. The monitoring framework operates at multiple levels and frequencies:

Activity	Frequency	Responsibility	Output
Data Collection	Monthly	Departments	Performance data submission
Progress Tracking	Monthly	PMS Unit	Dashboard updates
Management Review	Monthly	MANCO	Management decisions
SDBIP Reporting	Quarterly	Municipal Manager	Section 52 Report to Council
Mid-Year Assessment	Bi-annual	Municipal Manager	Section 72 Report
IDP/Budget Review	Annual	Council	Adjusted budget if required
Annual Report	Annual	Municipal Manager	Section 121 Report

Table 10.10: Monitoring Activities and Schedule

The monitoring cycle operates as follows:

- Monthly: Departments submit performance data by the 7th of each month. PMS Unit consolidates data, updates dashboards, and prepares monthly performance report for Management.
- Quarterly: Municipal Manager submits Section 52 SDBIP report to Mayor and Council within 30 days of quarter-end. Report analyzes performance against quarterly targets, explains variances, and recommends corrective actions.
- Mid-Year (January): Comprehensive Section 72 assessment reviews first six months, assesses budget implementation, adjusts targets if necessary, and identifies second-half priorities.
- Annual (January-March): Annual Report prepared covering full financial year performance, audited financial statements, and performance audit by Auditor-General.

10.5.2 Performance Assessment Rating Scale

Performance against targets is assessed using a standardized color-coded rating scale that enables quick visual identification of performance levels:

Rating	Score Range	Description	Action Required
Green	90-100%	Target achieved or exceeded	Continue current approach; share best practices
Yellow	75-89%	Target partially achieved	Minor corrective action; monitor closely

Orange	50-74%	Target at risk	Significant intervention required; escalate to management
Red	0-49%	Target not achieved	Urgent remedial action; formal investigation
Grey	N/A	Not measurable / No data	Verify data collection systems; review indicator

Table 10.11: Performance Rating Scale

The rating scale applies to all KPIs in the SDBIP. Red and orange ratings trigger mandatory corrective action plans that are tracked monthly until performance returns to green. Persistent red ratings (two or more consecutive quarters) require formal investigations to identify systemic impediments and implement structural solutions.

10.5.3 Evaluation Activities

In addition to routine performance monitoring, the following evaluation activities assess the strategic effectiveness and impact of IDP implementation:

- Annual IDP Review (May-June): Comprehensive assessment of IDP progress, relevance of strategies, adjustment of targets and projects based on implementation experience and changing circumstances. Council adopts reviewed IDP alongside budget.
- Project Evaluations: Post-implementation evaluation of major capital projects (>R5M) assessing whether objectives were achieved, budget was managed effectively, and expected benefits were realized. Lessons learned inform future projects.
- Community Satisfaction Survey: Annual survey measuring community perceptions of service delivery quality, municipal responsiveness, and development impact. Results inform service improvements and communication strategies.
- Mid-Term IDP Review (Year 3, 2028/29): Comprehensive strategic review assessing whether the IDP's strategic direction remains relevant, targets are realistic, and strategies are achieving desired outcomes. May result in major strategic adjustments for remaining two years.
- Outcome Evaluation: Assessment of high-level development outcomes (poverty reduction, unemployment, access to services) using external data sources (Census, Community Survey, sector departments). Evaluates whether municipal interventions are contributing to broader development goals.

10.6 REPORTING FRAMEWORK

10.6.1 Statutory Reporting Requirements

The municipality complies with the following statutory reporting requirements, each serving a distinct accountability and oversight purpose:

Report	Legislation	Frequency	Submitted To
SDBIP Report	MFMA S52(d)	Quarterly	Mayor and Council
Mid-Year Budget Report	MFMA S72	January	Mayor, Council, NT, PT
Annual Report	MFMA S121	January	Council, AG, PT, NT
Annual Financial Statements	MFMA S126	August	Auditor-General
IDP Progress Report	MSA S34	Annual	MEC and Council
Audit Action Plan Progress	MFMA	Quarterly	Audit Committee

Table 10.12: Statutory Reporting Requirements

Key Reporting Details:

- SDBIP Quarterly Reports (Section 52): Due within 30 days of quarter-end. Assesses service delivery performance, budget implementation, reasons for variances, and corrective measures. Tabled in Council and published on website.
- Mid-Year Report (Section 72): Tabled by 25 January. Comprehensive assessment of first six months covering revenue/expenditure performance, service delivery, capital projects, and adjustments to SDBIP if necessary. Submitted to National and Provincial Treasury.
- Annual Report (Section 121): Tabled by 31 January. Covers full financial year with audited financial statements, performance report against SDBIP, Auditor-General findings, and oversight report. Public meetings held to present Annual Report.
- Annual Financial Statements (Section 126): Submitted to Auditor-General by 31 August for audit. Includes full set of GRAP-compliant financial statements, notes, and supporting schedules.

10.6.2 Annual Performance Reporting Cycle

The performance reporting cycle aligns with the municipal financial year (July-June) and integrates planning, implementation, monitoring, and reporting:

Month	Activity	Output
July	Start of new financial year; SDBIP implementation begins	Approved SDBIP
August	AFS submission to Auditor-General	Draft AFS
September	Q1 data collection and reporting	Q1 performance data

October	Q1 SDBIP report to Council	Quarterly performance report
December	Q2 data collection	Q2 performance data
January	Q2 SDBIP report; Mid-Year Budget Assessment	S52 and S72 reports
January	Prior year Annual Report tabled; Performance audit	Draft Annual Report
March	Q3 data collection	Q3 performance data
April	Q3 SDBIP report; IDP Review process begins	Quarterly report; IDP review
May	IDP and Budget preparation	Draft IDP and Budget
June	IDP and Budget approval	Adopted IDP and Budget
June	Q4 report; Year-end close; SDBIP preparation	Year-end performance report

Table 10.13: Annual Performance Reporting Cycle

This integrated planning implementation-reporting cycle ensures continuous accountability and enables evidence-based adjustments throughout the year. The cycle repeats annually with each year's performance informing the next year's planning.

10.7 INDIVIDUAL PERFORMANCE MANAGEMENT

Individual performance management cascades organizational performance requirements to Section 57 managers (Municipal Manager and Directors reporting directly to the Municipal Manager). This linkage ensures that individual accountability drives organizational performance, and that senior managers are held responsible for delivering on the SDBIP targets within their areas of responsibility.

10.7.1 Performance Agreement Requirements

Section 57 managers are required to enter into annual performance agreements with the municipality. These agreements are legally binding employment contracts that specify performance expectations, measurement criteria, and consequences of performance. The Performance Management Policy governs the framework for these agreements.

Performance agreements must comply with the following requirements:

- Timing: Signed within 60 days of appointment or start of financial year (by 31 August)
- SDBIP Linkage: Agreements must be directly linked to the relevant departmental SDBIP targets and institutional KPIs
- Weighting: Include both organizational KPIs (70% weighting) and Core Competency Requirements (30% weighting)
- Clarity: Performance indicators must be SMART (Specific, Measurable, Achievable, Relevant, Time-bound)
- Reviews: Quarterly performance reviews conducted with documented feedback and development plans
- Assessment: Annual assessment by performance evaluation panel comprising Municipal Manager (for Directors) or Mayor (for Municipal Manager)

10.7.2 Performance Assessment Process

The performance assessment process for Section 57 managers follows a structured approach:

- Quarterly Reviews (October, January, April): Manager and supervisor review progress against quarterly SDBIP targets, discuss challenges, agree on corrective actions, and document in performance review template.
- Mid-Year Assessment (January): Formal assessment of first six months aligned with Section 72 process. Performance moderation panel may be convened for contested assessments.
- Annual Assessment (July): Comprehensive evaluation of full year performance against all KPIs and competency requirements. Performance score calculated using agreed weighting.
- Moderation: Performance Evaluation Panel reviews all assessments for consistency, fairness, and alignment with organizational performance.

- Consequences: Performance scores determine performance bonuses (if budget available), identify development needs, and may trigger performance improvement plans for persistent under-performance.

10.7.3 Cascading Performance Management

While only Section 57 managers are legally required to have performance agreements, the municipality cascades performance management to all levels:

- Senior Managers (Deputy Directors): Performance agreements linked to departmental SDBIP
- Middle Managers (Assistant Directors, Managers): Performance plans derived from departmental operational plans
- Staff: Work plans and individual objectives linked to unit/section deliverables

This cascading ensures that every employee understands how their work contributes to organizational objectives, and that accountability exists at all levels. The target is 100% of employees with signed performance plans by 2027/28 (KPI 5.3).

10.8 PERFORMANCE MANAGEMENT FRAMEWORK SUMMARY

This chapter has presented the comprehensive Performance Management System that will monitor and evaluate implementation of the IDP 2026-2031. The performance management framework provides the accountability mechanism that closes the planning-implementation-monitoring-evaluation cycle, ensuring that the municipality delivers on its developmental commitments and continuously improves service delivery.

Key elements of the performance management framework:

- Legal Framework: Established in terms of MSA Section 38, MFMA requirements, and Planning and Performance Management Regulations
- Total KPIs: 39 Key Performance Indicators across 6 Key Performance Areas, each with clear baselines, annual targets, and sources of verification
- Institutional Scorecard: High-level performance dashboard with strategic goals and 2031 targets for each KPA
- SDBIP Components: Top-Layer SDBIP (Mayor approval), Departmental SDBIPs (MM sign-off), capital projects, revenue targets, cash flow projections
- Monitoring Framework: Monthly data collection, quarterly SDBIP reporting, mid-year Section 72 assessment, annual Section 121 report
- Performance Rating Scale: Color-coded system (Green 90-100%, Yellow 75-89%, Orange 50-74%, Red 0-49%, Grey N/A) with defined actions for each rating
- Evaluation Activities: Annual IDP review, project evaluations, community satisfaction surveys, mid-term strategic review, outcome evaluation
- Statutory Reporting: Quarterly SDBIP reports, mid-year budget report, annual report, annual financial statements, IDP progress reports
- Individual Performance: Section 57 performance agreements linked to SDBIP, quarterly reviews, annual assessments, cascading to all staff
- Accountability Chain: Organizational (institutional scorecard) → Departmental (departmental SDBIP) → Individual (performance agreements)

The Performance Management Framework ensures that:

- Strategic objectives are translated into measurable indicators with clear targets and timelines
- Implementation progress is continuously monitored with early warning systems for under-performance
- Accountability exists at all levels: Council, Municipal Manager, Directors, and all staff
- Evidence-based decision-making is enabled through reliable performance information
- Continuous improvement is embedded through systematic review of what works and what doesn't
- Legislative compliance is maintained for all reporting requirements
- Community oversight is facilitated through transparent public reporting

Successful performance management requires:

- Commitment from Political and Administrative Leadership: Performance management must be championed at the highest levels and embedded in organizational culture
- Reliable Data Systems: Accurate and timely performance data depends on functional information systems and disciplined data collection
- Capacity Building: Officials require training in performance planning, data collection, analysis, and reporting
- Performance Culture: Performance management should be seen as a tool for improvement, not punishment, creating an environment where officials are motivated to achieve targets
- Consequence Management: Both positive recognition for achievement and corrective action for under-performance must be consistently applied
- Resource Alignment: Performance targets must be matched with adequate financial, human, and technical resources

The performance management framework positions the municipality to effectively implement the IDP 2026-2031, track progress towards strategic objectives, learn from implementation experiences, and continuously improve development outcomes for the communities of the Xhariep District.

CONCLUSION: IDP 2026-2031 IMPLEMENTATION

This Integrated Development Plan 2026-2031 provides the comprehensive strategic framework for the Xhariep District Municipality's developmental agenda over the next five years. It represents the culmination of extensive analysis, strategic planning, public consultation, and resource alignment to address the district's most pressing development challenges while pursuing opportunities for inclusive growth and improved quality of life.

The IDP has been developed through a rigorous process:

- Comprehensive Situational Analysis: Demographic profile, socio-economic assessment, service delivery status, institutional capacity, and financial position
- Strategic Framework (Chapter 5): Vision, mission, strategic goals, and objectives across six Key Performance Areas
- Development Strategies (Chapter 6): Detailed strategies addressing service delivery, LED, governance, financial viability, institutional development, and spatial planning
- Sector Plans Integration (Chapter 7): Alignment with Water Services Development Plan, SDF, LED Strategy, Disaster Management Plan, Financial Plan, Skills Plan, and other key sector plans
- Projects and Programmes (Chapter 8): R76.5 million capital programme (2026-2031) and R26.3 million annual operational programmes delivering concrete outputs
- Financial Plan (Chapter 9): R79.5 million annual budget (2026/27), MTREF projections, funding sources, sustainability strategies, and financial policies
- Performance Management (Chapter 10): 39 KPIs across 6 KPAs, SDBIP framework, monitoring and evaluation systems, and reporting mechanisms

The IDP sets ambitious yet achievable targets for 2031:

- 98% access to RDP water standard (from 93% baseline)
- 500 jobs created through LED initiatives
- Clean audit achieved and sustained
- 95% capital budget spending (from 85%)
- 100% of critical posts filled
- Reviewed and implemented Spatial Development Framework
- 30% non-revenue water (from 42%)
- Grant dependency reduced to 80% (from 94.4%)

Successful implementation of this IDP requires:

- Political Will and Leadership: Sustained commitment from Council and Executive to IDP priorities, difficult decisions on resource allocation, and accountability for performance
- Administrative Capacity: Strengthening of critical capacity areas identified in Chapter 6 (PMU, Water Services Coordination Unit, LED Unit, Performance Management)
- Financial Discipline: Prudent financial management, maximizing grant utilization, cost containment, revenue enhancement, and achievement of clean audit
- Intergovernmental Coordination: Strong partnerships with Provincial and National government, effective participation in District Development Model structures
- Community Partnerships: Active public participation, transparent communication, responsiveness to community concerns
- Continuous Monitoring: Rigorous implementation tracking through monthly, quarterly, and annual performance reviews with corrective action for under-performance

The IDP is a living document that will be reviewed annually to assess progress, adjust strategies, and respond to changing circumstances. The Performance Management Framework provides the mechanisms for evidence-based decision-making and continuous improvement. Stakeholder participation remains critical throughout the implementation period, ensuring that the IDP remains responsive to community priorities and development realities.

The Xhariep District Municipality is committed to implementing this IDP with diligence, transparency, and accountability. Through disciplined execution of the strategies, programmes, and projects contained in this plan, the municipality will progressively realize its vision: 'A prosperous, sustainable and equitable district that provides quality services, promotes economic growth, and enhances the quality of life for all residents.'

The foundation has been laid through this comprehensive planning process. The challenge now is implementation - translating plans into action, budgets into service delivery, and strategic objectives into tangible improvements in the lives of Xhariep's residents. This requires collective effort from all stakeholders: Council, administration, communities, business, civil society, and intergovernmental partners. Together, we can build the Xhariep we envision.

END OF CHAPTER 10

CHAPTER 11

IMPLEMENTATION FRAMEWORK

This chapter outlines the institutional arrangements, coordination mechanisms, and implementation protocols that will guide the delivery of the IDP 2026-2031. It addresses the roles and responsibilities of different actors, intergovernmental coordination, resource mobilisation, and mechanisms for ensuring effective implementation.

11.1 INSTITUTIONAL ARRANGEMENTS

11.1.1 Organisational Structure

The Xhariep District Municipality operates with a streamlined organisational structure comprising five directorates under the leadership of the Municipal Manager. The structure is designed to support the municipality's core mandate as a Category C municipality and Water Services Authority.

Directorate	Key Functions	IDP Role
Office of the MM	Strategic leadership; IGR; Performance Management; Legal Services	Overall IDP coordination and oversight
Corporate Services	HR; Administration; Council Support; ICT; Communications	Institutional development; public participation
Financial Services	Budget; Revenue; Expenditure; SCM; Asset Management	Financial planning; resource allocation
Technical Services	Water Services; Infrastructure; PMU; O&M	Service delivery; capital projects
Community Services	LED; Planning; Environmental Health; Disaster Management	LED implementation; spatial planning

Table 11.1: Directorate Functions and IDP Roles

11.1.2 IDP Coordination Structures

Structure	Composition	Function	Frequency
Council	16 Councillors	Final IDP approval and oversight	Monthly
Executive Committee	Mayor + MMCs	Policy direction and recommendations	Monthly
IDP Steering Committee	MM + Directors	Technical coordination and review	Monthly
IDP Representative Forum	All stakeholders	Stakeholder input and feedback	Quarterly
IDP Manager	Planning Manager	Day-to-day IDP coordination	Ongoing

Project Steering Committees	Project teams	Project-level implementation	As required

Table 11.2: IDP Coordination Structures

11.2 ROLES AND RESPONSIBILITIES

11.2.1 Political Leadership

Role	Responsibilities
Executive Mayor	Champion the IDP; provide political leadership; approve SDBIP; oversee performance; represent municipality in IGR structures
Speaker	Preside over Council; ensure public participation; manage Council business
Chief Whip	Ensure councillor discipline; coordinate political caucuses; maintain quorum
Councillors	Represent communities; participate in committees; approve IDP and budget; oversight of implementation

Table 11.3: Political Leadership Responsibilities

11.2.2 Administrative Leadership

Role	Responsibilities
Municipal Manager	Accounting Officer; lead IDP development; coordinate implementation; manage performance; report to Council
Chief Financial Officer	Financial management; budget preparation; MTREF; grant management; financial reporting
Directors	Implement sectoral components; manage departmental SDBIPs; report on KPAs; supervise staff
IDP Manager	Coordinate IDP process; facilitate participation; compile documents; monitor progress; prepare reports

Table 11.4: Administrative Leadership Responsibilities

11.3 INTERGOVERNMENTAL COORDINATION

11.3.1 District Development Model (DDM)

The District Development Model provides the framework for intergovernmental coordination and joint planning. The Xhariep One Plan identifies catalytic projects and interventions requiring coordination across spheres of government. Implementation is coordinated through the following DDM structures:

DDM Structure	Composition	Function
Political Hub	Mayors and MMCs from district and LMs	Political oversight and strategic direction
Technical Hub	Municipal Managers and Directors	Technical coordination and problem-solving
One Plan Steering Committee	All spheres + sector departments	Monitor One Plan implementation
Project Working Groups	Technical specialists	Implement specific One Plan projects

Table 11.5: DDM Coordination Structures

11.3.2 Provincial Coordination

The municipality coordinates with provincial government through the following mechanisms:

- **Premier's Coordinating Forum (PCF):** Strategic coordination with provincial leadership
- **MuniMEC:** Engagement between MEC for COGTA and municipal leadership
- **IDP Managers Forum:** Technical coordination and IDP process support
- **Sector Department Forums:** Water, LED, Planning, and other sectoral coordination
- **COGTA Support:** IDP assessment, capacity building, and compliance monitoring

11.3.3 Local Municipality Coordination

As the district municipality, Xhariep coordinates with the three local municipalities (Kopanong, Letsemeng, and Mohokare) to ensure alignment of plans and avoid duplication. Coordination mechanisms include the District Coordinating Forum (DCF), joint planning sessions, shared services agreements, and regular Municipal Managers Forum meetings.

11.4 IMPLEMENTATION PROTOCOLS

11.4.1 Project Implementation Process

Phase	Activities	Responsibility	Timeline
1. Planning	Project scoping; feasibility; design; cost estimates	PMU / Consultants	3-6 months
2. Budgeting	Budget allocation; grant applications; approval	CFO / Council	Budget cycle
3. Procurement	Specifications; bidding; evaluation; award	SCM Unit	2-4 months

4. Implementation	Construction; supervision; quality control	PMU / Contractor	As per contract
5. Monitoring	Progress tracking; reporting; payments	PMU / Finance	Monthly
6. Close-out	Completion; handover; defects liability; evaluation	PMU / Technical	3-12 months

Table 11.6: Project Implementation Phases

11.4.2 Grant Management Protocols

Capital projects funded through grants (MIG, RBIG, WSIG) are implemented in accordance with the Division of Revenue Act (DORA) and grant frameworks. Key protocols include:

- Registration of projects on relevant grant systems (MIG-MIS)
- Monthly expenditure reporting to transferring departments
- Quarterly progress reporting as per grant conditions
- Compliance with procurement and labour-intensive construction requirements
- Project inspections and completion certificates

11.5 RESOURCE MOBILISATION

11.5.1 Financial Resources

The municipality will mobilise financial resources through the following mechanisms to fund IDP implementation:

Source	Strategy	Target
Equitable Share	Ensure compliance with grant conditions; maintain allocation	Sustain 5% annual growth
MIG	Maximise allocation through project readiness and spending	95% annual spending
RBIG	Align bulk infrastructure needs with RBIG priorities	Secure additional allocation
Own Revenue	Improve billing, collection, and tariff review	6% annual growth
Development Partners	Engage donors, DFIs for LED and climate projects	R5M additional funding
Private Sector	PPPs and co-funding arrangements for LED	2 partnerships by 2031

Table 11.7: Financial Resource Mobilisation Strategy

11.5.2 Human Resources

Effective implementation requires adequate and skilled human resources. The municipality will prioritise filling of critical vacant positions, particularly in Technical Services and the Project Management Unit. Key strategies include competitive recruitment, retention initiatives, skills development through the Workplace Skills Plan, and secondments and partnerships with sector departments and development agencies.

11.5.3 Technical and Advisory Support

Support Provider	Type of Support	Focus Area
COGTA	Planning and institutional support	IDP, PMS, capacity building
National Treasury	Financial management support	MFMA compliance, budgeting
DWS	Technical support	Water services, WSDP
SALGA	Advisory and peer learning	Governance, HR, best practices
Consultants	Specialised technical services	Engineering, planning, audit
DBSA	Infrastructure planning support	Project preparation, financing

Table 11.8: Technical Support Providers

11.6 IMPLEMENTATION SCHEDULE

11.6.1 Five-Year Implementation Roadmap

Year	Focus	Key Milestones
Year 1 (2026/27)	Foundation	SDBIP implementation; priority project initiation; SDF review start; M&E systems operational
Year 2 (2027/28)	Acceleration	Water loss reduction gains; LED projects active; SDF adopted; Climate plan developed
Year 3 (2028/29)	Mid-term Review	IDP mid-term assessment; strategy adjustment; infrastructure completion Phase 1
Year 4 (2029/30)	Consolidation	Service delivery improvements realised; LED outcomes visible; clean audit achieved
Year 5 (2030/31)	Completion	IDP targets achieved; legacy projects completed; next IDP cycle preparation

Table 11.9: Five-Year Implementation Roadmap

11.6.2 Annual IDP Review Process

The IDP will be reviewed annually in accordance with Section 34 of the Municipal Systems Act. The annual review assesses implementation progress, considers changing circumstances, updates projects and budgets, and ensures continued relevance and responsiveness. The review process follows the same participatory approach as the original IDP development.

11.7 CRITICAL SUCCESS FACTORS

The successful implementation of the IDP 2026-2031 depends on the following critical success factors:

- **Political Will and Stability:** Sustained political commitment to IDP priorities and stable governance
- **Institutional Capacity:** Adequate skilled staff and organisational systems to deliver
- **Financial Resources:** Sufficient and timely funding from all sources
- **IGR Cooperation:** Effective coordination with provincial and national government
- **Community Support:** Active community participation and buy-in to development initiatives
- **Accountability:** Robust performance management and consequence management
- **Adaptability:** Flexibility to respond to changing circumstances and emerging challenges

11.8 SUMMARY: IMPLEMENTATION FRAMEWORK

IMPLEMENTATION FRAMEWORK AT A GLANCE
Organisational Structure: 5 Directorates under Municipal Manager **Coordination Structures:** Council, EXCO, IDP Steering Committee, IDP Rep Forum **IGR Mechanisms:** DDM Political & Technical Hubs, PCF, MuniMEC, DCF **Project Cycle:** 6 phases - Planning, Budgeting, Procurement, Implementation, Monitoring, Close-out **Success Factors:** Political will, capacity, resources, IGR, community support, accountability

END OF CHAPTER 11

CHAPTER 12

CONCLUSION AND COUNCIL COMMITMENTS

12.1 COUNCIL RESOLUTION AND ADOPTION

By this Resolution, the Council of Xhariep District Municipality adopts the Integrated Development Plan for the period 2026 to 2031 as the municipality's principal strategic planning instrument. This IDP represents a comprehensive, evidence-based, and participatory framework that will guide the district's development trajectory and resource allocation over the next five years.

Council acknowledges that this IDP was developed through a rigorous process of community consultation, technical analysis, intergovernmental coordination, and legislative compliance. The plan before Council reflects the authentic voice of our communities, the expertise of our administration, the guidance of our intergovernmental partners, and the strategic vision of this elected leadership.

12.2 WHAT THIS IDP REPRESENTS

This Integrated Development Plan is not merely a compliance document. It is:

- A social contract between the municipality and the 136,000 residents of Xhariep District
- A roadmap for addressing unemployment (31.9%), poverty (62%), and service backlogs
- A framework for mobilizing R820 million in economic investment and creating 5,000+ jobs
- A commitment to investing R76.5 million in critical infrastructure over five years
- A performance management system with 39 measurable Key Performance Indicators
- A risk management framework addressing 27 identified strategic, operational, and external risks
- A platform for coordinating district development through the District Development Model
- A foundation for building a capable, ethical, and responsive local government institution

12.3 STRATEGIC ACHIEVEMENTS OF THIS IDP

Council notes with satisfaction that this IDP achieves the following strategic outcomes:

12.3.1 Comprehensive Situational Analysis

The IDP is grounded in a rigorous situational analysis covering demographic trends, socio-economic realities, service delivery status, institutional capacity, and financial sustainability. Council has confronted the harsh realities facing this district — population decline, youth out-migration, aging infrastructure, and structural fiscal constraints — with honesty and determination.

12.3.2 Clear Strategic Framework

The plan articulates a coherent strategic framework organized around six Key Performance Areas:

- Service Delivery and Infrastructure Development: Targeting 98% water access, 99% water quality compliance, 30% non-revenue water reduction
- Local Economic Development: Creating 700+ jobs, supporting 1,000 SMMEs, developing agricultural value chains
- Good Governance and Public Participation: Pursuing clean audit status, zero irregular expenditure, strengthened community engagement
- Municipal Financial Viability: Managing a prudent R79.5 million budget, improving capital spending to 95%
- Municipal Institutional Development: Filling 100% of critical posts, building a skilled and stable workforce
- Spatial Planning and Environmental Sustainability: Reviewing the Spatial Development Framework, developing climate adaptation plans

12.3.3 Integrated Development Strategies

The IDP integrates ten sector-specific development strategies addressing water services, local economic development, environmental management, disaster management, HIV/AIDS, gender, youth, disability, the elderly, and heritage. These strategies are not standalone documents but integral components of a unified development approach.

12.3.4 Funded Capital Programme

Council commits to a R76.5 million five-year capital programme, with 65% allocated to water infrastructure reflecting the municipality's primary constitutional mandate as Water Services Authority. Every capital project is costed, scheduled, and aligned with confirmed grant funding and own-revenue capacity.

12.3.5 Credible Budget Framework

The IDP is underpinned by a Medium-Term Revenue and Expenditure Framework that is honest about the municipality's fiscal constraints. Council acknowledges the R4.59 million structural deficit and commits to the Financial Recovery Programme as a credible pathway to sustainability. This budget reflects fiscal discipline, not fiscal fantasy.

12.3.6 Performance Management System

The IDP establishes 39 Key Performance Indicators with baseline data, five-year targets, and measurement methodologies. These KPIs will be operationalized through the Service Delivery and Budget Implementation Plan (SDBIP) and monitored quarterly through formal Section 46 performance assessments.

12.3.7 Implementation Framework

The IDP provides clear institutional arrangements, resource mobilization strategies, and a five-year implementation roadmap. It identifies roles and responsibilities from Council to ward level, establishes District Development Model coordination mechanisms, and defines grant management protocols.

12.3.8 Risk Management Framework

Council has identified and assessed 27 risks across strategic, operational, and external categories. The IDP provides mitigation strategies, governance mechanisms, and Key Risk Indicators for proactive risk management. Business continuity plans for critical functions have been documented.

13.4 IMPLEMENTATION IMPERATIVES

Council recognizes that the quality of this plan is matched only by the quality of its implementation. The following implementation imperatives are non-negotiable:

13.4.1 Political Will and Leadership

This Council commits to providing unwavering political leadership for IDP implementation. Every Council decision, every budget allocation, every policy directive will be tested against this IDP. The Executive Mayor will champion implementation, the Speaker will ensure oversight, and Portfolio Councillors will drive their respective Key Performance Areas.

13.4.2 Administrative Capacity and Execution

Council directs the Municipal Manager, as Accounting Officer, to ensure the administrative machinery operates efficiently and effectively. The five directorates must work in seamless coordination. The SDBIP must translate strategic intent into operational reality. Performance management must be rigorous and consequence management must be fair but firm.

13.4.3 Financial Discipline and Resource Mobilization

Council commits to living within our means while aggressively pursuing additional resources. The Financial Recovery Programme is not optional — it is existential. We will achieve 100% spending on conditional grants, optimize own-revenue within our constitutional limits, and eliminate wasteful and fruitless expenditure. Simultaneously, we will lobby National and Provincial government for the increased support this district desperately needs and absolutely deserves.

13.4.4 Intergovernmental Relations and Coordination

District development is not a solo endeavour. Council commits to active participation in District Development Model structures, productive engagement with the three local municipalities, constructive partnerships with provincial sector departments, and respectful advocacy with National Treasury. The One Plan will be our coordination mechanism, the DDM hubs will be our collaboration platforms.

13.4.5 Community Partnerships and Participation

This IDP was developed WITH communities, not FOR communities. Council commits to sustaining this participatory approach throughout implementation. The IDP Representative Forum will meet quarterly. Ward committees will be capacitated and empowered. Public participation will be meaningful, not tokenistic. Community feedback will be valued, not merely tolerated.

13.4.6 Monitoring, Evaluation, and Adaptive Management

Council will not adopt this IDP and file it away. We will monitor implementation rigorously through quarterly SDBIP reports, conduct a comprehensive mid-term review in Year 3, and undertake an annual Section 34 review every year. When strategies fail, we will adapt. When opportunities emerge, we will pivot. This IDP is a strategic framework, not a straitjacket.

13.5 FIVE-YEAR TARGETS: OUR COMMITMENT TO 2031

By June 2031, when this IDP concludes and the next five-year cycle begins, Council commits that Xhariep District Municipality will have achieved the following measurable outcomes:

INDICATOR	BASELINE 2026	TARGET 2031	STATUS
Water Access (RDP standard)	93%	**98%**	**Committed**
Jobs Created through LED	0	**700+**	**Committed**
Audit Outcome	Unqualified	**Clean Audit**	**Committed**
Capital Spending Rate	85%	**95%**	**Committed**
Critical Posts Filled	75%	**100%**	**Committed**
Non-Revenue Water	42%	**30%**	**Committed**
Water Quality Compliance	95%	**99%**	**Committed**
Blue Drop Score	75%	**88%**	**Committed**
SDF Review Completion	Adopted (2023)	**Reviewed 2027**	**Committed**
Climate Adaptation Plan	None	**Adopted 2028**	**Committed**

These are not aspirational wishes. These are measurable commitments that Council makes to the people of Xhariep. Progress toward these targets will be reported publicly every quarter and reviewed comprehensively every year.

13.6 CALL TO ACTION: RESPONSIBILITIES AND EXPECTATIONS

The implementation of this IDP requires collective effort from all stakeholders in the Xhariep development ecosystem. Council issues the following call to action:

13.6.1 To the Political Leadership of This Council

Council Members commit to:

- Champion the IDP in every ward, every community meeting, every public forum
- Hold administration accountable for performance through rigorous oversight
- Provide strategic direction without micromanaging implementation
- Model the ethical leadership this institution requires
- Put the district's interest above political factionalism
- Support difficult decisions when the IDP demands them
- Communicate honestly with communities about constraints and possibilities

13.6.2 To Municipal Administration

The Municipal Manager and all municipal employees are directed to:

- Take ownership of your Key Performance Area and deliver on targets
- Collaborate across directorates — silos undermine service delivery
- Manage grant funds with discipline and spend them with purpose
- Report performance truthfully - conceal nothing, exaggerate nothing
- Treat communities with respect and respond to their concerns with urgency
- Build your professional capacity continuously
- Uphold the highest standards of public service ethics
- Remember: You work for the people of Xhariep, not for yourselves

13.6.3 To Our Communities

Council calls on the residents of Xhariep District to:

- Engage actively in IDP implementation through ward committees and forums
- Hold us accountable - demand performance, reject excuses
- Participate in public consultations and provide constructive feedback
- Support local economic development initiatives and buy local where possible
- Use water wisely and report infrastructure faults promptly

- Pay for services rendered where applicable and affordable
- Build social cohesion across the divides that fragment our communities
- Believe in Xhariep's future and invest your talents here

13.6.4 To Provincial and National Government

Council respectfully calls on our intergovernmental partners to:

- Recognize that Xhariep faces structural challenges requiring structural support
- Review the Equitable Share formula to reflect the reality of rural district municipalities
- Provide adequate, predictable, and growing grant allocations
- Support capacity building through secondments and technical assistance
- Coordinate service delivery through active DDM participation
- Respond to legitimate advocacy with empathy and action
- Remember: The 136,000 residents of Xhariep are also citizens of South Africa

13.6.5 To the Private Sector and Development Partners

Council invites business and civil society to:

- Invest in Xhariep's economic potential - agriculture, tourism, renewable energy
- Partner with the municipality in public-private partnerships
- Create employment opportunities for our youth
- Support SMME development and local procurement
- Bring innovation and expertise to our development challenges
- Hold the municipality to high standards while supporting our improvement journey

13.7 COUNCIL'S SOLEMN COMMITMENTS

In adopting this Integrated Development Plan 2026-2031, the Council of Xhariep District Municipality makes the following solemn commitments to the people we serve:

COMMITMENT 1: We Will Execute This Plan

This IDP will not gather dust on a shelf. Every programme will be implemented, every project will be pursued, every target will be taken seriously. Where we fall short, we will explain why. Where we succeed, we will build on momentum. But we will never stop striving.

COMMITMENT 2: We Will Mobilise Resources Aggressively

We will pursue every available grant, cultivate every revenue opportunity, and advocate relentlessly for the support this district deserves. The R4.59 million deficit is not a surrender — it is a call to action. We will knock on every government door until they open.

COMMITMENT 3: We Will Monitor Rigorously and Report Honestly

Performance will be measured quarterly, reviewed annually, and reported publicly. Council will receive Section 46 performance reports every quarter. Communities will receive progress reports at IDP Representative Forum meetings. Transparency is not a burden - it is our obligation.

COMMITMENT 4: We Will Manage Prudently Within MFMA Requirements

Every rand will be spent in accordance with the Municipal Finance Management Act. Procurement will be fair, equitable, and transparent. Wasteful expenditure will not be tolerated. Financial discipline is not optional — it is constitutional.

COMMITMENT 5: We Will Coordinate Through the District Development Model

This district's challenges exceed any single sphere's capacity. We will work collaboratively through DDM structures, align our plans with provincial and national priorities, and leverage intergovernmental partnerships for maximum impact.

COMMITMENT 6: We Will Engage Communities Meaningfully

Public participation is not a compliance checkbox - it is the foundation of legitimate governance. We will listen, respond, and adapt based on community feedback. This IDP belongs to the people of Xhariep, and they will shape its evolution.

COMMITMENT 7: We Will Review and Adapt Annually

Section 34 of the Municipal Systems Act requires annual IDP review. We will exceed that requirement. Every year, we will assess what worked, what failed, and why. We will adjust strategies, reallocate resources, and improve continuously. This IDP is a living document, not a static monument.

13.8 IN CONCLUSION: A COVENANT WITH XHARIEP

The Integrated Development Plan 2026-2031 is more than a strategic document. It is a covenant between this Council and the 136,000 residents of Xhariep District - those living in around all the areas in the Xhariep District, and those in the scattered farms and villages across these 31,564 square kilometers we call home.

This covenant acknowledges painful realities: unemployment at 31.9%, poverty at 62%, youth fleeing for opportunities elsewhere, infrastructure aged beyond its design life, and financial resources insufficient for the mandate we carry. We do not hide from these truths. We confront them.

This covenant also affirms enduring possibilities: R820 million in potential economic investment, 5,000+ jobs waiting to be created, agricultural value chains ready to be developed, tourism assets waiting to be showcased, and communities eager to participate in their own development. We believe in these possibilities. We will pursue them.

Most importantly, this covenant embodies a commitment to each other - across political parties, across racial divisions, across economic disparities, across the urban-rural divide. We are one district, one people, one future. Xhariep's destiny is not predetermined by its challenges. It will be determined by our choices, our effort, and our unity.

The Council of Xhariep District Municipality hereby adopts this Integrated Development Plan 2026-2031 and commits to its faithful implementation for the benefit of current and future generations.

ADOPTED BY COUNCIL

XHARIEP DISTRICT MUNICIPALITY

25 June 2026

Cllr Nl Mehlomakulu

EXECUTIVE MAYOR

Cllr AM Shasha

SPEAKER OF COUNCIL

Mrs. L. Y. Moletsane

MUNICIPAL MANAGER