

LEJWELEPUTSWA DISTRICT MUNICIPALITY

IDP REVIEW FOR 2016-2018

FINAL DOCUMENT

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FOREWORD BY THE EXECUTIVE MAYOR

2015/2016

The President declared 2015 as the Year of the Freedom Charter and Unity in Action. He called on all sectors of society to embrace the Freedom Charter as this year also marks the 60th anniversary of the historic document, which was penned in Kliptown, Soweto, in 1955.

President Jacob Zuma says government has and will continue to go back to basics and use the precepts of the Freedom Charter to improve the lives of all South Africans. As the district Municipality we noted that in order to achieve radical social and economic transformation, as it was important for the country to use the Freedom Charter as a guide to shaping policies and legislation that are aimed at serving all South Africans.

In accordance with the provisions of the laws that govern the affairs of the Municipality we have embarked upon a process of consultation with the local Community with a view to present the IDP and Budget for the 2015/16 Financial year. Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation.

This IDP is therefore the culmination of a lengthy process of consultation with the local community. Accordingly, this IDP carries the aspirations of the masses of our community which the 2015/16 Budget must seek to finance. Therefore, this IDP must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavors of building a better life for all our communities.

Critical to this is the question of compliance with the laws of the Republic. For an example, before the end of May 2015 we must have presented to Council the final budget for the forthcoming financial year.

In this regard, section 24 of Municipal Finance Management Act 56 of 2003 prescribes that “...the final budget must be tabled 30 days before the start of the budget year.”

We remain committed to the realization of the 5 National Key Performance Areas of municipalities, being the following:

- Good Governance and Public Participation
- Municipal Transformation and Organizational Development
- Basic Infrastructure and Service Delivery
- Local Economic Development
- Municipal Financial Viability and Management

This IDP together with its projects and implementation focus relates more strongly to the capital budget.

Our IDP and 2015/16 Budget will go a long way in improving the quality of life of our community by broadening accessibility and alleviating poverty. As such, as the new financial year commences, we are poised to accelerate service delivery in line with the Local Government Strategic Agenda. We are continuing to steam ahead to fight off the remaining service delivery backlogs to make the next 21 years of freedom even more meaningful to all our people.

We have worked hard to deliver on many fronts and it is the same time again when we have to take the battle to the new financial year

EXECUTIVE MAYOR
CLLR N.W SPEELMAN



Foreword by the Municipal Manager of Lejweleputswa District Municipality

Flowing from the political context laid by council in acknowledging the fact that our district is shedding more jobs in an economy better described as having to deal with the triple challenges of unemployment, poverty and economic growth, as administration of the municipality, we are committed to laying a basis for the reversal of the economic ills that have befallen us specifically as a district municipality and generally as a country.

The plans to reverse some of the economic conditions of the district include the need to prioritize infrastructure development throughout the district. For the 2014/15 financial year, we have reconsidered establishing a unit specifically to deal with the infrastructure challenges and we hope to partner with other stakeholders to improve establishing basic infrastructure necessary for economic growth.

Secondly, through a process of introspection conducted within the months of May and June 2014, we realised the need to give priority to our powers and functions and thereby dedicate limited resources at our disposal to implement them. Notwithstanding progress made regarding our powers and functions in the past, we have conscientiously put financial resources aside to specifically cater for local municipal programmes which include fencing of cemeteries, servicing of loans taken in the past for infrastructure development in local municipalities as well as building of the Nelson Mandela Arena in Welkom.

Apart from the infrastructure development intentions of the municipality, we have acknowledged the urgency to respond to the National Development Plan with specific deliverables by ensuring that our District IDP is properly aligned to the NDP and FSGDS, among others, to improve conditions necessary for creating employment by committing to establish different forms of co-operatives. Co-operatives have a potential to create employment at a local level without putting transport and related burden for beneficiaries to travel on a daily basis. In addition to co-operatives development as a form of creating an

environment to create employment, two programmes stand out in the budget for the financial year 2015/16:

The expanded public works programme (EPWP) concept is going to take root in a specific project budgeted internally and for the benefit of the region to a total of R1 million. The second project with potentially similar impact is the development of SMMEs in the district with a vision of ensuring that all our SMMEs understand our municipal supply chain processes so that they benefit from programmes of the municipality.

Another key important factor is the fact that the NDP argues that, there is a need to broaden the ownership of assets to historically disadvantaged groups, while the FSGDS proposes that we should develop post mining economies for the former mining areas and in our case Matjhabeng and Masilonyana local municipalities stand out to benefit from this project respectively and thus their IDP should reflect post mining economic projects.

As management, we acknowledge that we need programme monitoring to ensure that where there are challenges, the political executive can provide oversight and intervention. A legislative process to ensure there is monitoring of programmes and projects has been in existence for a while now and we intend to continue adherence to it by first ensuring that each administrative head of a department signs an annual performance agreement and commit to programmes in the Integrated Development Plan(IDP) and budget.

We therefore commit to provide administrative leadership and support for ensuring that we deal decisively with the triple challenges of unemployment, poverty and economic growth. This can only be truly possible when public participation processes are facilitated and take place as planned. So we simultaneously urge all our stakeholders to participate in council programmes whose intentions are to evaluate progress achieved as well as providing inputs on challenges experienced so that as a municipality

WE MOVE FORWARD IN UNISON.

POLITICAL LEADERSHIP OF THE INSTITUTION

EXECUTIVE MAYOR: CLLR NKOSINJANI SPEELMAN

SPEAKER: CLLR ANDRONICA OLIFANT

MEMBERS OF THE MAYORAL COMMITTEE (MMC)

1. MMC: FINANCE:	CLLR MMT MATLABE
2. MMC: CORPORATE SERVICES AND ADMINISTRATION:	CLLR M LEKAOTA
3. MMC: LED, TOURISM, AGRICULTURE, YOUTH AND SMME: "PLANNING"	CLLR X TOKI
4. MMC: SPECIAL PROGRAMMES "IN THE OFFICE OF THE EXECUTIVE MAYOR":	CLLR J PEREKO
5. MMC: SPORTS, ARTS, CULTURE AND RECREATION:	CLLR K PHUKUNTSI
6. MMC: SOCIAL SERVICES AND ENVIRONMENTAL HEALTH:	CLLR T KHALIPHA
7. MMC: MUNICIPAL SUPPORT AND INFRASTRUCTURE:	CLLR PP MASEKO

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CHAPTER 1

Executive summary

1.1. Area composition of the municipality

Lejweleputswa District Municipality has been established in terms of section 14 of the Local Government: Municipal Structures Act, Act No 117 of 1998 and was published in the Provincial Gazette No 109 dated 28 September 2000 and came into being on 06 December 2000.

The district is one of the four district municipalities in the Free State. The other three are; Thabo Mofutsanyane in the north east; Fezile Dabi in the north as well as Xhariep in the south east. There is one Metropolitan municipality, Mangaung, which is located in south east;

The area of jurisdiction of Lejweleputswa District Municipality includes the following five municipalities:

- Masilonyana
- Tokologo
- Tswelopele
- Matjhabeng
- Nala

Masilonyana Local Municipality

The Masilonyana area of jurisdiction is located in the Southern part of Lejweleputswa District Municipality's area of jurisdiction and is surrounded by local municipalities of Matjhabeng, Tswelopele, Tokologo, Mangaung, Mantsopa and Setsoto. The municipal area comprises the towns of Winburg, Theunissen, Brandfort, Verkeerdevlei and Soutpan. There are no major centres within the municipal area and the closest cities are Bloemfontein, Welkom and Kroonstad.

The area has been identified as having contested areas that Municipal Demarcation Board intends to incorporate into Mangaung Local Municipality through processes of boundary re-determination. The most important occurrence over the past few years was the erection of the tollgate on the N1, in the vicinity of Verkeerdevlei.

Tokologo Local Municipality

The area of jurisdiction in the Tokologo Local Municipality is situated in the Lejweleputswa District Municipality region. The former Dealesville, Boshof, Hertzogville Transitional Local Councils and sections of the former Western, Central South and Bloemfontein District TRCs are included in the regions. The residential areas include the following areas:

Hertzogville/Malebogo, Boshof/Kareehof/ Seretse and Dealesville/ Tswaranang and covers an area of approximately 11 933.24 km².¹ .

Tswelopele Local Municipality

The Tswelopele Local Municipality was established in terms of section 14 of the Local Government: Municipal Structures Act, Act No 117 of 1998) and was published in Provincial Gazette no 109 dated 28 September 2000 and came into being on 06 December 2000. The new Local Municipality is a category B Municipality with a plenary executive system as contemplated in Section 3(b) of the determination of types of Municipality Act, 2000 (Act No 1 of 2000). Tswelopele Local Municipality is situated in the north western part of the Free State within the regional boundaries of Lejweleputswa District Municipality. The Local Municipality comprises two urban areas/ centres namely Hoopstad/ Tikwana and Bultfontein/ Phahameng, which are 60 km from each other, as well as their surrounding commercial farmland, and rural areas as demarcated by Municipal Demarcation Board² .

Matjhabeng Local Municipality

Economic factors also played a role and a number of towns originated as service centres for the surrounding farming community of the town resulted in a fast growing city where economies of scale started to play a role.

The mining sector has been in a process of restructuring for some years and is still retrenching staff, which is particularly affecting the mining towns of Welkom, Virginia, Odendaalsrus and Allanridge. The sudden surge in petrol prices nationwide would indeed exacerbate the already negative economic growth in the area in terms of employment opportunities. It is also estimated that most of the retrenched labour, mainly unskilled, remains in the region and adds to the social problems associated with declining economic conditions. As local municipalities plan, it is incumbent upon all of us to ensure that we take into account estimated figures of retrenched staff to project future service delivery demands. This will be reinforced by the development of an indigent policy and implementation of the same.

Nala Local Municipality

Wesselsbron and Bothaville function as individual administrative unit with the bulk of the administration being done from Bothaville, which is also the seat of the Council in the area. Technical expertise in all fields of local government, including town planning, engineering, financial, legal and health services is either available from in-house professionals or from specialist consultants in these fields, located either locally or in nearby towns.

¹ Tokologo Municipality-SDF 2005

² Tswelopele Municipality-SDF 2004



Map 1 - Lejweleputswa District

The following maps indicate spatial locations of each of the municipalities and can be compared to map 1 as shown above.

Maselepele	Tokologo	Tswelopele	Maselepele	Maselepele
<ul style="list-style-type: none"> • Theunissen • Verkeerdevlei • Brandfort • Soutpan • Winburg 	<ul style="list-style-type: none"> • Dealesville • Boshof • Hertzogville 	<ul style="list-style-type: none"> • Bultfontein • Hoopstad 	<ul style="list-style-type: none"> • Welkom • Ventersburg • Hennenman • Virginia • Allanridge • Odendaalsrus 	<ul style="list-style-type: none"> • Bothaville • Wesselsbron

1.2. Governance issues

The municipality is currently governed by the troika. The executive Mayor- **Cllr Nkosinjani Speelman** is at the political helm of the municipality, together with The Speaker of council who presides over council meetings. The third is the Municipal Manager, who is the administrative head of the municipality.

The Speaker is the chairperson of council and is responsible for managing and setting council meetings. Council sits at least four times a year on ordinary council meetings whilst there is also a plan for special council sittings in the same financial year. The role of the Executive Mayor is assisted by members of the mayoral committee who are effectively the political heads of departments in the municipality. This is the second structure that provides oversight on municipal programmes. The sessions are called once a quarter to discuss progress and challenges that the municipality faces. Next to the mayoral committee are the portfolio committees of each department, whose meeting schedule complies with mayoral committee sittings. The flow of information and items that must serve in council is such that the management committee, chaired by the municipal manager, first convenes meetings on a monthly basis to develop items and discuss challenges faced during programme implementation.

Audit Committee Members

CHAIRPERSON : MR LJ MAKORO

MEMBER : ADV. LS KHONKHE

MEMBER : MR ET FEMELE

MEMBER : MR. NS MASOKA

MEMBER : MR NS MAROTA

Other structures of council are the audit committee which has five members sourced externally for a period of three financial years (**see above table**); the municipal public accounts committee on the annual report (**see below**), chaired by cllr David Masienyane, established in a council meeting of the 12th March 2014, appointed for a term which corresponds to the term of sitting council.

Municipal Public Accounts Committee

- Cllr VZ MAFONGOSI (Chairperson)
- Cllr MD MASIENYANE
- Cllr AG MAKEKEMA
- Cllr KG MOKHOBO
- Cllr MD MAFA
- Cllr ML RADEBE
- Cllr V QABELA

- Cllr MG NYAMANI
- Cllr Dr JS MARAIS
- Cllr CJ SCHLEBUSCH
- Cllr SJ TSHEKELO

The audit committee is an on-going function compliant to legislation and supports the internal audit unit on matters of internal audits of the municipality. Part of the responsibilities is to ensure that portfolio of evidence for work done is readily available for the external audit.

Other internal committees established in line with legislation and functional in the municipality are supply chain linked bid committees. These are the specification committee, the evaluation and adjudication committees.

The municipality also has four (4) section 80 committees established as portfolio committees and they are Finance & IDP portfolio committee, Corporate Services portfolio committee, LED & Planning portfolio and Environmental and Disaster Management portfolio committee. All these committees are politically headed by their respective Members of the Mayoral Committee (MMCs) to carry out their duties by ensuring all items that go to the Lejweleputswa council have served before their portfolio's, Mayoral Committee and eventually reach the council.

1.2.1 Training Committee

The district municipality has the training committee comprising of officials representing their respective departments and management and it is chaired by the MMC for Corporate Services. The purpose of the training committee is to cater for training needs of the employees and align them with the challenges identified in the IDP of the municipality to empower them to perform their duties efficiently. Any other matter related to training and education is dealt with by this committee (e.g. Bursary policy & Workplace skills Development Plan).

1.2.2 Local Labour Forum

The forum is functional and is constituted by two unions representing the interests of their members, the management represented by Corporate Services Executive Manager and the employer represented by the MMC for Corporate Services.

Other important issues of public participation are dealt with by Office of the Speaker. They are responsible for ward committee oversight at the district level. They ensure that elections take place as well as training of ward councillors and ward committees succeed. The district has 69 wards from all the 5 local municipalities. The method of community consultation is done as per legislation but the municipality has a draft community participation policy which has not yet served in council.

Other policies which served in the council included the fraud prevention policy and code of ethics which were noted and a public consultation process is still to be undertaken. One of the processes that the municipality undertakes to ensure that communities are informed of planning for the district relates to the public hearings on IDP and budget. We had organised public hearing meetings with the public on the 2013/14 IDP and budget this year in May 2015

1.2.3 Lejwe-le-putswa Development Agency

Lejweleputswa District Municipality established Lejwe-le-putswa Development Agency in 2005 in terms of section 84 of chapter 10 of Municipal Finance Management Act, no 56 of 2003 hereinafter referred to as the LDA. The main objectives of the LDA is to promote economic development in the District to create jobs and wealth, reduce poverty levels and promote Lejweleputswa region as a commercial hub and also function as springboard for Private, Public Partnership (PPP) for the District

The LDA receives its developmental mandate from Lejweleputswa District Municipality and thus accounts to the District Municipal Manager with regard to progress reports on projects being implemented. It also provides monthly reports to the Industrial Development Corporation (IDC) because of the funding it receives from the IDC.

The LDA consists of administration led by the acting CEO, three (3) permanent staff members and the agency has employed Finance Manger on month to month basis.

LDA Board Members	
CHAIRPERSON	: MR. SS MTAKATI
DEPUTY CHAIRPERSON	: LR MUTSI
MEMBER	: MS MME NTHONGOA
MEMBER	: MS M MOSALA
MEMBER	: MR AZ NDLALA

1.3. Institutional arrangement issues

The municipality has appointed Municipal Manager, Mme Palesa Kaota who started in July 2013. She heads a structure of employees located within four departments of Finance, Economic Development and Planning, Environmental Health and Disaster Management, Corporate Services as well as Municipal Manager's Office. The other departments of the Offices of the Speaker and the Executive Mayor fall within council general and are therefore reporting to the Corporate Services department but essentially are semi-independent departments on operational issues as they sign for procurement issues from within their respective departments.

The Municipal Manager is responsible for the staff establishment in terms of the Municipal Systems Act, no 32 of 2000 and each financial year a structure that is geared towards implanting the IDP and budget is brought before council as an integral part of the IDP for adoption. The revised structure which added a position of PA to the Municipal Manager has been approved by council in 2014 and it is therefore anticipated that the planned structure will go through this financial year for implementation in the next financial year. The vacant position of Executive Manager: Corporate Services have now been filled and Mr Mahlanyane is the responsible Executive Manager for Corporate Services.

Apart from the structure, we also have a workplace skills plan that support the structure of council when it comes to skills development and this responsibility is the prerogative of Corporate Services on behalf of council.

The municipality has a functional PMS which is currently confined to reviews only for senior managers of the institution. It is linked to performance agreements and SDBIP from each department and senior management positions have budget set aside for performance bonuses in instances where such are due through substantive assessments made and qualified as per the Performance Management Policy.

The intergovernmental relations processes have been planned for in the IDP and are an integral part of municipal programmes. The accounting officer is the custodian of the IGR process and ensures that all the monitoring and evaluation, technical and political legs sit and are functional in terms of interventions on service delivery.

We are conscious of branding the municipality in as broadly as possible. Whilst ensuring that we perform our legislative mandate, we ensure that we market ourselves through our website where information regarding our structures and related programmes are located. As part of our mandate to ensure that we comply with legislation, we ensure that local newspapers are used to disseminate information to the public.

CHAPTER 2

Legislative requirements

2.1. Framework and process plan development.

The integrated development planning process was an interactive and participatory process, which was informed by the involvement of a number of stakeholders. In terms of Section 28(1) of the Municipal Systems Act (Act 32 of 2000), the Municipal Council needed to adopt a process set out in writing to guide the planning, drafting, adoption and review of their Integrated Development Plan (IDP). This written document on the IDP Process is the Process Plan that fulfilled the function of a business plan or an operational plan for the IDP Process.

According to the guidelines of the IDP Guide-pack 2001, produced by the Department of Provincial and Local Government (DPLG) supported by the German Technical Co-operation (GTZ), the following issues should be addressed in the Process Plan:

- Distribution of Roles and Responsibilities
- Organizational Arrangements
- Mechanisms and Procedures for Community and Stakeholder Participation
- Action Programme with Timeframe and Resource Requirements
- Mechanisms and Procedures for Alignment
- National and Provincial Binding Legislation and Planning Requirements
- Budget for the Planning Process

The following information contains an adopted process plan timelines for Lejweleputswa District Municipality:

LEJWELEPUTSWA DISTRICT MUNICIPALITY IDP AND BUDGET PROCESS TIMEFRAMES

	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>IDP to be reviewed</i>	Final IDP 2015/16	<i>MM and Executive Mayor</i>	01 August 2014 to 31 May 2015 DONE
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plans	<i>Municipal Manager</i>	21 August 2014 DONE
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>IDP Manager</i>	29 August 2014 DONE
4.	<i>Update IDP analysis phase & Address IDP assessment report comments & report to Steering Committee & Representative Forum</i>	Reviewed & updated Analysis	<i>MM& IDP steering committee & Representative forum</i>	30 Sept 2014 DONE
5.	<i>Review key objectives, strategies and projects</i>	Reviewed key objectives, strategies and projects & programmes	<i>IDP Steering Com & Representative forum</i>	28 Nov 2014 DONE
6.	<i>Submit budget instructions to all relevant persons</i>		<i>CFO and Budget Control Officer</i>	01 Nov 2014 DONE
7.	<i>Submit 2015/2016 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>		<i>CFO and Budget Control Officer</i>	01 Nov 2014 DONE

8.	<i>Preparation of a summary of available funds from: Internal funds, e.g. CDF and External funding ,e.g. FM grant</i>		<i>CFO and Budget Control Officer</i>	28 Nov 2014 DONE
9.	<i>Prioritization of reviewed project list for 2014/2015 from 2013/2014 IDP</i>	Project list	<i>MM & Steering Committee,</i>	28 Nov 2014 DONE
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	12 Dec 2014 DONE
11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>All HODs and Budget Control Officer/IDP Steering committee</i>	30 Jan 2014 DONE
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO, Budget Control Officer/IDP Steering committee</i>	30 Jan 2014 DONE
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		<i>CFO, Budget Control Officer</i>	20 Jan 2015 DONE
14.	<i>Meeting with relevant officials (Third draft Budget meeting)</i>		<i>CFO, Budget Control Officer</i>	27 Jan 2015 DONE

15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		<i>CFO</i>	27 Feb 2015 DONE
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	<i>CFO</i>	03 Feb 2015 DONE
17.	<i>Table a draft reviewed IDP to MAYCO for consideration.</i>	Mayoral committee Budget & IDP item	<i>MM and Executive Mayor</i>	21 Feb 2015 DONE
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	<i>Executive Mayor</i>	31 Mar 2015 DONE
19	<i>Table draft IDP to council for approval</i>	Draft IDP item to Council	<i>Executive Mayor</i>	21 Mar 2015 DONE
20.	<i>Discussing the draft with the public</i>	Public participation	<i>IDP Rep forum</i>	04 April 2015 DONE
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		<i>MM and CFO</i>	Apr 2015 DONE
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		<i>MM and CFO</i>	Apr 2015 DONE
23.	<i>Second leg of IDP and Budget Participation process starts. Comments, additions and proposals by stakeholders</i>	Incorporated Inputs from stakeholders	<i>MM, CFO, HODs and Budget Control Officer and political offices</i>	1 Apr- 30 May 2015 DONE

24.	<i>Mayoral Committee finalizes the draft 2015/2016 IDP and budget</i>		<i>MM and CFO</i>	30 May 2015
25.	<i>Submission of IDP and budget for 2015/2016 for approval by council</i>	Approved IDP and Budget by Council	<i>MM and CFO</i>	30 May 2015
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	<i>MM, Executive Mayor & IDP Rep forum</i>	10 June 2015
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		<i>CFO and Budget Control Officer</i>	June 2015
28.	<i>Submit the approved IDP to provincial departments</i>		<i>MM</i>	June 2015
29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	<i>MM</i>	June 2015
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		<i>MM</i>	July 2015
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget.</i>		<i>CFO</i>	June 2015

2.2. Free State Growth and Development Strategy

As a district municipality, we are expected to contextualize planning in the presence of other compelling planning initiatives of both the national and provincial dimensions. The Free State growth and development strategy is one such a plan that must be noted as we plan for the future of communities in the district. “The Free State Vision 2030 marks a break with the current planning approach which is based on a five year planning cycle that is shaped by the Medium Term Strategic Framework, Medium Term Expenditure Framework”³.

Free State Vision 2030

The Free State Vision 2030 fosters an element of unity in planning to achieve improved prospects for human development whilst acknowledging related principle of diversity. The vision encouraged implementation of new growth sectors of the economy apart from the existing ones. This does not mean side-lining of existing sectors such as mining agriculture and manufacturing. The Free State vision 2030 is anchored on six pillars:

1. Economic Restructuring, growth and employment creation
2. Education, Innovation and Skills Development
3. Improved quality of Life
4. Sustainable Rural Development
5. Build Social Cohesion

³ *Draft Free State Provincial Growth and Development Strategy 2012: 20*

Free State Vision 2030	Free State vision 2030 pillars	Targets
<p>By 2030, the Free State shall have a resilient, thriving and competitive economy that is inclusive with immense prospects for human development anchored on the principles of unity, dignity, diversity, equality and prosperity for all.</p>	<p>Economic Restructuring, Growth and Employment Creation</p>	Increase the provincial growth rate from 2.1% in 2010 to 7% in 2030
		Increase the contribution of non-petro-chemicals subsectors to the manufacturing sector from 25% to 50%
		Increase the contribution of the agricultural sector from 3.8% to 10%
		Increase the provincial contribution to the South African economy from 5% in 2010 to 15% in 2030
		Increase GDP per capita income per person from R32 304 in 2010 to R110 000 in 2030
		Reduce unemployment rate from 25.5% in 2011 to 6% by 2030
		Increase the availability, affordability and speed of broad band from the 256 kilobytes per second in 2011 to at least 2 megabytes per second in 2030
	<p>Education, Innovation and Skills Development</p>	Eradicate micronutrient deficiencies in children under 18 months
		Ensure that all children have at least two years of preschool education
		Increase Grade R enrolment from 58% in 2010 to 80% in 2030
		Increase Grade 12 pass rate with at least 50% from 70.7% in 2011 to 95% in 2030
		Increase Grade 12 Mathematics and Science pass rate from 67% in 2010 to 90%
		Increase the number of people with Grade 12 who are 15+ years from 23% in 2010 to 80% in 2030
		Increase the FET graduation rate to 75% in 2030

	<p>Improved Quality of Life</p>	Reduce the Gini-coefficient from 0.64 in 2010 to 0.3 in 2030
		Increase the proportion of people with access to electricity from 90% in 2010 to 100%
		Develop integrated, affordable and environmentally friendly public transport system
		Increase the proportion of people with access to water in their dwelling from 45% in 2009 to 100% in 2030
		Increase the proportion of people with access to flush or chemical toilets from 70% in 2009 to 100% in 2030
		Reduce the housing informal settlement backlog from 23.4% in 2010 0% in 2030
		Increase the number of people living closer to their places of work to 20% in 2030
		Reduce infant mortality rate from 31.4% in 2010 to 7% in 2030
		Promote Health Education as an essential part of school curriculum
		Reduce HIV prevalence from 22.6% of the population in 2010 to 14% in 2030 and ensure that the under 20 age group is largely HIV- free generation
		Increase life expectancy from 46 in 2011 to 70 in 2030
		Increase the TB cure rate from 71.3% in 2010 to 100% in 2030
		Reduce the number of people living in poverty from 44.7% in 2010 to 0% in 2030
		Reduce the number of municipalities with green drop score from 17 in 2010 to 0 in 2030 and those with blue drop score from 12 to 0

		Increase the land dedicated to formal conservation from 1.6% of the land surface in 2010 to 3% in 2030
		Reduce property related crimes from 1 020 per 100 000 in 2010 to 200 per 100 000 in 2030
	Sustainable Rural Development	Increase the provision of quality basic services and invest in education, healthcare and public transport
		Increase investment in agro-processing, tourism, aquaculture and crafts industries
		Increase financial support to rural communities
		Increase investment in irrigation technologies and implement conservation measures
		Improve access to markets for small-scale farmers and rural co-operatives
	Build Social Cohesion	Popularise and promote rights and responsibilities embedded within the Constitution
		Introduce African languages in all schools to facilitate understanding, tolerance, respect and diversity.
		Promote Sports and Recreation as an essential part of the education curriculum
		Develop and embed shared values amongst communities
		Strengthen participatory democracy to encourage citizenry expression to guide and influence behaviour
		Create a safe and secure environment for individuals

2.3. Key powers and functions for the District and Local Municipalities.

The demarcation process over the years has acknowledged lack of capacity to perform certain functions as initially stated in the Local Government: Municipal Structures Act of 1998. Some of the functions as indicated in the act have since been performed at local level. Over time, some local municipalities were confirmed to lack capacity to perform certain functions and the MEC for Local Government at the time made adjustments so that the district can start performing these functions:

- Fire fighting services for Masilonyana and Tswelopele Local Municipalities;
- Municipal Roads
- Fresh Produce markets and abattoirs
- Environmental Health Services
- Local tourism

A detailed list of functions for both district and local municipalities is indicated below as follows:

DISTRICT KEY POWERS AND FUNCTIONS	LOCAL KEY POWERS AND FUNCTIONS
<ul style="list-style-type: none"> ▪ Integrated planning 	<ul style="list-style-type: none"> ▪ Trading regulations
<ul style="list-style-type: none"> ▪ Municipal Health Services 	<ul style="list-style-type: none"> ▪ Street lighting
<ul style="list-style-type: none"> ▪ Fire fighting Services (Masilonyana and Tswelopele) 	<ul style="list-style-type: none"> ▪ Fire fighting Services
<ul style="list-style-type: none"> ▪ Municipal Public Transport (policy development) 	<ul style="list-style-type: none"> ▪ Municipal Public Transport(All local Municipalities)
<ul style="list-style-type: none"> ▪ Fresh Produce Markets 	<ul style="list-style-type: none"> ▪ Fresh Produce Markets (All local municipalities)
<ul style="list-style-type: none"> ▪ Cemeteries, funeral parlours and crematoria (policy development) 	<ul style="list-style-type: none"> ▪ Cemeteries, funeral parlours and crematoria(by-laws)
<ul style="list-style-type: none"> ▪ Local Tourism 	<ul style="list-style-type: none"> ▪ Local Tourism
<ul style="list-style-type: none"> ▪ Municipal Airport 	<ul style="list-style-type: none"> ▪ Municipal Airport(except for Matjhabeng and Nala)
<ul style="list-style-type: none"> ▪ Municipal Abattoirs (policy development) 	<ul style="list-style-type: none"> ▪ Municipal abattoirs(by-laws)
<ul style="list-style-type: none"> ▪ Solid waste disposal sites 	<ul style="list-style-type: none"> ▪ Billboards and Display of advertisements in public places
<ul style="list-style-type: none"> ▪ Local sport facilities 	<ul style="list-style-type: none"> ▪ Sanitation
	<ul style="list-style-type: none"> ▪ Potable water
	<ul style="list-style-type: none"> ▪ Air pollution
	<ul style="list-style-type: none"> ▪ Child Care facilities
	<ul style="list-style-type: none"> ▪ Electricity regulation
	<ul style="list-style-type: none"> ▪ Refuse removal dumps and waste
	<ul style="list-style-type: none"> ▪ Fencing and fences
	<ul style="list-style-type: none"> ▪ Local amenities

2.4. Millennium Development Goals

The eight millennium development goals range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education. All targets are set for 2015. The IDP intends to find ways to consolidate these goals together with other relevant national programmes. The eight goals are listed below:

Goal 1	Eradication of extreme poverty and hunger
Goal 2	Achieve universal primary education
Goal 3	Promote gender equality and empower women
Goal 4	Reduce child mortality
Goal 5	Improve maternal health
Goal 6	Combat HIV/AIDS, malaria and other diseases
Goal 7	Ensure environmental sustainability
Goal 8	Develop a global partnership for development

Continental Goals (NEPAD) mainly reflects accelerated growth as follows:

- to promote accelerated growth and sustainable development
- to eradicate widespread and severe poverty and
- to halt the marginalization of Africa in the globalization process

2.5. National Spatial Development Perspective

The FS PGDS vertically aligned with the growth and development strategies of the national government as well as the National Spatial Development Perspective (NSDP) and the National Medium Term Strategies is taken into account.

The guidelines for compiling a PGDS require that a detailed assessment is done of the space-economies of provinces. In the process, the guidelines of the NSDP should be used. In principle, it requires the identification of areas of economic potential and areas of need. The identification of such *nodi* is also in line with the approach followed for the development of the Free State Provincial Spatial Development Framework.

It is further important to focus on the idea of “potential”. Potential in the context of the NSDP does not refer to an unrealised potential still waiting to be discovered, explored, or exploited. It refers foremost to a demonstrated potential, backed up by existing developmental data.

2.6. Priority areas of the 5 year local government strategic agenda

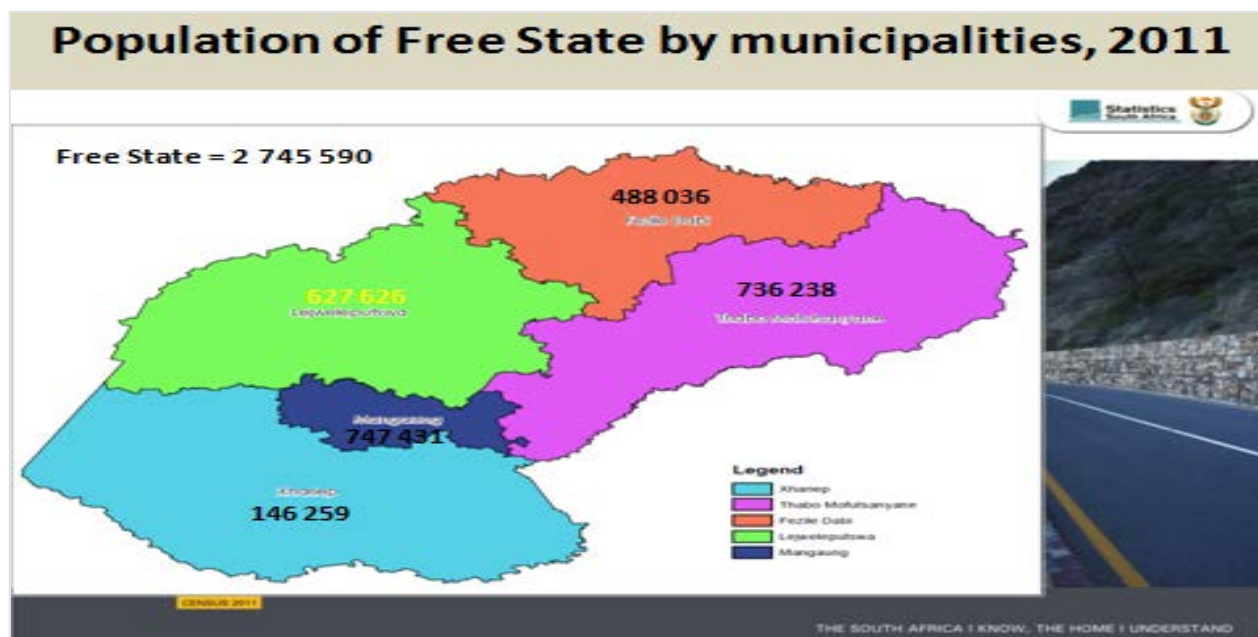
1. Local Economic Development
2. Municipal Transformation and Institutional Development
3. Basic Service Delivery and Infrastructure Investment /Safe and Healthy Environment
4. Financial Viability and Financial Management
5. Good Governance and Community Participation

CHAPTER 3

Situational analysis

3.1. Current trends

3.1.1. Population size

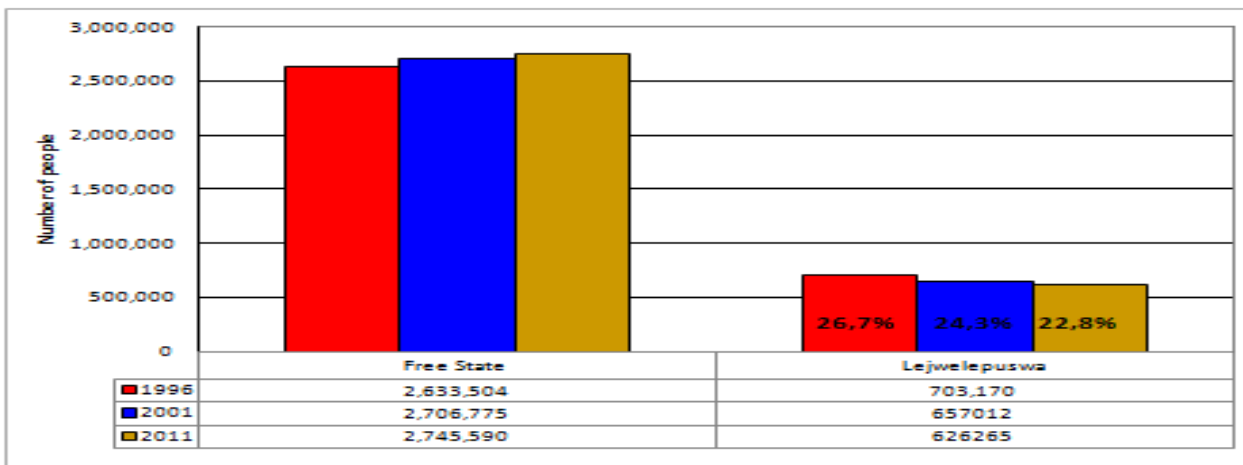


DEMOGRAPHICS		
Population	2001	2011
South Africa	44819777	51770561
Free State	2706771	2745590
DC18: Lejweleputswa	657012	627626
FS181: Masilonyana	64409	63334
FS182: Tokologo	32455	28986
FS183: Tswelopele	53714	47625
FS184: Matjhabeng	408170	406461
FS185: Nala	98264	81220

Statssa: Census 2011

The table above indicates that the population of the district has decreased from figures of 2001 to 627 626 in 2011. The decrease is much more pronounced over a ten year period in municipalities such as Nala, Tswelopele and Tokologo Local Municipalities respectively with Nala being the hardest hit

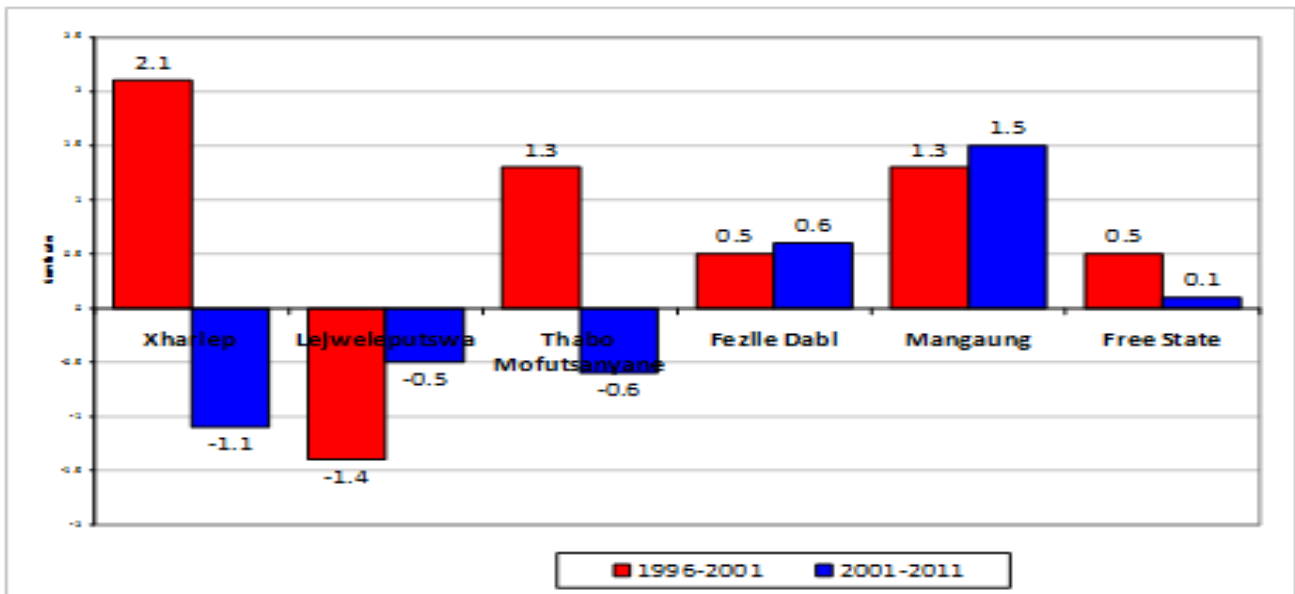
Population sizes of Free State and Lejweleputswa, 1996–2011



Statssa: Census, 2011

The table above makes a comparative analysis of the growth patterns between the Free State Province and Lejweleputswa District over a 15 year period and depicts that while the population of the province has marginally increased (from 2.633,504 in 1996 to 2.706,590 in 2011 during that period the District one has registered a negative growth from (703,170 in 1996 to 626,265 in 2011). The population of the Lejweleputswa now constitute 22, 8% of the entire Free State population

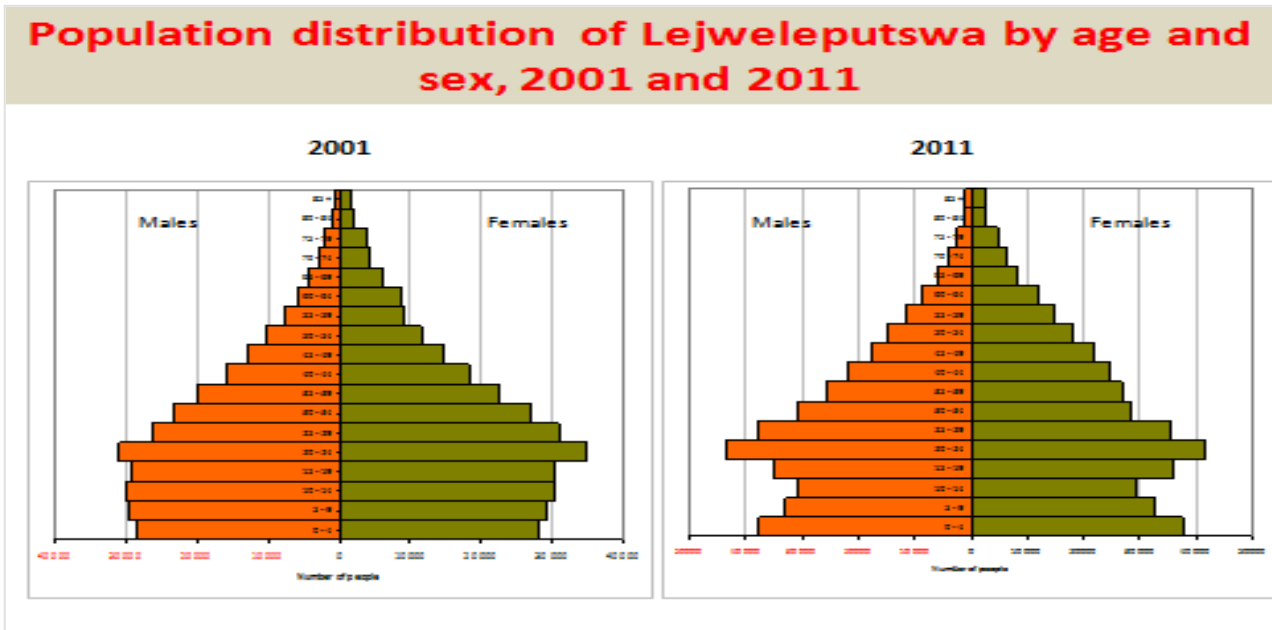
Population growth rates of Free State by municipalities, 1996–2011



Statssa: Census, 2011

The table above illustrate population growth rates of Free State by municipalities over a period of 15 years in terms of which municipalities had a positive growth and those that experienced negative growth. The Lejweleputswa District has been experiencing a negative population growth between 1996 and 2001 which was -1.4 and between 2001 and 2011 which registered at -0.5 during the 2011 population census. This is contrary to provincial figures which increased from 2,655 504 in 1996 to 2,745 590 in 2011. Lejweleputswa District Municipality is the most affected of all the district municipalities in the Free State because it registered negative growth in both official censuses mentioned above. The only Free State district and metropolitan municipalities that have shown an increase in growth are Mangaung (1.5%) and Fezile Dabi (0.5%). **This shows that planning must be geared towards addressing issues concerned with causes of emigration from the district to other provinces.**

3.1.2. Population Distribution



Statssa: Census, 2011

The figure above is statistically referred to as the population pyramid which gives a district population distribution by age and sex over a ten year period, in the district. The comparison between the two figures is that in 2001 there was a high infant mortality rate between the ages of (0-4) while in 2011 the bottom of the figure is enlarged which implies that many children were born and this could also be attributed to the MTC transmission medication being made available to pregnant mothers. The similarities between the two figures are that the concentration of a bigger number of both sexes is around the ages of between 18 and 35 for the ten year period. Therefore it is crystal clear that the Lejweleputswa district population is very young and energetic thus the provision of employment to youth in Lejweleputswa is crucial and the region has potential to grow economically due to its young population.

Population distribution by province of birth, Free State Municipalities, 2011

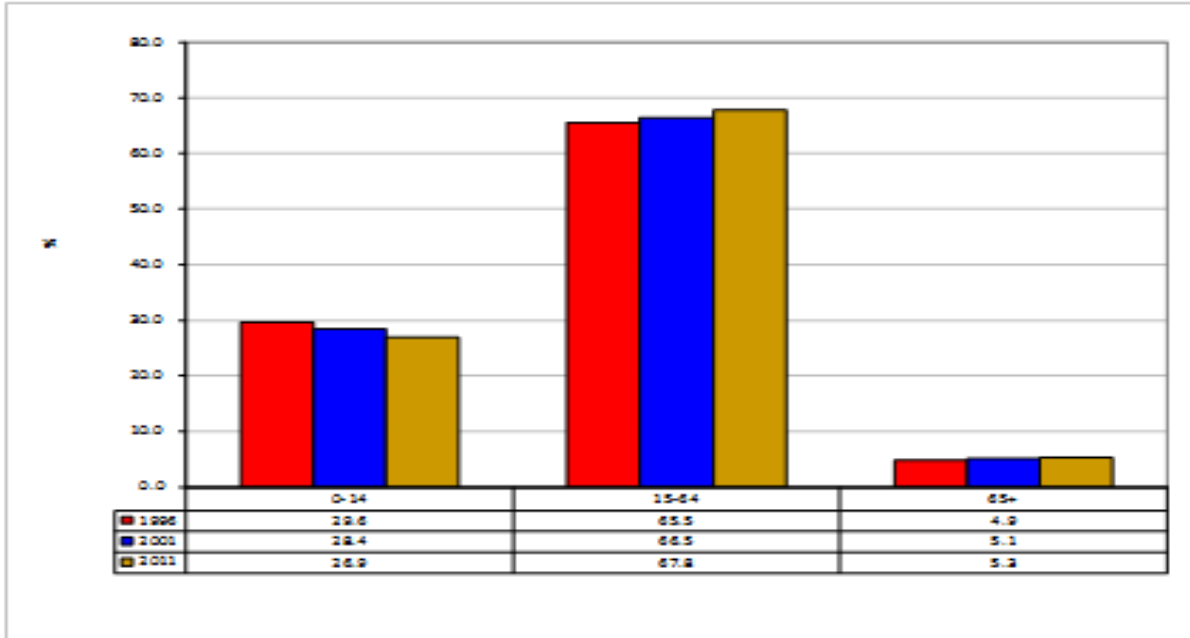
Place of usual residence	Province of birth									
	WC	EC	NC	FS	KZN	NW	GP	MPU	LIMP	Outside RSA
Free State	19 555	67 757	27 861	2 316 399	27 487	26 712	71 574	12 282	16 361	68 896
Xhariep	1 322	4 072	4 187	125 557	610	761	1 905	298	537	2 438
Lejweleputswa	4 115	26 361	5 427	515 354	4 681	8 137	11 654	2 745	3 383	22 825
Thabo Mofutsanyane	2 866	5 224	1 921	663 654	11 635	2 887	15 534	2 722	2 977	12 087
Fezile Dabi	3 405	9 105	2 933	393 461	4 713	7 137	26 882	4 196	5 166	8 308
Mangaung Metro	7 846	22 995	13 393	618 373	5 848	7 790	15 600	2 322	4 297	23 238

Statssa: Census, 2011

The above figure points to places of births of residents from the nine provinces. Of the 626 626 people registered as residing in Lejweleputswa, only 515 354 were born here. The rest come from other provinces as well as outside of the country. In fact, 22 825 come from outside of the country and the remainder originate from other provinces in the country: Western Cape (4115); Eastern Cape (26 361); Northern Cape (5427); KZN (4681); NW (8137); GP (11 654) MP (2745) and Limpopo (3383). The above figures show that the biggest contributor immigrants in the district is Eastern Cape with 26 361 people.

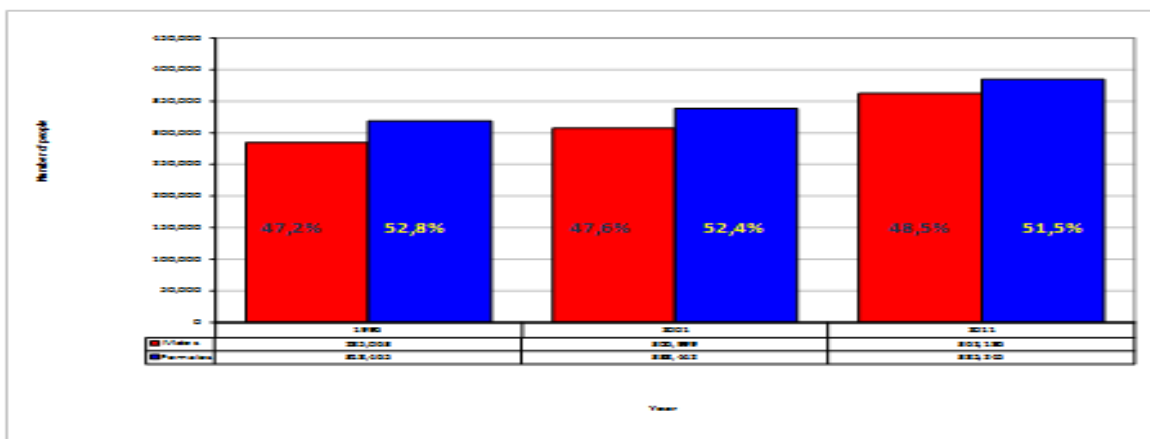
3.1.3 Population composition

Population distribution of Lejweleputswa by age, 1996–2011



Statssa: Census, 2011

Population distribution of Lejweleputswa by sex, 1996–2011

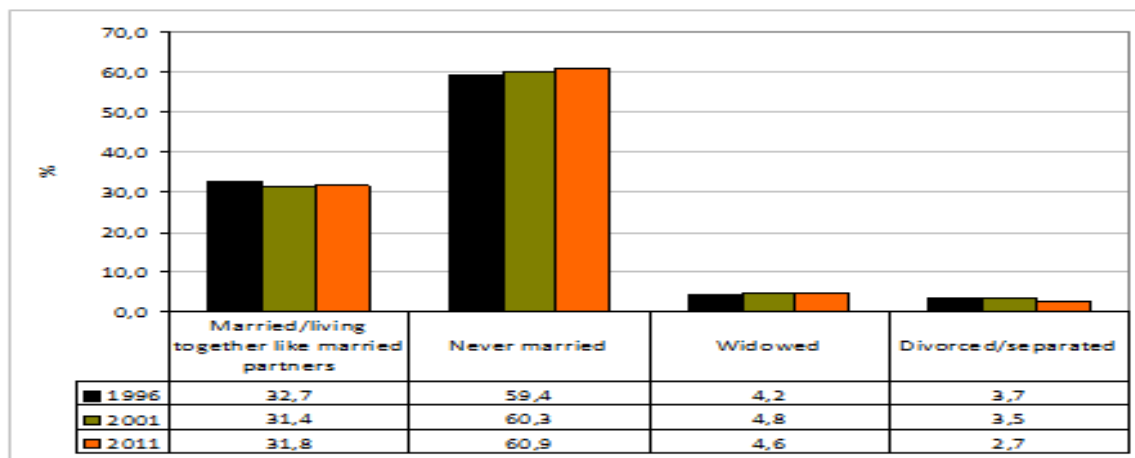


Statssa: Census, 2011

The two tables above depict a very interesting story about population composition and distribution by sex. The first one shows that there were more numbers between the ages of 15 and 64 in a 15 year period than any other age grouping. Instead there was steady decline in the number of people in the age category of 0-14 over the same 15 year period. Numbers for pensioners have been steady during the period.

Population distribution by sex within the 15 year period has also been quite steady. It also shows that females are dominant sex ranging from 52, 8% in 1996 to 51, and 5% in 2011.

Percentage distribution of Lejweleputswa population by marital status, 1996–2011



Statssa: Census, 2011

The table above is about the marital status of the population of Lejweleputswa District over a 15 year period and it reveals that the percentage of married couples/ those living together as partners declined from 32,7% in 1996 to 31,8 % in 2011 while those who never married increased from 59,4% in 1996 to 60,9%. The percentage of widowed slightly increased from 4, 2% in 1996 to 4, 6% in 2011 and that of divorced couples/separated decreased from 3, 7% in 1996 to 2, 7% in 2011

3.1.4. Mortality rate status

Total Mortality Census 2001

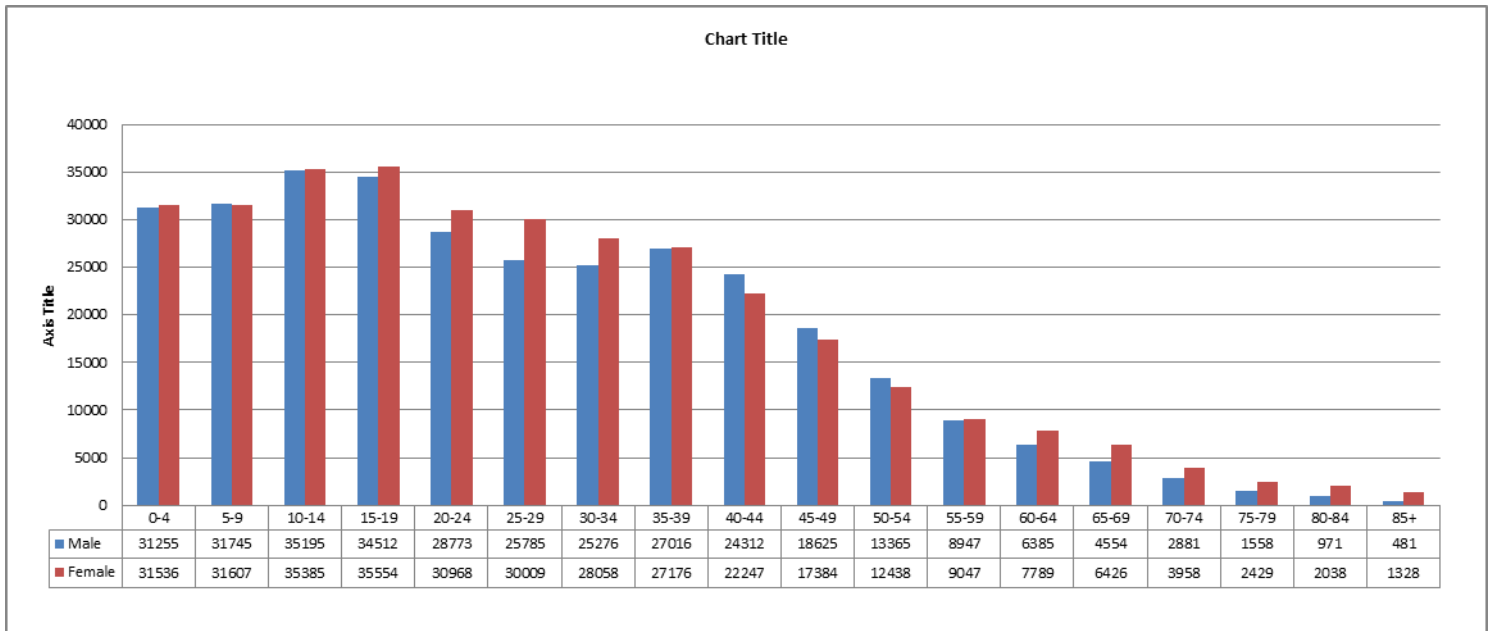
Age	Male	Female	Grand Total	% of Male	% of Female
0-4	31255	31536	62792	49.8	50.2
5-9	31745	31607	63352	50.1	49.9
10-14	35195	35385	70581	49.9	50.1
15-19	34512	35554	70066	49.3	50.7
20-24	28773	30968	59741	48.2	51.8
25-29	25785	30009	55794	46.2	53.8
30-34	25276	28058	53333	47.4	52.6
35-39	27016	27176	54192	49.9	50.1
40-44	24312	22247	46559	52.2	47.8
45-49	18625	17384	36009	51.7	48.3
50-54	13365	12438	25804	51.8	48.2
55-59	8947	9047	17994	49.7	50.3
60-64	6385	7789	14175	45.0	54.9
65-69	4554	6426	10979	41.5	58.5
70-74	2881	3958	6839	42.1	57.9
75-79	1558	2429	3988	39.1	60.9
80-84	971	2038	3009	32.3	67.7
85+	481	1328	1809	26.6	73.4
Grand Total	321638	335377	657015		

Total Mortality Census 2011

Age	Male	Female	Grand Total	% Males of Total Population
00 - 04	34293	34103	68396	5.5
05 - 09	29383	29022	58406	4.7
10 - 14	27580	27035	54615	4.4
15 - 19	28496	29129	57625	4.5
20 - 24	32868	30993	63861	5.2
25 - 29	29529	27816	57346	4.7
30 - 34	23773	22542	46315	3.8
35 - 39	19238	20813	40051	3.1
40 - 44	17855	19892	37747	2.8
45 - 49	18622	18876	37498	3.0
50 - 54	16416	15959	32375	2.6
55 - 59	11581	13002	24583	1.8

Gender

60 - 64	7760	9432	17193	1.2
65 - 69	5086	6710	11796	0.8
70 - 74	3328	5184	8512	0.5
75 - 79	2056	3833	5889	0.3
80 - 84	1043	1972	3015	0.2
85+	701	1702	2403	0.1
Grand Total	309611	318016	627626	



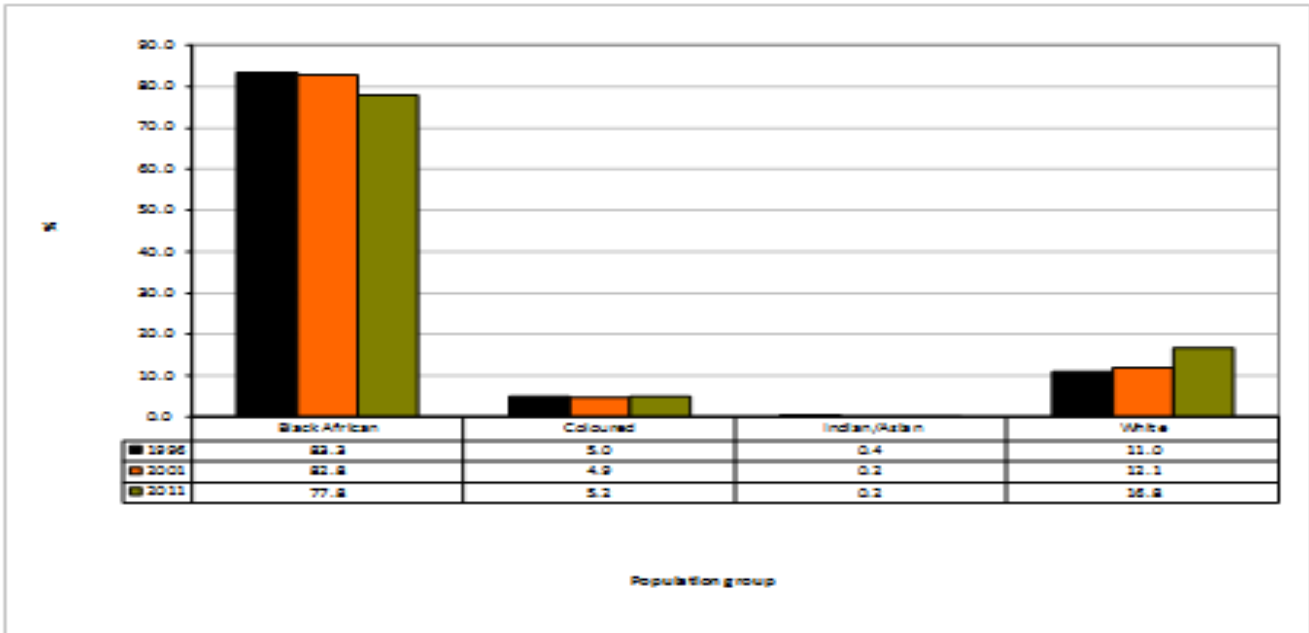
Under 5 Mortality census 2001

Gender	0-4yrs
Male	31 255
Female	31 536
Grand Total	62 792

**Under 5 Census
Mortality 2011**

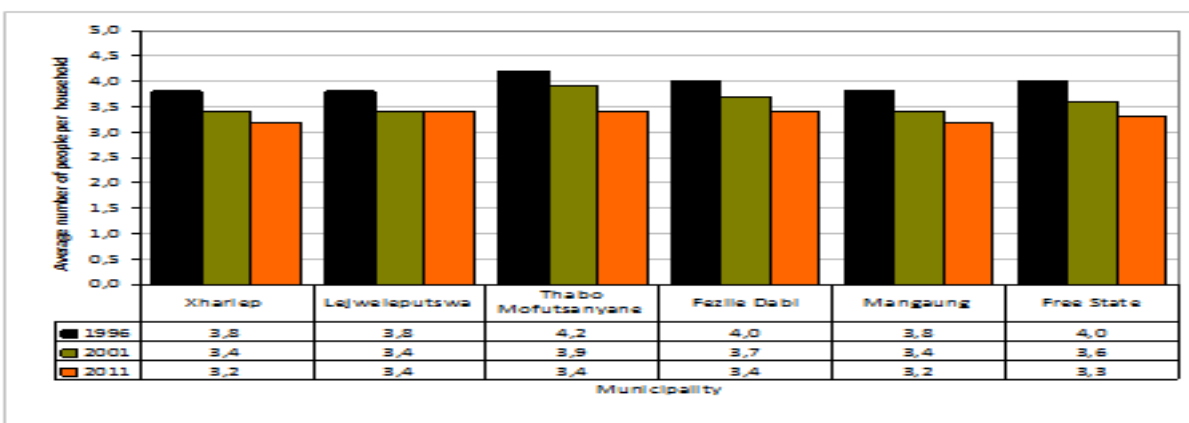
Gender	0-4yrs
Male	34 293
Female	34 103
Grand Total	68 396

Percentage distribution of Lejweleputswa population by population group, 1996–2011

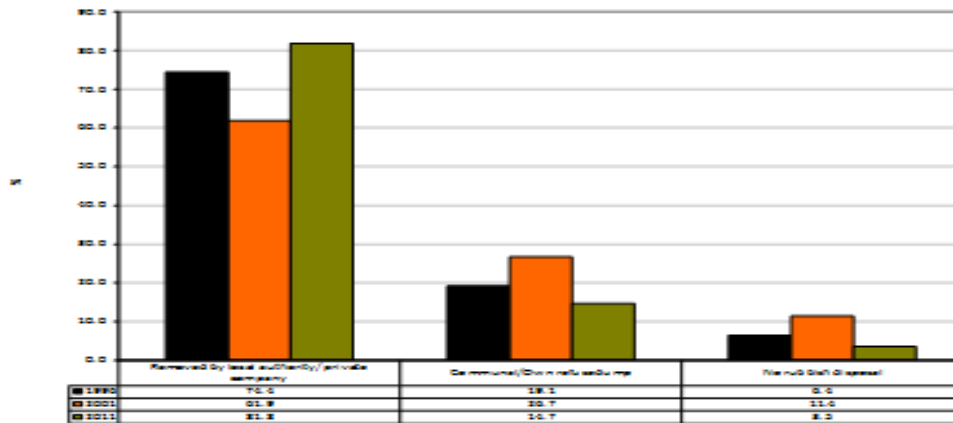


3.1.5. Household and services

Average household sizes for Free State Municipalities, 1996-2011



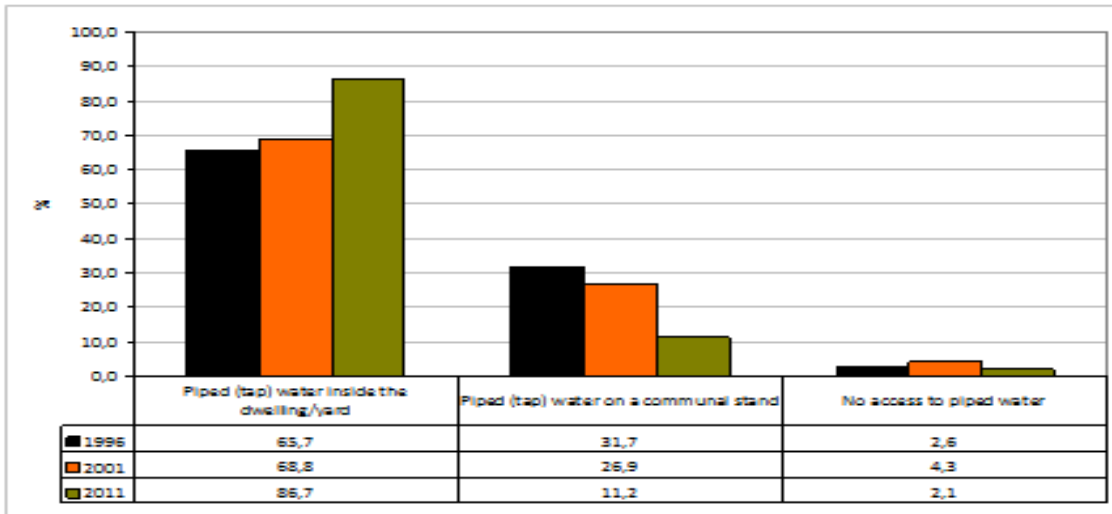
Percentage distribution of households by type of main dwelling, Lejweleputswa: 1996-2011



Statssa: Census

The average household size of people living in the district has always been lower than that of the province. In 1996, the average household size of population in the district has been 3, 8% compared with that of the province which was at 4, 0% for the same period. The picture is somewhat the same 20 years later with the district at 3, 3% whereas the provincial figures stood at 3, 4%. These decline could be interpreted to mean that young adults move out of their parents' homes to establish own homes in the forms of shacks in other places or have successfully lined up to get own RDP houses. This is the part that government needs to comprehend and act decisively on because there is a need for increased basic services everywhere.

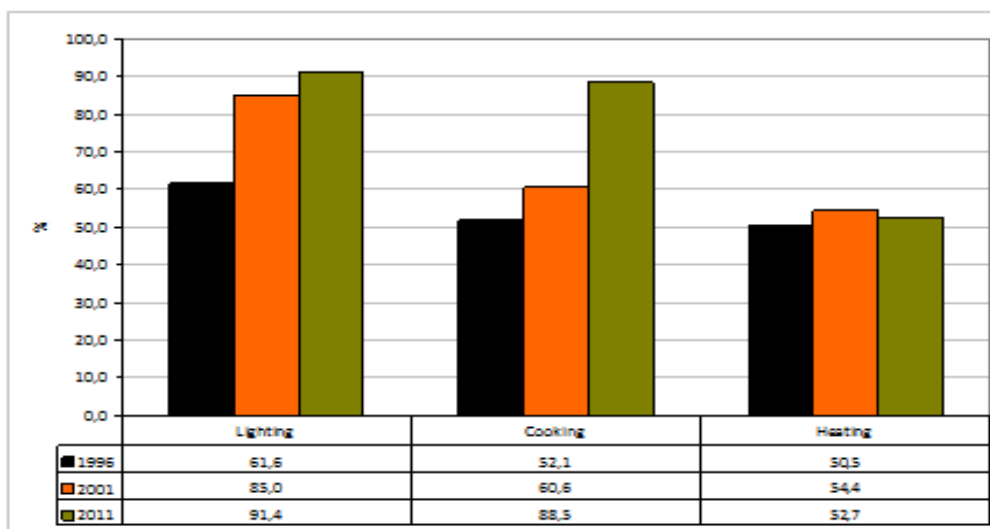
Percentage distribution of households by access to water, Lejweleputswa: 1996-2011



Statssa: Census, 2011

There has been increased in the provision of piped water since 1996 from 65.7% to 86.7% in 2011. Piped water provision has an impact on the provision of drinking through avenues like communal stand pipes. The table shows a comprehensive picture whilst there was increased provision of piped water, there was also a decrease in the number of people who report to source their water elsewhere other than in piped water. People who indicated that they do not have access to piped water have decreased from the 1996 figures of 2.6% to 2.1% in 2011. People who indicated that they access water through communal stand pipes have decreased from 31.7% in 1996 to 11.2% in 2011. The 13.3% of people who do not have access to piped still require improvement in the water service in the district.

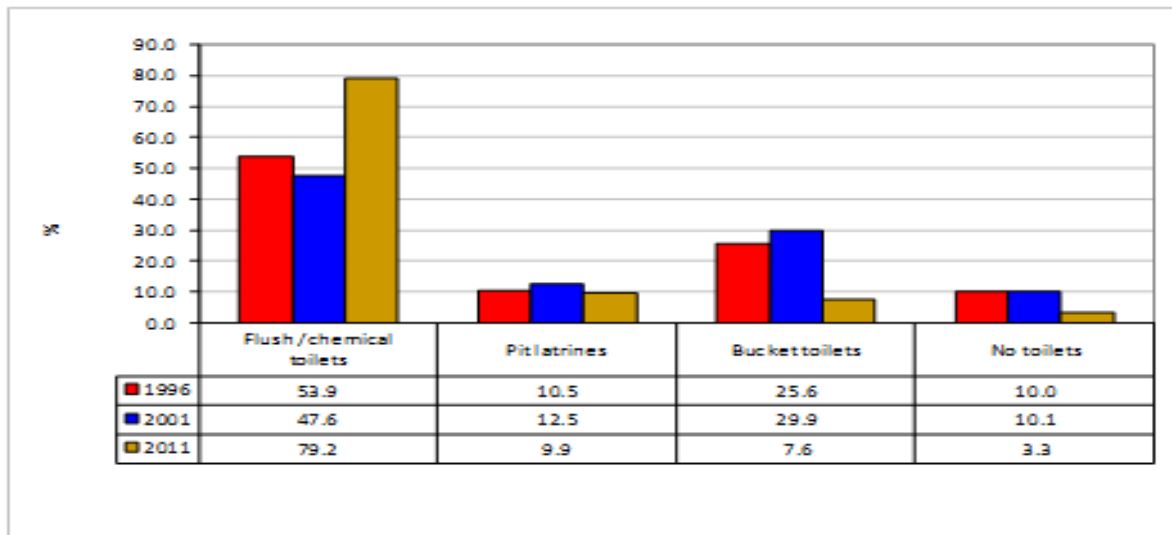
Percentage distribution of households using electricity for lighting, cooking and heating, Lejweleputswa: 1996-2011



Statssa: Census, 2011

It has become known that people have been using electricity for lighting more than cooking and heating. The figures above are an illustration of this point. The % of using electricity for lighting has staggered upwards from 61.6% in 1996 to 91.4% in 2011. It is also interesting though that electricity has also been preferred of late for cooking purposes with 88.5% of the population using it for cooking. Urbanisation could have been the factor for families to now use electricity than other forms of energy to cook. We know that there were other forms of methods used in the past to prepare fire than to use electricity because at the earlier times, electricity was not accessible to the majority of the people.

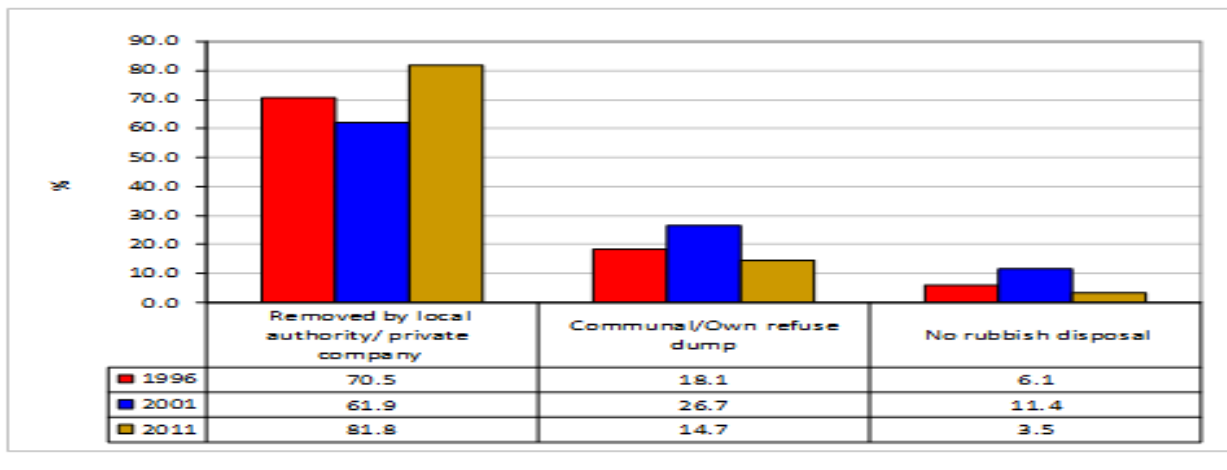
Percentage distribution of households by type of toilet facilities, Lejweleputswa: 1996-2011



Statssa: Census, 2011

There have been improvements in ridding ourselves of the backward forms of toilet facilities from especially that of buckets to flush and in some instances, the chemical toilets. In some areas where there were no toilets at all, pit latrines were recommended as temporary measure. The figures above paint a promising picture though that we are working towards eradication of all forms of backward toilet facilities to more modern and acceptable forms. The number of people who have access to flush/chemical toilets increased from 53, 9% in 1996 to 79, 2% in 2011 and those using pit latrines decreased from 10,5% in 1996 to 9,9% in 2011. The backlog of bucket system was reduced from 25,6% in 1996 to 7,6% in 2011 and those who do not have access to any form of toilets was decreased from 10,0% in 1996 to 3,3% in 2011. There is still some way to traverse the challenges though.

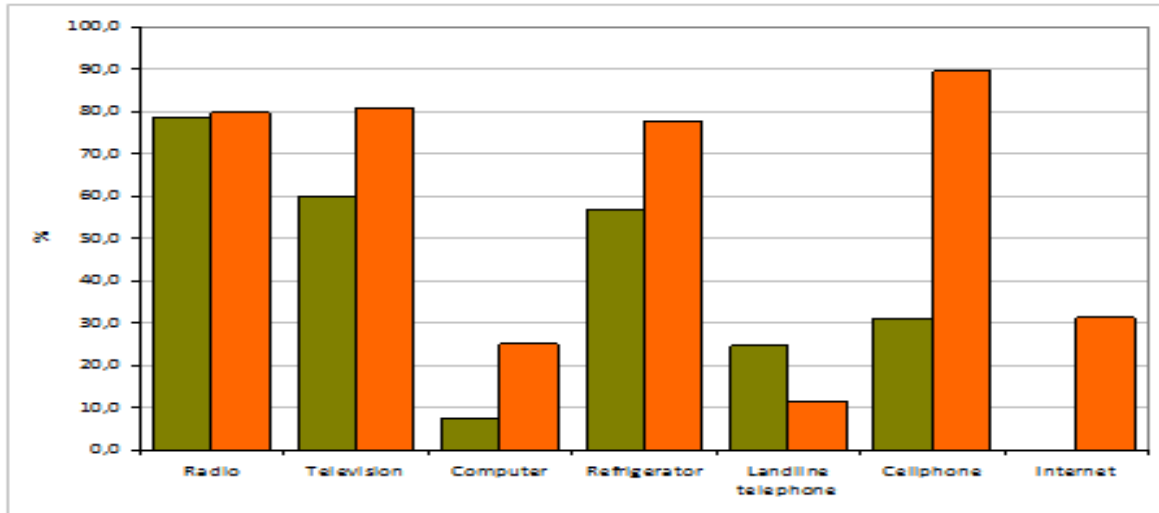
Percentage distribution of households by type of refuse disposal, Lejweleputswa: 1996-2011



Statssa: Census, 2011

The role of local municipality playing a pronounced role in removing refuse has improved from 70,5% in 1996 to 81,8% in 2011. The Local and private company roles have ensured that refuse removal is speeded up. There are challenges though where we still have communities dumping own refuse. In this case municipalities have resorted to by-laws that are intended to discourage such behaviours. In this district in particular, there was a decrease in instances where communities dump own refuse from 18.1% in 1996 to only 14.7% in 2011. This remains one of the areas of concerns in order to quell rampant infiltration by rat family. The area of Welkom is known for rodent infestation for some time now quick and improved service regarding refuse removal would play a key role in ensuring that infestation is kept to a minimum

Percentage distribution of households with specified items, Lejweleputswa: 2001 and 2011

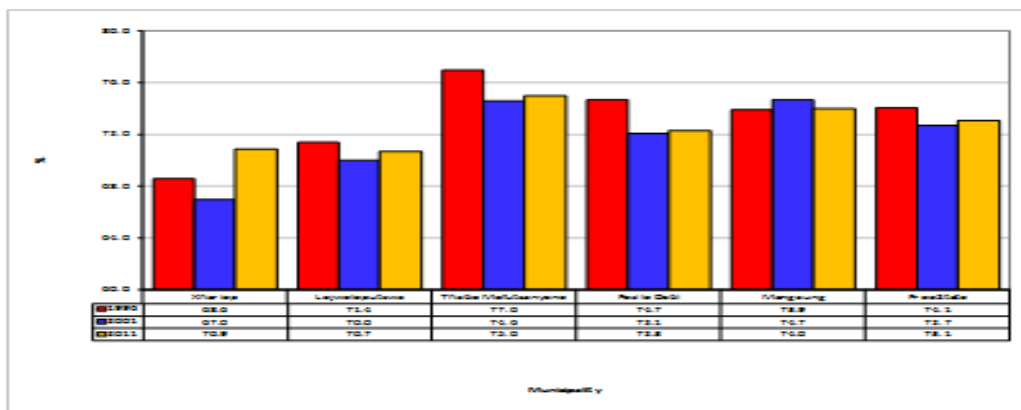


Statssa: Census, 2011

The table above reflects the increase in the number of households in Lejweleputswa who use specified items such as radio increased from 79,0% in 2001 to 80,0% in 2011, television increased from 60,0% in 2001 to 80,0% in 2011, access to computers increased from 8,% in 2001 to 25,% in 2011, refrigerators increased from 58% in 2001 to 78% in 2011, landline telephones decreased from 25% to 21% and the use of cellphones increased from 30% to 90% and internet to 30% over a 10 year period.

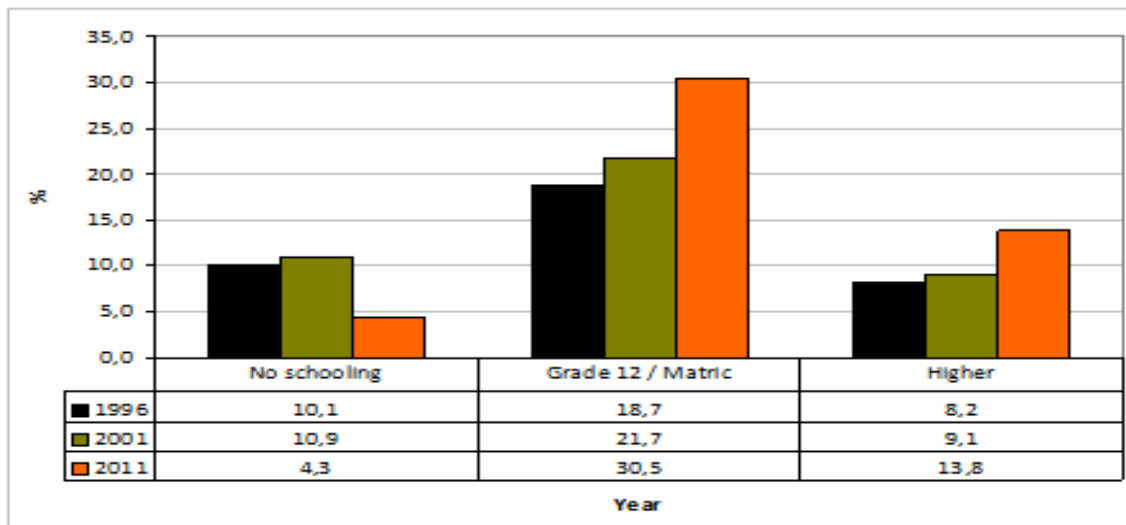
3.1.6. Educational status

Percentage distribution of population aged 5-24 by school attendance and municipality, Free State 1996-2011



Statssa: Census, 2011

Percentage distribution of population aged 20+ by highest level of education, Lejweleputswa: 1996-2011

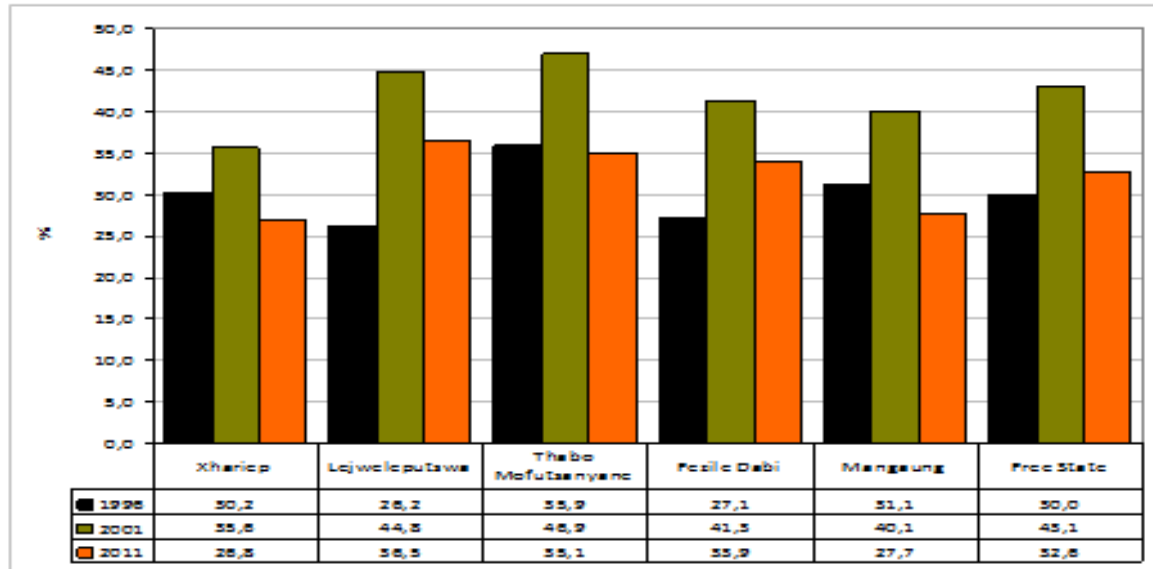


Statssa: Census, 2011

The education system has shown steady improvement in encouraging learners to pass matric to enter tertiary education. The graph above is illustration of the state of education in the district. For instance, people who reported that they are not attending school have decreased over the 20 year period to 4.3% from 10.1% in 1996. The picture shows improvement in matriculation status as is the case with higher education from an 8.2% in 1996 to 13.8% in 2011.

3.1.7. Employment status

Unemployment rates (official definition) of Free State Municipalities, 1996-2011

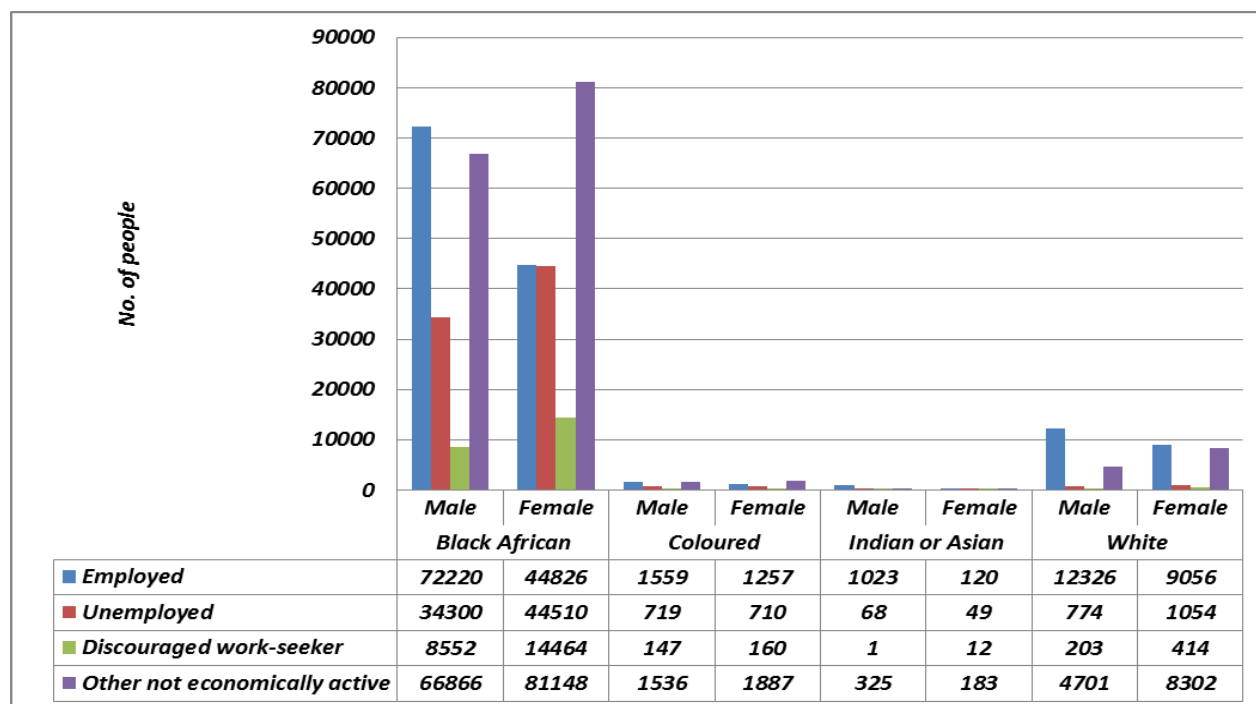


Statssa: Census, 2011

The district is one of the worst municipalities with highest rate of unemployment in the Free State province in the 2011 census. It is standing at 36.5%. Although the picture for all municipalities is not satisfying, in the Free State, Lejweleputswa has the highest numbers of unemployment. This must be attributed partly to mining closures. The revival of the district agency must be to establish some form employment opportunities in the district. Mining closures do not help the situation either. There must be strategies used by local economic development agencies to steer the employment in the right direction. Efforts must be to engage youth to establish sustainable enterprises.

Employment Status by Population and Sex

Official employment status by Population group and Gender in LDM



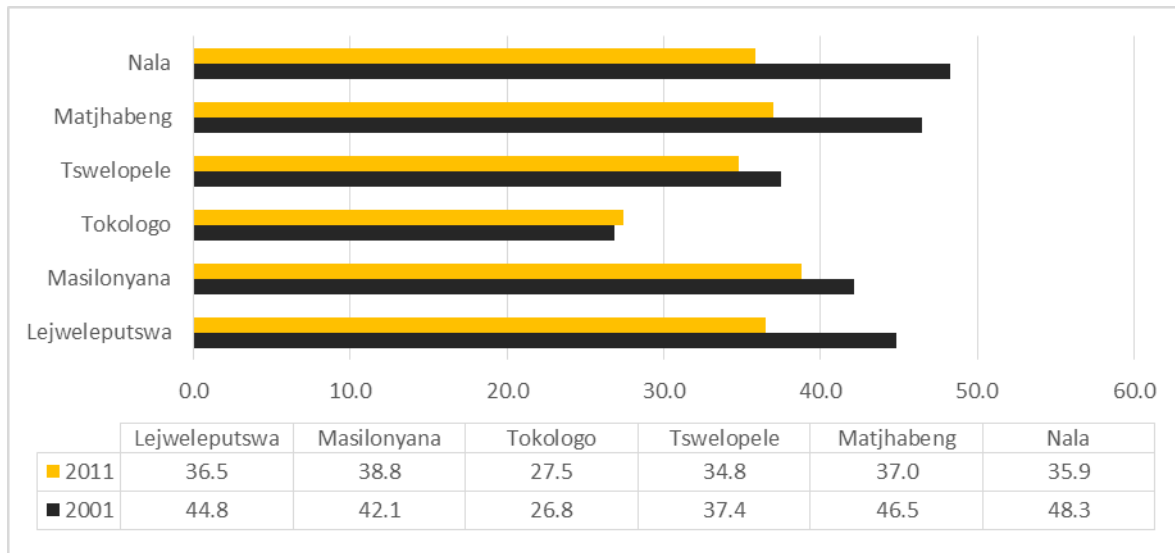
Statssa: Census, 2011

The table above depicts the official employment status by population group and gender in the Lejweleputswa District, with black African male being the highest with **72220** employed followed by African female at **44826**, and white males with **12326** employed, and white females at **9056**, male coloured at 1559 and coloured female at **1257**. The Indian, male employment is at **1023** while female Indians is **120**.

The unemployment of Black African male is **34300**, and Black African female is **44510**. The White male unemployment is standing at **774** and White female the rate of unemployment is at 1054. The Coloured male unemployment is at **719** and the Coloured female is **710**. The Indian male is 68 and Indian female is at **49**.

It is quite clear that the Black African population group is the most affected both males and females and the district should focus on creating more employment opportunities to significantly reduce the rate of unemployment from **36, 5%** to **5%** by 2030.

Lejweleputswa Youth Unemployment rate

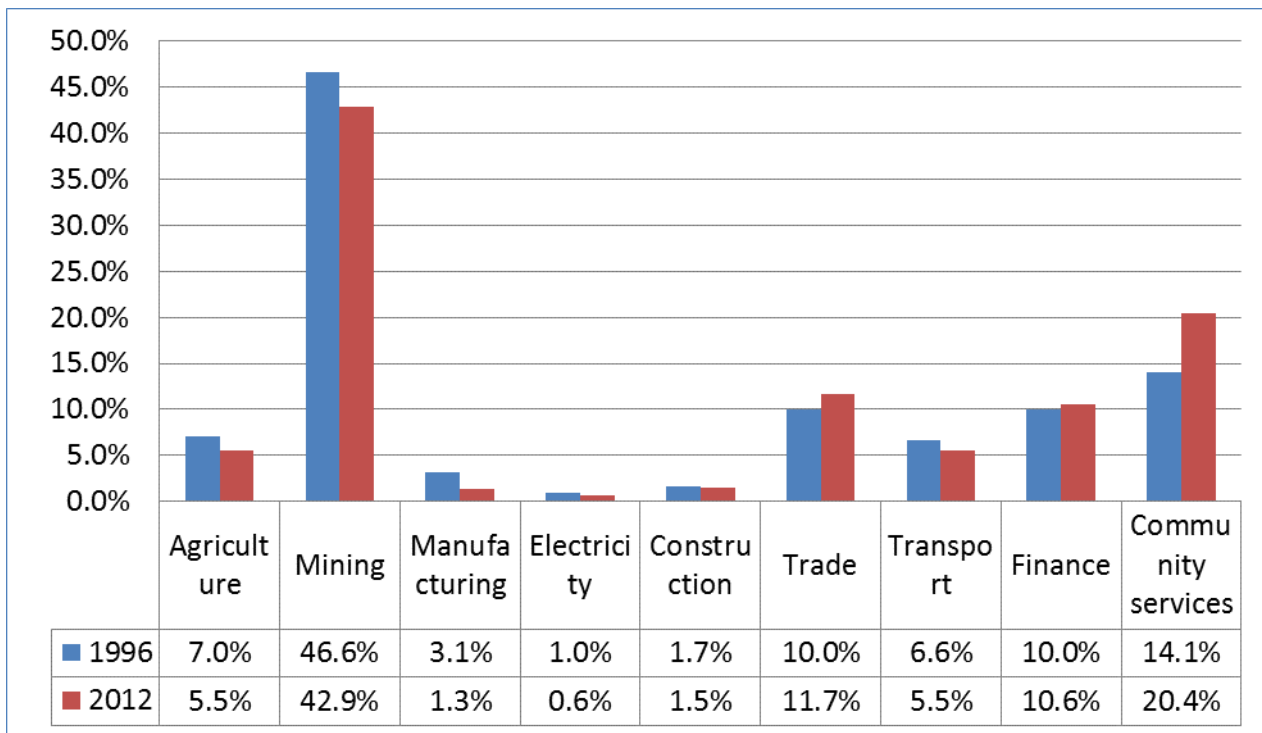


Statssa: Census, 2011

The table above depicts a picture of the youth unemployment in Lejweleputswa with Masilonyana being the hardest hit municipality at a rate of **38.8%** unemployment followed by Matjhabeng with **37.0%**, Nala standing at **35.9%**, Tswelopele at 34.8% and Tokologo being the least with **27.5%**.

This situation calls for Lejweleputswa to prioritise youth and women when embarking of EPWP projects and SMME's development in an attempt to address youth and women unemployment.

GDP contribution by industry



Source: Global Insight, Regional explorer, 2013

The table above shows GDP contribution by sector and mining is still the leading sector in terms of GDP contribution and the agricultural sector has declined by from 7.0% in 1996 to 5.5% in 2012 while the community services has increased from 14.1% in 1996 to 20.4% in 2012. Manufacturing has drastically decreased from 3.1% in 1996 to 1.3% due to the declining mining activities. The trade sector has also soared from 10.0% in 1996 to 11.7% and the transport sector has decreased from 6.6% in 1996 to 5.5% in 2012

3.1.8. Air pollution/Environmental management

The air pollution function is being performed by both the district municipality and Nala Local Municipality in terms of the Municipal Demarcation Board assessment report for the 2008/09. Both municipalities provide the function from a single department and managers have appropriate tertiary qualifications for performing the functions. Both managers have shown that they have more than four year's experiences in performing the function. For the district municipality, there was significant increase in the budget allocations for the function during the period compared to the previous year. It was also made clear in the report that Nala Local Municipality had only one official and no budget to perform the function when the district provide both budget and staff to perform the function. No adjustments were made regarding the functions for other local municipalities. The Municipal Systems Act does not allocate any environment-related functions to districts. However, in practice air pollution arrangements are being implemented at a district level (Municipal Capacity Assessment 2011: Final National Report, p129)

The national DEA has developed the District AQMP which has been approved by Provincial DEA. The department is currently in the process of implementing the plan through their appointed consultants, SSI. The municipality participated in an established Environmental health awareness yearly program which is aligned with the national environmental celebration days, e.g. water week etc.

3.1.9. Fire Services

During the 2008/09 year, Tokologo Local Municipality (FS 182) was the only local municipality that did not perform the function. All other municipalities have indicated fire fighting as the main activity under the function. This function was performed within a single department. Experience ranged between three to twenty three years between FS 181 to 184. The manager in 185 had 16 years of experience in the function. The budget for the function decreased in 184 compared to the previous year whilst the rest of the other municipalities had increasing budgets. Municipalities had staff to deal with the function whilst there were vacancies in a few others. All the five municipalities, excluding FS 183, had equipment to perform the function.

(Source: Municipal Demarcation Board Assessment of Capacity for the 2008/09 period, District Municipality Report)

3.1.10. Municipal Health Services

Definition

The municipal health functions have been defined as: *municipal health, licensing and control of undertakings that sell food to the public, noise pollution, pounds, accommodation, care and burial of animals; and licensing of dogs.* (Source: Municipal Capacity Assessment 2011: Final National report)

Municipal powers and functions

Municipal health refers to a basket of services which relate to creating a healthy environment through regulatory activity. It is thus not directly related to primary healthcare. The constitution and the Health Act provide the background to the legal responsibilities of municipalities in this regard. The services included within the municipal health function (see below) are purely regulatory activities. Where there is a service to be performed i.e. for the functions of Waste management and Disposal of the dead, only the regulation of these activities falls under municipal health, the actual provision of the services are covered elsewhere. The National Health Act (Act 61 of 2003) places the responsibility for regulating the provision of the municipal health services with the relevant district or metropolitan municipality. Municipal health services are defined in the Health Act as: *water quality monitoring, food control, waste management³³, health surveillance of premises, surveillance of prevention of communicable diseases, excluding immunisations, vector control, environmental pollution control, disposal of the dead³⁴, and chemical safety* (Ibid).

The Matjhabeng Municipal area is one of the areas with highest HIV infection rate in the country, and this will have a detrimental economic impact on the region over the next few years. The long-term effect of HIV/AIDS can and will be devastating on the whole community and have a major impact on all economic sectors. However the last survey which was done in 2010 shows some serious decline with the highest hit being in the age between 30 and 34 years.

2008	2009	2010
33.8%	33.4%	30.0%

Source: Department of health

Mobile clinics are operating in the rural areas, but the community is experiencing problems of inaccessibility due to the distance travelled to visiting points, and the frequency of the service. In urban areas the number of clinics and hospitals are inadequate and mostly overcrowded. Emergency medical services are not readily available during emergencies and the response time is slow. The availability of medicine in clinics is problematic due to inadequate control and poor distribution.

Welkom:**Rheederspark Clinic:**

The Clinic is very small and has to accommodate the population of Reahola family units as well as the residents of the suburb itself. The overcrowding is further compounded by the sprawling shacks at the land close to the Clinic. The Department started with negotiations for land at the most central area to be able to serve the population, we are waiting for the response that allocates the stand number.

Riebeeckstad Clinic:

The Clinic is very small and has to accommodate the population of new residence between Riebeeckstad suburb and Thabong. The situation has led to number of patients being turned back without getting the service. The District has tried to assist but the structure only allows appointment of two Professional Nurses because there are two consulting rooms. Our head count has risen to 50 patients per Professional Nurse per day and this high numbers compromise the quality of care.

Ventersburg:**Mmamahabane Clinic:**

The Clinic is very small and was designed to serve a very small population but the current residents are over whelming the services. The Clinic is also very close to N1 road hence the need to improve the activities so that we can be able to address the emergencies when they happen. The area that we identified was the one very close to the existing clinic structure. If it is allocated we will just expand the existing structure and save on cost.

Virginia**Meloding clinic**

The Clinic is very small and dilapidated and it was designed to serve a very small population but the current residents are over whelming the services there is a need to build a structure that will accommodate calibre area and the old Meloding population.

- i. EMS not readily available during emergencies (Urban & Rural)
We need functional call centre that will be able to handle high number of calls
- ii. Inadequate medication in clinics
Medicine availability ranges between 80 and 95% the district has a buffer store situated at the Kopano offices
- iii. Poor sanitation
- iv. Provision of mobile clinics in/for rural communities problematic because of its inaccessibility as a result of patients having to travelling long distances to arrive at visiting points and the frequency of visits made per month.
The district has high shortage of mobiles and this affect the access to health care to the disadvantaged rural population. We are trying to close the gap but the demand is too high.

Environmental factors impacting on health include poor sanitation, poor conditions around waste dumps, pollution, and a lack of potable water.

There are inadequate number of Social Workers and counselling services and facilities to deal with problems such as alcohol and substance abuse, family violence, child abuse, trauma and crime incidents, mental disorders, teenage pregnancy and

other welfare problems. There is also a shortage of pay points from the Department of Social Development and inaccessible to the elderly for pension collection. The queuing at these points is also a problem with the elderly people normally travelling far, waiting in long queues with no food or shelter.

Recommendation

There should be a development of a coordinated programme for the whole district that should include provincial departments of social development, health as well as departments within municipalities to plan and coordinate identified issues.

3.1.11. Cemeteries, Funeral Parlours and Crematoria

In terms of the Municipal Demarcation report for 2008/09, the only municipality that did not show that they perform the function was Matjhabeng Local Municipality. The rest of the municipalities performed the function from a single department. The experience of each official in the department ranged between three and twenty years. The manager for Nala Local Municipality indicated that s/he had a matriculation certificate but had twenty years’ experience in performing the function. All municipalities had increases in budgeting for the function as compared to the previous budget year. They all have equipment to deal with the function. For the district municipality, it was established that there was one vacancy in the department.

The recommendation from the assessment was the reversal of the function from all local municipalities.

3.1.12. Local Amenities

There is inadequate sport and social facilities, in the region, and that contributes to the social problems experienced in most of the communities. Unemployed youth loiter in the street and recreational facilities and programs must be implemented to direct their behaviour towards active participation and to serve as a deterrent to unsociable and criminal behaviour. Sport does have the potential to unite communities across cultural and racial boundaries and all inhabitants must be encouraged to participate in sport and social activities. It is therefore essential to improving on creating the necessary infrastructure and facilities in both urban and rural areas.

Although effective recreation activities, such as sport support development, there is only 1 sport centre in the district. On the other hand, libraries play an important role in respect of access to and provision of information. The following table provides a profile of arts and culture infrastructure in Lejweleputswa.

Libraries	Museums	Art and culture centres	Sport centres	Other	Total
27	3	1	1	1	33

(Source FSPGDS 2006-2014)

An aspect to be raised is the value that the Moto-GP course, Phakisa in Welkom could play in future development and marketing of the district. Furthermore, the need for additional sports facilities, especially a soccer stadium, if the district wants to gain from the spin-offs of the 2010 World Soccer Cup is emphasized. *(Phakisa Moto-GP in the Free- State PGDS is captured under events and entertainment as tourism attraction facility)*

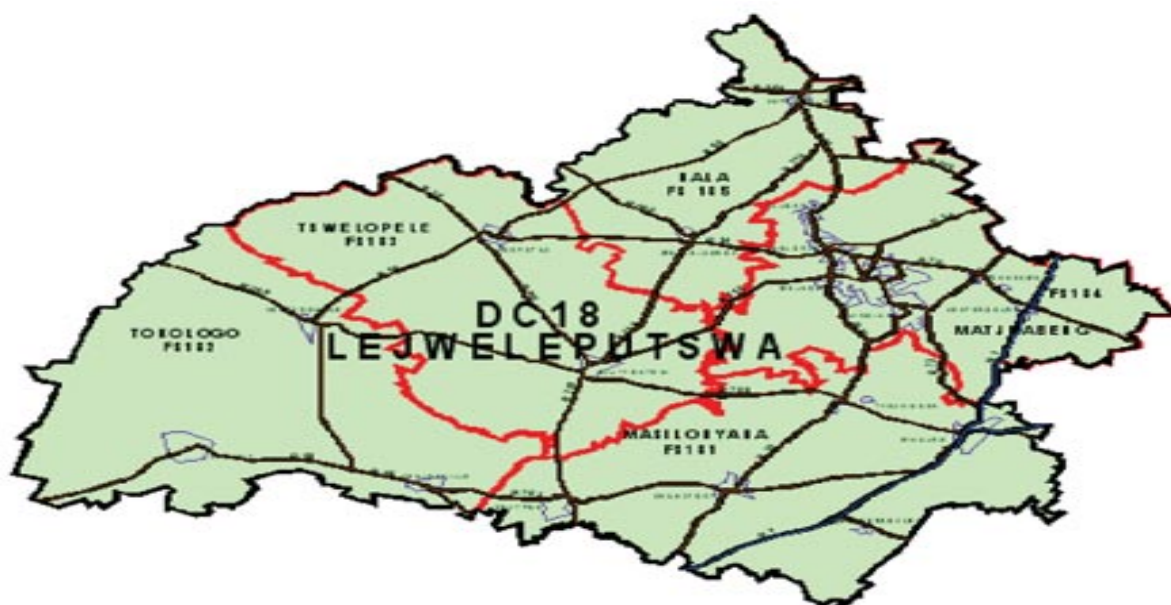
Recommendations

Budget must be made available for sporting activities in the district- especially the OR Tambo Games. The High Performance Centre project infrastructure has been upgraded. Plans must be shown to indicate coordination in this regard.

CHAPTER 4

Spatial Development Framework

4.1 Spatial perspective



The district is one of the four district municipalities in the Free State. The other four are Thabo Mofutsanyane in the north east; Fezile Dabi in the north as well as Xhariep in the south east and one metropolitan municipality which is Motheo which is located in south east. According to the FSPGDS (2006-14), Lejweleputswa is the major contributor in the Free State Geographic Product (GDP) and is also an important agricultural area. The district is predominantly known as the Free State Goldfields which forms a part of the larger Witwatersrand basin. The spatial planning for Lejweleputswa indicates that the district has 3 190 855 hectares of area which constitutes about 26.4% of the total provincial land area of approximately 12 969 028 hectares⁴.

Municipality	Spatial composition
Masilonyana	<p>The municipality comprises the following towns: Winburg, Theunissen, Brandfort, Verkeerdevlei and Soutpan. There are no major urban centres and it is about 45 kilometres towards Bloemfontein and about 58 kilometres from Theunissen to Welkom.</p> <p>The municipality benefits from the N1 toll gate as well as the N1 road that crosses through the area. It is fundamentally a rural area with no major urban centres. It is dependent on agriculture with crop and livestock production as the agricultural activities. There are also significant mining activities in the area. The main water source in the area is the Erfenis Dam. In terms of attracting tourists, the area has the Soetdoring Nature Reserve in Soutpan</p>
Tokologo Municipality	Local The municipality is composed of the following towns; Hertzogville, Dealesville and Boshof.

⁴ Reviewed FSPGDS 2006-14

		<p>The municipality's spatial character of note is that it has vast tracts of land which are mostly agricultural. A range of agricultural activities takes place there with the following being dominant; maize and wheat farming. There are also mining deposits in the area which have not been exploited to the full. Game farming takes a larger portion of available land space in the area. There is also a conservation area Boshof that must be considered during planning.</p> <p>There is currently the R64 which links the towns with Bloemfontein as well as R708 which links the local municipality and the district with North West province and Christiana town.</p>
Tswelopele Municipality	Local	The municipality is composed of two towns and they are Hoopstad and Bultfontein. The area has one of the best tourist attraction reserves in the Free State called the Sandveld Nature Reserve in Hoopstad. The area is one of the areas in the district which has the potential to attract tourists in the district.
Matjhabeng Municipality	Local	The towns comprising the municipality were developed as a result of mining activities as follows; Virginia, Welkom, Odendaalsrus, Hennenman. The other remaining towns were support service centres for farming communities in the area. They are Ventersburg and Allanridge. Matjhabeng Local Municipality is largely populated by mining and residential structures.
Nala Municipality	Local	<p>The municipality also has two urban areas namely; Wesselsbron and Bothaville. It mainly has an agricultural area specifically dealing with crop production. The Vet River in the area provides an advantage for an irrigation scheme. Recreational facilities have been established on the banks of the Vaal River. It also provides opportunities for irrigation scheme. The Vals River also provides opportunity for establishing irrigation schemes.</p> <p>The Nampo is an agricultural node which is situated 18 kilometres outside of Bothaville on the road towards Orkney and Matlosana. The annual Nampo agricultural show has been regarded as one of the best in the world as it attracts visitors from around the world. This show then becomes one of the biggest sources of economic growth of Nala Local Municipality.</p>

4.2. SWOT analysis for the five Local Municipalities

Municipality		Strength	Weakness
Masil onyan		The municipality is 45km to	It is fundamentally a rural area with

	Spatial perspective	Bloemfontein which is the provincial capital of the Free State province	no major urban centres.
		The N1 passes through the municipality.	
		The municipality boasts nature reserves for attracting tourists during holidays and benefit from such visits.	
		Opportunities	Threats
		The municipality stand to exploit the Erfenis dam water source for improved agricultural activities.	Its rural nature could disadvantage it in terms of attracting more companies to establish branches in the areas of the municipality.
		As a result of the municipality's predominantly rural context, it can motivate for increased equity share in order to increase and fast track service delivery.	

Framework for strategy formulation- Masilonyana Local Municipality

The municipality should receive substantial financial and human resource assistance in order to improve because the likelihood to recruit scarce skills will be a challenge. The district municipality should be prepared to include the local municipality and consult with them in areas of development. In essence, there must be a strategy that is intended to assist the local municipality in terms of both financial and human resource capacities.

Municipality		Strength	Weakness		
Tokologo Local Municipality	Spatial perspective	The municipality's spatial character of note is that it has vast tracts of land which are mostly agricultural in nature.	The municipality has a huge challenge regarding water sources and general availability of water throughout the year.		
		There are also mining deposits in the area which have not been exploited to the full			
		Game farming takes a larger portion of available land space in the area.			
				Opportunities	Threats
			Exploration of mineral deposits		
			Opportunity to exploit the game market.		

Framework for strategy formulation- Tokologo Local Municipality

Consultation process must be initiated to ensure there is financial assistance to help support development programmes of the municipality. In order to boost development such key economic issues as game farming must be a priority for the municipality but this is conditional upon a comprehensive consultation process with local game farmers. Exploration of the mining activities should also be a priority in an area with less employment opportunities.

Municipality		Strength	Weakness
Tswelopele Local Municipality		The municipality has Sandveld Nature Reserve that can be exploited to boost tourist numbers in the district.	No major businesses are located here.
		Some areas of the municipality boost salt pans which can be used for economic growth and thus employment.	

	Spatial perspective	It is also one of the main maize producing areas in the province.	
		Opportunities	Threats
		It has the potential to contribute to creation of work opportunities in the region through location of businesses specialising in maize production.	Spatial location is a prohibiting factor and thus may result in outmigration of potential skill in the area.

Framework for strategy formulation- Tswelopele Local Municipality

The municipality should be assisted to develop beneficiation businesses from maize in the area. It is an area that boasts a number of water sources as well as the salt pans which can contribute tremendously to the economy of the region.

Municipality	Spatial perspective	Strength	Weakness
Matjhabeng Local Municipality		Most of the spaces in the area are mining activities	The revenue generation is very low as a result of high unemployment due to mining closures.
		There are unused mine properties that can contribute to alternative economic activities in the region.	
		Some educational satellite institutions are located here and can therefore contribute on areas that require further research.	
		Opportunities	Threats
		Existing mining houses can be used for economic development.	

Framework for strategy formulation- Matjhabeng Local Municipality

It is very fundamental that concentration on spatial perspective for the municipality be around exploitation of the existing but unused mining properties.

Municipality		Strength	Weakness
Nala Local Municipality	Spatial perspective	The municipality is located within water source-Vals River- and can therefore encourage crop production in the area.	It is not a tourist destination and therefore cannot attract visitors in numbers.
		The area also specialises in maize production.	
		Its promixity may be used to tap on opportunities from the North West Province.	
			Threats
		The NAMPO competition can be exploited for the benefit of the municipality.	One of the next to Bothaville is Klerksdorp which can attract skilled people to the area near.

Framework for strategy formulation- Nala Local Municipality

The municipality can be assisted to take advantage of the Nampo Agricultural Festival.

4.3. Land and Environmental Perspectives

4.3.1. Land cover

The most dominant cover type of vegetation in the district is the central Free State grassland which dominates the central part including Matjhabeng and Tswelopele and section of Masilonyana areas. The second dominant cover is the Kimberley thornveld which also covers parts of Tokologo and towards Kimberley and other parts of the Free State region. The third grass species that covers the area is the Vaal Vet Sandy grassland which is also prevalent in the central region but continues towards Tokologo and Tswelopele areas of Hoopstad and Hertzogville.

For the above details, refer to the map provided below:

4.3.2. Environmental Management

Both sustainable development and economic growth are dependent on the extent to which we prioritize our environment. In terms of an explanation given in the amended Environmental IDP toolkit, 2007 the term has been described as "... integration of social, economic and environmental factors into planning, implementation and decision-making so as to ensure that development serves present and future generations"⁵.

Nature Reserves and Conservancies nodes are localities protected by legislation for its environmental quality. The Sandveld Nature Reserve, Erfenis Dam Nature Reserve, as well as a few conservancies are located in the Lejweleputswa District. The marshes within the rural hinterland around Wesselsbron in Lejweleputswa District are environmentally sensitive and should be preserved.

(Source: Lejweleputswa District Municipality's Spatial Development Framework, 2008/2009)

It is therefore imperative that economic development respects the fundamental rights of future generations to live better without the inconvenience that may be caused in current development initiatives. Our point of reference here would be the 2007/8 spatial development framework to provide the state of affairs in line with the environmental issues.

4.3.3. Geomorphology

The map shown below reflects a number of areas that must be taken into account when planning for environmental sustainability. The area of analysis consists of geology and land cover.

Geology

The most dominating type of rock in the region is the volskrust Fm, Ecca Group of rock formation which is located mainly in the central region covering areas in Welkom, Virginia, Theunissen, Brandfort and Winburg. The second dominant type of rock formation is the Adelaide Sb group, Beaufort Grp in the Masilonyana and Matjhabeng area, followed by Madzaringwe Fm, Karoo Sp Group which has become a belt lying along the borders of both Nala and Tswelopele and the North West province. The other type of rock is the Prince Albert fm, Ecca Grp located in the Tokologo area beyond Boshof. All planning must consider the strategic importance and handicaps that may be presented by these types of geological formations prevalent throughout the district.

Please refer to the map provided below as reference:

⁵ Free State Provincial Environmental IDP toolkit.

4.4. Infrastructure and Services

4.4.1. Water

Water infrastructure consists mostly of reservoirs and pipelines of Sedibeng Water. These supply mainly the Goldfields region and the mines with water from the Vaal River near Bothaville and to a lesser extent from the Sand River. Main reservoirs are east of Allanridge, in Welkom, north and south of Virginia. Pump stations are east of Allanridge and at Virginia where purification plant also exists.

Other water infrastructure resources were constructed by the Department of Water Affairs and Forestry including dams in Allemanskraal and Erfenis and canals serving the Sand – Vet irrigation scheme. In the south and western region no bulk water supply systems exist except the irrigation canals along the Modder River.

All towns are thus dependent on ground water extraction. Farmers are also dependent on ground water, but the quality varies substantially becoming more brackish further west. The town of Brandfort extracts water from the Vet river south-west of Theunissen, which is then pumped along the road to Brandfort. The north-western and northern areas of the region have access to the Vaal River system. There are also the Erfenis and Allemanskraal dams in Masilonyana that can supply water to the surrounding areas of the municipality. The following table below provides statistical analysis of the current reticulation levels of potable water to households throughout the district.

Municipal Code	Municipality	Piped water inside dwelling	Piped water inside the yard	Piped water from access points outside the yard	Total piped water
DC 18	Lejweleputswa District Municipality	54.8	36.3	6.3	97.4
FS 181	Masilonyana LM	56.6	38.7	3.4	98.6
FS 182	Tokoloko LM	52.9	33.8	7.7	94.4
FS 183	Tswelopele LM	37.3	52.2	7.7	97.3
FS 184	Matjhabeng LM	60.2	30.7	7.0	97.9
FS 185	Nala LM	32.1	57.0	5.0	94.2
Free State		46.2	40.6	10.5	97.3

(Source: Community survey, 2007)

There are other sources of water which are outside of the RDP standard and must therefore be noted here to inform future planning in the district.

Water Supply	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala	Total
Piped water on community stand: distance greater than 200m from dwelling	1807	650	1760	17885	2191	24293
Borehole	131	188	94	892	352	1657
Spring	3	0	3	18	6	30
Rain-water tank	27	12	9	102	26	176
Dam/ pool/ stagnant water	15	64	55	318	6	458
River/ stream	0	9	9	27	12	57
Water vendor	15	12	3	529	15	574
Other	326	133	156	4122	572	3509
% Backlog in water supply	11.34	11.91	16.67	18.57	12.23	16.56

(Source: Lejweleputswa District Municipality’s SDF of 2006/7)

4.4.2. Roads and Transport

Transport is an integral component of the means to measure economic sustainability. Accessibility of the means of transport to and from the city and areas of need is a major determinant of the extent of development in an area. Existence of this infrastructure facilitates a number of positive inputs to the economy of an area. For example: goods get transported quickly in an area as well as the fact it contributes to tourism programmes in the district.

The FSPGDS outlines the two main problems in Lejweleputswa as follows: no services are available and if there is a service, the safety of passengers is a major concern. Although the cost for transport was identified as a general problem area for rural households, it was not nearly as important as the first two.

The other area that has been identified by the FSPGDS has been inexistence of public transport facilities throughout the province. The fact that there are 176 minibus taxi ranks with only 58 of those having facilities and the rest without facilities is a concern to the public officials as it appears that no priority is given to public transport users. Of the 126, 70 have no facilities throughout the province. Municipalities must specifically audit these facilities to ensure that plans are developed to improve them to acceptable standards.

Although some improvements were made during the years, there is much still to be done especially when it is highlighted that almost 76%⁶ of households in the Free State are dependent on public transport.

The national railway networks were originally the heavy transportation system of South Africa. The main North South Railway line crosses the area from Brandfort to Hennenman in a South-West to North-East line. From this main route links have been established between Theunissen and Winburg; and these same railway networks are also linked to some Goldmines in Matjhabeng. The existence of the rail network is crucial for the mining purposes in the district as it facilitates transportation of products to refineries elsewhere in the country.

The road network in the region is well developed and there is no need to extend the network any further. However, the road condition is deteriorating at a rapid pace and very little maintenance is done due to a lack of funding. It is very important to maintain and upgrade all main routes in order to continue the flow of traffic throughout the district. An emerging fact is that since the drive to curb the overloading of vehicles, secondary roads are more frequented by overloaded trucks to avoid demarcated truck routes. These secondary roads are not designed to carry these weights and are thus being damaged within a short space of time.

Continued maintenance of tertiary roads is important as it forms the lifeline for the rural community, health, emergency and educational services. In the urban areas the main problem is the condition of the streets and storm water drainage in the townships. In most of the townships, streets are in poor conditions with very little water drainage system. This is not only a problem to the local inhabitants but also complicates effective service delivery, policing, emergency services, public transportation, economic development and accessibility in general. Due to high cost of road construction this problem also has to be resolved in a systematic, integrated and sustainable way.

⁶ Free State Growth and Development Strategy 2007/8

The picture below of the road network captures how conditions in the province were before 2005:

	Very Good	Good	Fair	Poor	Very poor	Total KM
Surfaced roads	4%	11%	28%	40%	17%	6.411
Gravel roads	-	18%	25%	22%	37%	22.100
Surfaced dirt roads	-	-	20%	50%	30%	26.000
Road furniture(safety measure)	-	29%	36%	4%	31%	-
Bridges	-	-	-	21%	10%	-

4.5. Geology

The most dominant geo-structural rock formations are the Madziringwe formation and Karoo supergroup forming the western north-south belt. The Volksrust formation and Ecca group form the central north-south belt. The eastern north-south belt is composed of the Adelaide subgroup and Beaufort group (Source: Council for Geoscience 2001). The geology in the Lejweleputswa district consists mostly of shale, mudstone, sedimentary and dolomite.

- Tokologo 5% sandy clay soils
- Tswelopele 15% loam-sandy clay soils and 28% sandy clay soils
- Nala 45% sandy clay soils
- Matjhabeng 45% loam-sandy clay soils and 25% sandy clay soils
- Masilonyana 75% loam-sandy clay soils and 63% sandy clay soils

Clay percentages towards the western parts of Lejweleputswa are less than 15% and increase to the east between 15% and 35%. Masilonyana has more than 35% clay percentage.

Lejweleputswa is lying on the slightly undulating plains and pans, low lands with hills, plains and pans are slightly irregular undulating plains and hills. A biome is a major geographical area of ecologically similar communities of plants, animals and soil organisms, often referred to as ecosystems. Lejweleputswa is in the Grassland Biome West to East. The area consists of Kimberly thorn bushveld dry clay Highveld grassland, dry sandy Highveld grassland and moist cool Highveld grassland. The Lejweleputswa district municipality falls within the summer rainfall area of South Africa. It receives an average annual rainfall of between 400mm and 550mm, with the east section having the highest average compared to the western section. The district has an average daily temperature of between 70C and 260C, with the western section having higher temperatures than the eastern section. It is also characterised by cold winter conditions.

(Source: Lejweleputswa District Municipality's Spatial Development Framework, 2008/2009)

CHAPTER 5

Strategy formulation

The district municipality has constitutionally prescribed framework functions and responsibilities. These are described below in terms of section 83; read in conjunction with the requirements of sections 84 and 88 of the Municipal Systems Act, 1998. These responsibilities could be explained as follows:

Municipal Structures Act, S. 83.

- (1) A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution.
- (2) The functions and powers referred to in subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.
- (3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by—
 - (a) Ensuring integrated development planning for the district as a whole;
 - (b) Promoting bulk infrastructural development and services for the district as a whole;
 - (c) Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
 - (d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

On the basis of our legislative mandate, the municipality has sought to commit to improving the lives of people in the district through committing to the following vision and mission statements:

VISION: “A LEADER IN SUSTAINABLE DEVELOPMENT AND SERVICE DELIVERY BY 2030”

MISSION STATEMENT: THE LDM STRIVES TO ACHIEVE ITS VISION THROUGH

1. PROVIDING SOUND FINANCIAL MANAGEMENT
2. PROVIDING EXCELLENT SERVICE DELIVERY AND PUBLIC PARTICIPATION PROGRAMMES
3. ENHANCING HIGH STAFF MORALE, PRODUCTIVITY AND MOTIVATION
4. PROVIDING HIGH QUALITY LOCAL MUNICIPAL SUPPORT PROGRAMMES
5. MAINTAINING GOOD WORKING RELATIONS IN THE SPIRIT OF CO-OPERATIVE GOVERNANCE

The Values of the LDM are the following

1. INTEGRITY
2. HIGH WORK ETHICS
3. OPENNESS
4. TRANSPARENCY
5. HONESTY
6. CONSULTATION
7. PROFESSIONALISM

5.1. Link with the national outcomes

5.1.1. Improve the quality of basic education

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Improve quality of teaching and learning 2. Regular assessment to track progress 3. Improve early childhood development 4. A credible outcomes-focused accountability system 	<ul style="list-style-type: none"> • Increase the number of Funza Lushaka bursary recipients from 9300 to 18 100 over the 2011 MTEF • Assess every child in grades 3, 6 and 9 every year • Improve learning and teaching materials to be distributed to primary schools in 2014 • Improve maths and science teaching 	<ul style="list-style-type: none"> • Facilitate the building of new schools by: <ul style="list-style-type: none"> ➢ Participating in needs assessments ➢ Identifying appropriate land ➢ Facilitating zoning and planning processes • Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections 	

5.1.2. Improve health and life expectancy

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Increase life expectancy to 58 for males and 60 for females 2. Reduce maternal and child mortality rates to 30-40 per 1 000 births 3. Combat HIV/Aids and TB 4. Strengthen health services effectiveness 	<ul style="list-style-type: none"> • Revitalise primary health care • Increase early antenatal visits to 50% • Increase vaccine coverage • Improve hospital and clinic infrastructure • Accredite health facilities • Extend coverage of new child vaccines • Expand HIV prevention and treatment • Increase prevention of mother-to-child transmission • School health promotion increase school visits by nurses from 5% to 20% • Enhance TB treatment 	<ul style="list-style-type: none"> • Many municipalities perform health functions on behalf of provinces • Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services • Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments 	<ul style="list-style-type: none"> • Conduct scheduled potable water samples on water sources throughout the district. • Conduct scheduled samples on food selling outlets throughout the district.

5.1.3. All people in South Africa protected and feel safe

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Reduce overall level of crime 2. An effective and integrated criminal justice system 3. Improve perceptions of crime among the population 4. Improve investor perceptions and trust 5. Effective and integrated border management 6. Integrity of identity of citizens and residents secured 7. Cyber-crime combated 	<ul style="list-style-type: none"> • Increase police personnel • Establish tactical response teams in provinces • Upgrade IT infrastructure in correctional facilities • ICT renewal in justice cluster • Occupation-specific dispensation for legal professionals • Deploy SANDF soldiers to South Africa's borders 	<ul style="list-style-type: none"> • Facilitate the development of safer communities through better planning and enforcement of municipal by-laws • Direct the traffic control function towards policing high risk violations - rather than revenue collection • Metro police services should contribute by: <ul style="list-style-type: none"> ➢ Increasing police personnel ➢ Improving collaboration with SAPS ➢ Ensuring rapid response to reported crimes 	<ul style="list-style-type: none"> • Development of environmental and disaster management by-laws • To develop and maintain/implement a comprehensive disaster awareness campaign, • Integrated CCTV to monitor disasters in our district •

5.1.4. Decent employment through inclusive economic growth

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Faster and sustainable inclusive growth 2. More labour-absorbing growth 3. Strategy to reduce youth unemployment 4. Increase competitiveness to raise net exports and grow trade 5. Improve support to small business and cooperatives 6. Implement expanded public works programme 	<ul style="list-style-type: none"> • Invest in industrial development zones • Industrial sector strategies - automotive industry; clothing and textiles • Youth employment incentive • Develop training and systems to improve procurement • Skills development and training • Reserve accumulation • Enterprise financing support • New phase of public works programme 	<ul style="list-style-type: none"> • Create an enabling environment for investment by streamlining planning application processes • Ensure proper maintenance and rehabilitation of essential services infrastructure • Ensure proper implementation of the EPWP at municipal level • Design service delivery processes to be labour intensive • Improve procurement systems to eliminate corruption and ensure value for money • Utilise community structures to provide services 	<ul style="list-style-type: none"> • Facilitate Cooperative Development • Conduct disaster management awareness throughout the district. • Develop and implement district EPWP policy to create employment throughout the district

5.1.5. A skilled and capable workforce to support inclusive growth

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. A credible skills planning institutional mechanism 2. Increase access to intermediate and high level learning programmes 3. Increase access to occupation-specific programmes (especially artisan skills training) 4. Research, development and innovation in human capital 	<ul style="list-style-type: none"> • Increase enrolment in FET colleges and training of lecturers • Invest in infrastructure and equipment in colleges and technical schools • Expand skills development learnerships funded through sector training authorities and National Skills Fund • Industry partnership projects for skills and technology development • National Research Foundation centres excellence, and bursaries and research funding • Science council applied research programmes 	<ul style="list-style-type: none"> • Develop and extend intern and work experience programmes in municipalities • Link municipal procurement to skills development initiatives 	<ul style="list-style-type: none"> • Help create a pool of skilled workforce to respond to specific needs of the mining, post mining and manufacturing business in the area through provision of bursaries. •

5.1.6. An efficient, competitive and responsive economic infrastructure network

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Improve competition and regulation 2. Reliable generation, distribution and transmission of energy 3. Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports 4. Maintain bulk water infrastructure and ensure water supply 5. Information and communication technology 6. Benchmarks for each sector 	<ul style="list-style-type: none"> • An integrated energy plan and successful independent power producers • Passenger Rail Agency acquisition of rail rolling stock, and refurbishment and upgrade of motor coaches and trailers • Increase infrastructure funding for provinces for the maintenance of provincial roads • Complete Gauteng Freeway Improvement Programme • Complete De Hoop Dam and bulk distribution • Nandoni pipeline • Invest in broadband network infrastructure 	<ul style="list-style-type: none"> • Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport • Maintain and expand water purification works and waste water treatment works in line with growing demand • Cities to prepare to receive the devolved public transport function • Improve maintenance of municipal road networks 	<ul style="list-style-type: none"> • Review at least three policies that are a priority to the municipality. • Conduct risk assessment throughout the municipality • Conduct four performance audits per year.

5.1.7. Vibrant, equitable and sustainable rural communities and food security

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Sustainable agrarian reform and improved access to markets for small farmers 2. Improve access to affordable and diverse food 3. Improve rural services and access to information to support livelihoods 4. Improve rural employment opportunities 5. Enable institutional environment for sustainable and inclusive growth 	<ul style="list-style-type: none"> • Settle 7 000 land restitution claims. • Redistribute 283 592 ha of land by 2014 • Support emerging farmers • Soil conservation measures and sustainable land use management • Nutrition education programmes • Improve rural access to services by 2014: <ul style="list-style-type: none"> ➢ Water - 74% to 90% ➢ Sanitation - 45% to 65% ➢ Sanitation - 45% to 65% 	<ul style="list-style-type: none"> • Facilitate the development of local markets for agricultural produce • Improve transport links with urban centres so as to ensure better economic integration • Promote home production to enhance food security • Ensure effective spending of grants for funding extension of access to basic services 	<ul style="list-style-type: none"> • Provide technical support in the establishment of SMME in the district • Facilitate Cooperative Development in food /vegetable gardens • Ensure absorption of identified indigents in community works programmes throughout the district

5.1.8 A response and, accountable, effective and efficient local government system

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
<ol style="list-style-type: none"> 1. Differentiate approach to municipal financing, planning and support 2. Community work programme 3. Support for human settlements 4. Refine ward committee model to deepen democracy 5. Improve municipal financial administrative capability 6. Single coordination window 	<ul style="list-style-type: none"> • Municipal capacity-building grants: • Systems improvement • Financial management (target: 100% unqualified audits) • Municipal infrastructure grant • Electrification programme • Public transport & systems grant • Bulk infrastructure & water grants • Neighbourhood development partnership 	<ul style="list-style-type: none"> • Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality • Implement the community work programme • Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues • Improve municipal financial and administrative capacity by implementing 	<ul style="list-style-type: none"> • Incorporate clean audit in our daily operations • Ensure timely compilation and completion of AFS to be submitted to AG • Convene and host monitoring and evaluation meetings in the district municipality • Convene and host technical IGR meetings in the district municipality

	grant <ul style="list-style-type: none"> • Increase urban densities • Informal settlements upgrades 	competency norms and standards and acting against incompetence and corruption	<ul style="list-style-type: none"> • Convene and host political IGR meetings in the district municipality
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5.1.9. An enhancement of environmental assets and natural resources

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
1. Enhance quality and quantity of water resources 2. Reduce greenhouse gas emissions; mitigate climate change impacts; improve air quality 3. Sustainable environment management 4. Protect biodiversity	<ul style="list-style-type: none"> • National water resource infrastructure programme <ul style="list-style-type: none"> ➢ reduce water losses from 30% to 15% by 2014 • Expanded public works environmental programmes 100 wetlands rehabilitated a year • Forestry management (reduce deforestation to <5% of woodlands) • Biodiversity and conservation (increase land under conservation from 6% to 9%) 	<ul style="list-style-type: none"> • Develop and implement water management plans to reduce water losses • Ensure effective maintenance and rehabilitation of infrastructure • Run water and electricity saving awareness campaigns • Ensure proper management of municipal commonage and urban open spaces • Ensure development does not take place on wetlands 	<ul style="list-style-type: none"> • Conduct scheduled samples on food selling outlets throughout the district. • Conduct scheduled potable water samples on water sources throughout the district.

5.1.10A development-orientated public service and inclusive citizenship

Outputs	Key spending programmes (National)	Role of Local Government	Lejweleputswa Municipality's IDP Response
1. Improve government performance 2. Government-wide performance monitoring and evaluation 3. Conduct comprehensive expenditure review 4. Information campaign on constitutional rights and responsibilities 5. Celebrate cultural diversity	<ul style="list-style-type: none"> • Performance monitoring and evaluation: <ul style="list-style-type: none"> ➢ Oversight of delivery agreements • Statistics SA: Census 2011 - reduce undercount • Chapter 9 institutions and civil society: programme to promote constitutional rights • Arts & Culture: promote national symbols and heritage • Sport & Recreation: support mass participation and school sport programmes 	<ul style="list-style-type: none"> • Continue to develop performance monitoring and management systems • Comply with legal financial reporting requirements • Review municipal expenditures to eliminate wastage • Ensure councils behave in ways to restore community trust in local government 	<ul style="list-style-type: none"> • Ensure participation of prioritised stakeholders as per the municipality's public participation policy. • Coordinate all sporting events in the district. • Coordinate all arts and culture related activities in the district

CHAPTER 6

Programmes and Projects

National KPA 2	Municipal Strategic Focus Area	Objective	Strategy	Project Name	Key Performance Indicator	Baseline Year 4	Annual target	Year5	Budget	Department
Basic Services and Infrastructure Investment	To upgrade a Community Hall	Upgrade existing Majwemasweu (Brandfort) community hall by 2016	To upgrade the hall by June 2016	Upgrade Community Hall	No of Community Hall upgraded	0	1	1	1m	Municipal Manager

National KPA 2	Municipal Strategic Focus Area	Objective	Strategy	Project Name	Key Performance Indicator	Baseline Year 4	Annual target	Year5	Budget (R)	Department
LOCAL ECONOMIC DEVELOPMENT	2.1 Economic Development	Expand Agricultural development to sustain food security 2016	Facilitate 2 Capacity building workshops for Cooperatives in the District	Capacity Building Programme	Number Capacity Building programmes	0	2	10	100 000	LED
			Develop the LDM LED Strategy Implementation Plan	LED Strategy Implementation Plan	Number of LED Strategy Implementation Plan	0	1	1	In-house	LED
			Convene District LED Forum Meetings	District LED Forum	Number of District LED Fora Meetings convened	2	2	10	In-house	LED
		To improve access to telecommunication services within the district by 2016	To install VPN System	Broadband VPN Technologies	Number of meetings held Network architect study done	New	0	0		LDA
		To reduce greenhouse emissions in the district 2018	Developing solar power plant that will replace the current use of coal to generate electricity	Solar Power Plant	Number of meetings held with stakeholders, EIA study conducted, Bankable Business Plan Constructed Solar power plant	New	0	0		LDA
		To add-value to the district's agricultural products in order to boost the economy	Agro-processing of Soya Beans in Nala	Soya Bean Processing	Number of meetings Pre-feasibility study	New project	0	0		LDA

		of the district								
		To mine salt in Soutpan for purpose of beauty spar	Processing the salt into a commercial product	Salt Mining processing	Number of meetings Pre-feasibility study	New project	0	0		LDA
		To develop the municipality Game Reserve to attract eco-tourists and game hunters	Upgrade the game reserve	Game farming	Number of meetings	New project	0	0		LDA
	2.2. SMME Development	Workshop for Smme	Convene small scale mining workshop	Small scale mining workshop	Number of small scale mining workshops Conducted	New project	1	0	100 000	
			Convene Smme s Workshop on bid processes	Smme Bid process Workshops	Number of Smmes Bid process w/shops convened	New Project	2	10		LED
	2.3. Tourism Development	Promotion of tourists Attraction	Develop tourism banners	Tourism Banners	Numbers of tourism banners Developed	2	2	10		
			Launch District Tourism Forum	Tourism forum	Number of Tourism forums launched	1	1	5		LED
		Create an environment for the promotion of singing talent	Invitation of Artists to perform during year end festival in December 2016//	Year end festival	Number of year end festivals held	1	1	5	1 million	LED
		To attract tourists to Lejweleputswa Region	Organise Easter Festival Virginia	Golf Tournament	Number of Easter Festival held	1	1	5	1 million	LED

		To promote Tournament in Ldm region	Invitations of Golf Players to the Tournament	Golf Tournament	Number of Golf Tournaments	1	1	5	25 000	LED
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National KPA 3	Municipal Strategic Focus Area	Objective	Strategy	Project Name	Key Performance Indicator	Baseline-Year 2	Annual target	Year5	Budget (R)	Department
Municipal Transformation and Institutional Development	3.1 Sound municipal administration	To adhere to all administrative responsibilities	Develop and distribute 20 signed portfolio committee agendas and minutes	Portfolio committee meetings	Number of signed portfolio committee agendas and minutes developed and distributed	20	16	80		Corporate Services
			Develop and distribute all signed MAYCO agendas and minutes	MAYCO meetings	Number signed MAYCO agendas and minutes	4	4	20		Corporate Services
			Develop and distribute signed council agendas and minutes	Council meetings	Number of signed council agendas and minutes	4	4	20		Corporate Services
	3.2 Local Labour forum	To ensure a functional LLF	Convene 4 LLF meetings annually	LLF meetings	Number of LLF meetings convened	4	4	20		Corporate Services
	3.3. Skills Development	Support indigents students with bursaries to register and attend tertiary institutions in pursuit of post	Sign 20 experiential learners by the end of June 2016.	Student bursaries	Number of bursaries issued per annum	20	20	-	2.1m	Corporate Services

		matric qualifications in the areas of mining, IT etc.								
		To give experiential training to students at tertiary institutions to complete their qualifications.	Number of learners completing the experiential training.	Experiential training	80	20	20	20	100 000	Corporate Services
	3.4 Workplace Skills Plan	Upgrade the skills of the staff members	Enrol staff members for attending short courses by the end of June 2016	Short courses	Number of staff members undertaking short courses to upgrade their skills.	18	30	10		Corporate Services
		Support staff members to further their qualifications.	Provide financial assistance to staff members to further their studies	Financial assistance	Number of staff members financially supported	10	30	10	220 000	Corporate Services
	3.5. Employee Wellness Programme	Conduct employee physical and mental wellness programmes	Facilitate two fun walk for the employees by the end of June 2016	Employee wellness	Number of employees wellness programme conducted.	4	4	20	140 000	Corporate Services
			Facilitate inter-district sport day	Employee wellness	Number of inter-district sport day facilitated	1	1	1		Corporate Services
	3.6. Employment Equity	Ensure adherence to requirements	Employ two women into senior	Employment equity	Number of women employed into senior management	2	2	10		Corporate Services

		of employment equity	management positions		positions					
			Facilitate 4 employment equity forum meetings by the end of June 2016	Employment equity forum	Number of employment equity forum facilitated	4	4	20		Corporate Services
	3.7.Occupational health and safety	To ensure adherence to occupational health and safety act	Establishment of occupational health and safety committee by June 2016	Occupational health and safety committee	Number of occupational health and safety committee meetings convened	New project	4	20		Corporate Services
	3.8.. Security Management	Create an environment to improve safety of people staff and property in municipal s	Monitor weekly in and out register book in all municipal entrances.	Security Management	Number of consolidated monthly access reports developed	12	12	60		Corporate Services
			Re-activate an surveillance system and report monthly		Number of monthly security reports developed	12	12	60		Corporate Services
			Reactivate the use of access points by all staff members		Monthly reports on functional use of access points.	12	12	60		Corporate Services

National KPA 4	Municipal Strategic Focus Area	Objective	Strategy	Project name	Key Performance Indicator	Baseline-Year 2	Three year target	Annual target- Year 3	Year 4	Year5	Budget	Department
Municipal Financial Viability and Management	4.1. Clean audit	Achieve a clean audit by 2016	To address all the matters of emphasis raised in the 2014/2015 financial year	Clean audit	Number of matters of emphasis eliminated	45	Clean audit	Clean audit	Clean audit	Clean audit	1.250m	All Departments
			To review 3 financial and IT policies (Disaster recovery plan, SCM, IT) by the end of June 2016.	Financial policy review	Number of financial and IT policies reviewed	4	9	3	3	3		
			To develop virement, Business continuity plan and 3G Data policies by June 2016	Financial policy development	Number of new policies developed	0	9	3	3	3		Finance
	4.2. Supply Chain Management compliance	Improve management of procurement processes.	Train staff members on procurement processes.	SCM Training	Number of staff members trained,	0	30	10	10	10		Finance
			Train bid committees members on procurement processes annually	Bid committees training	Number of bid committee members	0	13	13	13	13		Finance
	4.3. Asset Management	To ensure improved and updated municipal assets	Update asset register as and when purchases are made	Asset Management	Number of asset register updates done	101	250	83	83	84		Finance
			Update asset register on a		Number of asset	4	36	12	12	12		Finance

			monthly basis		register updated							
4.4. Financial reports	To strengthen and sustain sound administrative and financial capacity of the district	Comply and submit financial reports.	Financial reporting	Number of financial reports submitted	34	138	46	46	46			Finance/MM
4.5. IT	To render effective & efficient ICT services	To procure new version of Microsoft licence by June 2015	Microsoft licences	Frequency of procuring new Microsoft licences	0	2	1	0	1			Finance
		Upgrade the municipal domain controller in June 2015	Upgrading municipal domain controller	Frequency of upgrading municipal domain controller	0	2	1	0	1			Finance
		Install wireless points to improve connectivity in the Disaster centre by June 2015	Wireless points installation	Number of wireless points connected	0	2	2	0	0			Finance
		Increase the server capacity back-up to cater for all municipal users	Number of municipal officials catered for through the back-up service	Number of municipal officials catered for through the back-up service	0	510	170	170	170			Finance

National KPA 5	Municipal Strategic Focus Area	Objective	Strategy	Project Name	Key Performance Indicator	Baseline-Year 1	Annual target	Year 5	Budget	Department
Good Governance and Public Participation	5.1. IDP	Ensure participation of all stakeholders in the IDP forum meetings.	Invite all stakeholders on our IDP database to participate in our forum meetings	IDP	Number of stakeholders invited to our IDP forum meetings.	0	100	200		Municipal Manager's Office
		Ensure implementation of a District wide integrated planning process	To review and approve a District IDP framework plan to inform process plans of all local municipalities.	District IDP framework plan	Number of framework plans reviewed	1	1	1		Municipal Manager's Office
			Review and approve a District IDP process plan	District IDP process plan	Number of process plans reviewed	1	1	1		Municipal Manager's Office
			Coordinate the review and approval of local IDP process plans	Local IDP process plans	Number of local IDP process plans reviewed	0	5	5		Municipal Manager's Office
			Convene four IDP Managers forum meetings by the end of June 2016	IDP Managers forum	Number of IDP Managers forum meetings convened	0	4	4		
	5.2. Moral regeneration	Restore societal moral values	Convening public awareness campaigns	Moral regeneration	Number of awareness campaigns convened	4	4	4	220 000	Executive Mayor
	5.3 Cooperative Development	Strengthen stakeholder collaboration on cooperative development.	Establish five Cooperatives in five local municipalities by 2016	Cooperative Development	Number of collaborative meetings	0	4	4	500 000	Executive Mayor
	5.4. District Aids Council & HIV &	Reduce the spread of HIV & AIDS in the	Coordinate 4 District Aids Council	DAC	Number of DAC	4	4	4	40 000	Executive Mayor

	AIDS	District	meetings		meetings coordinated					
			Coordinate HIV and AIDS awareness campaigns throughout the district.	HIV and AIDS awareness campaigns	Number of HIV and AIDS awareness coordinated.	4	4	4	50 000	Executive Mayor
5.5. Gender, Disability, Elderly and Children's Programme	Promote the interests of designated groups	Conduct targeted awareness campaigns on the elderly	Targeted campaigns	Number of targeted awareness campaigns conducted for the elderly	1	1	1	50 000	Executive Mayor	
		Conduct targeted awareness campaigns for women	Targeted campaigns	Number of targeted awareness campaigns conducted for the women	1	1	1		Executive Mayor	
		Conduct targeted awareness campaigns for the people with disabilities	Targeted campaigns	Number of targeted awareness campaigns conducted for people with disabilities	1	1	1		Executive Mayor	
		Conduct targeted awareness campaigns on children's programmes.	Targeted campaigns	Number of targeted awareness campaigns conducted for children	1	1	1	200 000	Executive Mayor	
5.6. National Campaigns	Ensure coordination of all national and provincial campaigns in the district.	Convene 1 state of the province address session	State of the Province address	Number of campaigns conducted.	4	4	4	1,5 000	Executive Mayor	
		Undertake 4 international trips	International trips	Number of trips undertaken	0	1	1		Executive Mayor	
		Convene 1 international women's day	International women's day	Number of international women's day celebration activity	1	1	1		Executive Mayor	

			celebration activity		convened					
			Convene 1 freedom day celebration activity	Freedom day celebration	Number of freedom day celebration activity convened	1	1	1		Executive Mayor
			Launch 16 days of activism against women and children abuse	16 Days activism	Number of 16 days activism against women and children launched	1	1	1		Executive Mayor
5.7 Mandela day	To participate in the 67 minutes Mandela day in July.	Launch Mandela day	Mandela day			1	1	1	100 000	Executive Mayor
5.8 Bursaries	To provide bursaries to deserving students in Lejweleputswa region/district	Identify needy students in the district to apply for bursaries	Bursaries		Number of bursaries awarded				2,100 000	Executive Mayor
5.9. Educational project	Encourage matriculation learners to improve their learning/passing grades.	Conduct motivational talk	Motivational talk		Number of motivational talks conducted	1	1	1	600 000	Executive Mayor
5.10. Grant-in-Aid	Create a conducive environment for the provision of aid during times of need	Donate money to members of the communities during times of need.	Grant -in -Aid		Number of members given donation	10+	Dependent on the amount needed for assistance	Dependent on the amount needed for assistance	130 000	Executive Mayor
5.11 Arts and Culture	To ensure arts and culture is celebrated in the district	Organise Arts and Culture activities in the district	Arts and Culture celebrations		Number of activities organised	0	1	1	250 000	Executive Mayor
5.12 Youth Development	To ensure that the needs of young people are catered for	Organise youth activities in the District	Youth development		No of youth development activities organised	0	1	1	320 000	Executive Mayor

5.13 OR Tambo games	To facilitate hosting of OR Tambo games		OR Tambo games	Number of games facilitated	3	1	1	659 000	Executive Mayor
5.14. Training Ward councillors	Improve skills of ward councillors & committee members throughout the district	Conduct 2 district wide accredited skills training sessions for all ward committees.	Accredited Skills Training	Number of accredited training sessions conducted.	New project	2	2		Speaker's Office
5.15. Ward committee competitions	Reward best performing ward committees in the district	Convene 1 annual ward committee award by the end of June 2016	Ward committee competitions	Number of ward awards convened	New project	1	1	150 000 (MSIG)	Speaker's Office
5.16. Public Participation and Education	Provide a platform for the promotion of stakeholder participation	Convene three public participation meetings on IDP by June 2016.	Public Participation meetings	Public participation meetings convened	3	3	3	100 000 (MSIG)	Speaker's Office
5.17. National Population registration campaign	Coordinate continuous registration of new born babies and all citizens from 16 years upwards	Convene 2 outreach programmes in each local municipality by the end of June 2016.	Outreach programmes	Provide birth certificates and id's for residents	10	10	10	150 000	Speaker's Office
5.18. Men's Forum	Encourage the promotion of a non-violent society through men outreach programme	Convene 4 local municipal sessions per year	Men's forum	Number of men's forum sessions held per year.	20	20	20	150 000	Speaker's Office
5.19. IGR	Ensure implementation of a single window of coordination in the	Conduct four (4) M & E site visits per year.	IGR	Number of monitoring and evaluation site visits conducted per year	4	4	4		Municipal Manager's Office

		district.	Convene 4 technical district coordinating committee meetings per year		Number of technical district coordinating forum meetings held.	4	4	4		Municipal Manager's Office
			Convene 4 political coordinating forum meetings per year		Number of political district coordinating forum meetings held.	4	4	4		Office of the Executive Mayor
	5.20.LED Forum	Coordinate all local economic development initiatives throughout the district	Convene 4 LED forum meetings per year	LED Forum	Number of LED forum meetings convened	4	4	4		LED & Planning
	5.21. Policy Development	Create an improved policy environment in the municipality.	Revise three identified policies by June 2016	Policy development	Number of policies revised.	3	1	1		Municipal Manager's Office
	5.22. Branding	Ensure effective branding of LDM activities	Procure a 4x4 meter municipal banner	Branding	Number of municipal banners procured sources	0	1	0	62 000	Municipal Manager's Office
	5.23. Internal audit	Facilitate achievement of a clean audit of the municipality and its entity	Conduct quarterly internal audits to ensure improvement of service delivery.	Internal audit	Number of quarterly internal audits conducted per annum	New project	4	4		Municipal Manager's office
	5.24. Risk Management	Conduct quarterly risk assessments on identified municipal programmes as per the risk audit plan.	Conduct monthly monitoring of identified risks and provide feedback	Risk management	Number of quarterly risk assessments conducted	New project	4	4		Municipal Manager's office
	5.25.Performance Management System	Promote a culture of performance management	Coordinate the development of eighteen (18) non-financial performance reports by the end	Performance Management	Number of reports developed by the end of June 2016	0	17	17	100 000	Municipal Manager

			of June 2016							
	5.26.Facilitation of Indoor Arena	To facilitate the establishment of the Nelson Mandela Arena	To facilitate the development of indoor Arena by 2016	Indoor Arena	No of meetings facilitated	0	2	0	20 000	Municipal Manager
	5.27. Ensure effective branding of LDM and communication with all its stakeholders	Reflect quarterly Communication of Achievements of the Municipality through newsletters , print or electronic Data	Advertise in various media sources	Municipal branding And Communication	Number of Adverts in the Media	10	10	50	62 000	Municipal Manager
	5.28.EPWP Programme	To facilitate creation Jobs for disadvantaged Youth women and men	Create jobs for 80 unemployed youth, women and men	Epwp	Number of jobs created	80	80	80	1,310	Municipal Manager

National KPA 6	Municipal Strategic Focus Area	Objective	Strategy	Project Name	Key Performance Indicator	Baseline - Year 2	Three year target	Annual target- Year 3	Year 4	Year 5	Budget	Department
Safe and healthy environment	6.1Municipal health services	To do water quality monitoring to ensure safe and healthy potable water	Implement effective water quality monitoring program.	Water quality monitoring	Number of water quality samples taken in terms of SANS 241.	179	612	204	204	204	100 000	EH
	6.2 Municipal health services	Enhance consumer protection with sufficient food control	Monitor all food selling outlets for compliance to legislation	Food quality monitoring	Number of food selling outlets complied	500	1500	500	500	500		EH
			Implement effective food sampling program	Food sampling	Number of food samples taken	161	480	160	160	160	100 000	EH
	6.3 Municipal health services	To create public environmental health awareness	Implement environmental health awareness campaigns	Environmental health awareness campaign	Number of environmental health awareness campaigns conducted.	4	12	4	4	4	40 000	EH
	6.4 Municipal health services	Ensure safe air quality	Ensure licensing of air quality emitters.	Licensing of air quality emitters	Number of licenses issued	4	12	4	4	4		EH
			Auditing of Atmospheric Emission Licences issued	Auditing of Licences	Number of Licences audited	New project	40	10	10	10	100 000	EH
	6.5Municipal health services	To ensure responsible waste management practices	Quarterly Monitoring 16 waste management landfill sites	Waste management monitoring	Number of waste management landfill sites monitored	64	192	64	64	64		EH

	6.7 Municipal health services		Quarterly Monitoring 17 waste collection services	Waste collection monitoring	Number of waste collection services monitored	68	204	68	68	68		EH
	6.8 Municipal health services		Conduct quarterly waste management awareness campaigns.	Waste management campaigns	Number of waste management campaigns held	4	12	4	4	4		EH
	6.9 Disaster Management	Conduct Disaster Management awareness campaigns.	Conduct monthly disaster awareness campaigns in schools, and among the communities in conjunction with the 5 local municipalities in the district	Disaster awareness campaigns	Number of monthly disaster awareness campaigns held.	12	36	12	12	12	20 000	DM
	6.10 Disaster Management	Ensure an integrated, and multi-sectoral approach to Disaster Management in the District	Convene four quarterly disaster management advisory forum meetings	Disaster Relief Awareness.	Number of disaster Management Advisory Forum meetings held	4	12	4	4	4	25 000	DM
			Attend the 4 Provincial Advisory Forum meetings held quarterly.		Number of Provincial Disaster Management Meetings attended.	4	12	4	4	4		DM
			Establish Local Municipalities' Disaster Management Forums in the 5 Local Municipalities.		Number of Local Municipality Disaster Management Forums established and subsequent meetings attended.	New	20	5	5	5		DM
			Conduct Disaster Management workshops for Councillors and Officials in conjunction with SALGA and the Provincial Disaster Management Centre.		Number of Disaster Management Workshops held.	New	1	1	1	1		DM

			Participate in Sector Departments' public awareness campaigns.		Number of sector departments' public awareness campaigns attended.	NEW	1	1	1	1		DM
	6.11 Disaster Management	Formalize and promote integrated, uniform, and consistent response and recovery to Disasters, and Disaster incidents throughout the district.	Develop disaster mitigation strategies; Contingency Plans; Evacuation Plans; and Draft a Relief Assistance Policy for Incidents.	Disaster Relief	No of reports submitted on incidents responded to and relief rendered	4	4	4	4	4	60 000	DM
	6.12 Fire services	Ensure coordination of fire services throughout the District.	Conduct fire safety awareness campaigns.	Fire Safety awareness Campaigns.	Number of reports on fire safety awareness campaigns conducted	4	4	4	4	4		DM
			Procure of fire-fighting protective clothing for Tokologo LM and Masilonyana LM	fire-fighting Protective clothing	Fire-fighting Protective clothing procured.	New	8	8	0	0	80 000	DM
		Assessment of Firefighting Bakkies unit for 4 Municipalities: Tokologo, Tswelopele, Nala. Masilonyana	Assess Municipal Firefighting Bakkies	Assessment of Bakkies	Number of fire-fighting Bakkies assessed	New	6	6	0	0		DM
			Training of fire fighters for tokolog		No of Trainings Conducted	1	1	1	1	0		

CHAPTER 7

Financial plan

Lejweleputswa District Municipality MTREF Budget 2015/16 to 2017/18 Medium Term Revenue and Expenditure Framework

Copies of this document can be viewed:

- In the foyers of municipal buildings
- All public libraries within the municipality
 - At www.lejwe.co.za

05 June 2015

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. It is the formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality’s Statement of Financial Performance.
CRR – Capital Replacement Reserve. A cash reserve set aside for future capital expenditure.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it marks as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. This is the annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which the Annual Financial Statements are prepared.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality.
KPI’s – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act no. 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years’.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget is divided. In LDM this means at directorate level.

Part 1 – Annual Budget

1.1 Mayoral Budget Speech

The budget speech is attached as a separate document.

1.2 Council Resolutions

On 05th June 2015 the Council of Lejweleputswa District Municipality had a meeting to approve the annual budget for the year 2015/2016. The following resolutions are contained in item to the agenda of the Council meeting held on 05th June 2015 at 12h00:

- (a) that the following policies be approved:
 - (i) Budget Policy;
 - (ii) Credit control and debt collection;
 - (iii) Cash Management and Investment Policy;
 - (iv) Supply Chain Management Policy;

- (b) that the annual budget for the financial year 2015/16 and indicative outer years 2016/17 and 2017/18 be approved as set-out:
 - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
 - (ii) Capital funding by source as contained in annexure "A" to the agenda;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;

- (c) that the annual budget documentation for 2015/16 – 2017/18 as outlined in the budget regulations be submitted to National and Provincial government or organ of state after approval by Council.

1.3 Budget 2014/15 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2014/15.

	Original Budget 2014/15	Adjustment Budget 2014/15	Difference
Operating Expenditure	111 022 749	113 957 854	2 935 105
Capital Expenditure	920 000	950 000	30 000
Total Income	111 250 536	111 332 022	81 486

The 2014/15 adjustments budget was taken into account in the preparation of the 2015/16 MTREF.

1.4 Executive Summary

The Municipality was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- The dependency on the grants available for funding;
- The municipality needs to focus on its core functions. During the adjustments budget, the Portfolio Councillors in conjunction with the Head of Departments, scrutinized the budget to affect all possible savings;
- Sufficient provision for debtor's impairment was budgeted for in the operating budget.
The writing off of irrecoverable debt will also be scrutinized through the business processes, which will be managed by a credit control to ensure that proper credit control measures are in place and also to recommend the writing off of debt to council;
- A provision for a contribution to the capital replacement reserve (CRR) in the operating budget has been made in order to grow our reserve;

MFMA Circulars

National Treasury sent out MFMA Circular No. 74 on 12 December 2014 providing guidance to municipalities on their 2015/16 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 74 was followed up by Circular No. 75 dated 04 March 2015. Circular No. 70 & 72 reminds us of the key focus areas for the 2015/2016 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 58 and 59. It is essential reading material in order to understand the background to this budget. National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa, ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;

- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

1.5 Budget Overview of the 2015/16 MTREF

This section provides an overview of the Lejweleputswa District Municipality's 2015/16 to 2017/18 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Lejweleputswa District Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and local government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced at Lejweleputswa District Municipality. Lejweleputswa District Municipality alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 75, the following headline inflation forecasts must be taken into consideration when preparing 2015/16 budgets and MTREF:

Fiscal Year	2014 Actual	2015 Estimate	2016 Forecast	2017 Forecast	2018 Forecast
CPI Inflation	5.8	5.6	4.8	5.9	5.6

The budget process in Lejweleputswa District Municipality followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Executive Mayor on the 26th of August 2014.

The draft budget was tabled on 30th March 2015 to the Council. The final budget will be approved by Council by on 05th June 2015.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

Table 1 Consolidated Overview of the 2015/2016 MTREF

AGGREGATE TOTAL				
DETAILS	ORIGINAL BUDGET 2014/2015	REVISED BUDGET 2014/2015	DRAFT BUDGET 2015/2016	DIFFERENCE
TOTAL OPERATING INCOME	111,250,536	111,332,022	117,760,000	5.77%
TOTAL OPERATING EXPENDITURE	111,022,749	113,957,854	119,439,303	4.81%
SURPLUS/(DEFICIT)	227,787	(2,625,832)	(1,679,303)	(36.05%)
TOTAL CAPITAL EXPENDITURE	920,000	950,000	1,660,000	74.74%
LOAN REDEMPTION	3,998,015	3,998,015	2,145,864	(46.33%)
TOTAL DEFICIT	(4,690,228)	(7,573,847)	(2,145,167)	(71.68%)
UNAPPROPRIATED SURPLUS	(4,690,228)	(7,573,847)		(100.00%)
CAPITAL REPLACEMENT RESERVE			1,660,000	

The surplus/(deficit) in the above table differs from that in the SA Tables, as the SA tables does not take into account the appropriations.

1.6 Operating Revenue Framework

For Lejweleputswa District Municipality to continue maintaining/improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines, Circular No. 74 & 75

Table 2 Summary of Revenue Classes by Main Revenues Sources

SUMMARY OF INCOME BY SOURCE 2015/2016				
DETAILS	ORIGINAL BUDGET 2014/2015	REVISED BUDGET 2014/2015	DRAFT BUDGET 2015/2016	DIFFERENCE
INTEREST EARNED	2,144,522	2,151,022	1,890,000	0.12
INTEREST EARNED O/S DEBTORS	305,014	375,000	95,000	(0.75)
OPERATING GRANTS & SUBSIDIES	108,706,000	108,706,000	115,675,000	0.06
OTHER INCOME	95,000	100,000	10,000	0.00
TOTAL INCOME	111,250,536	111,332,022	117,760,000	0.06

The following table gives a breakdown of the various grants allocated to LDM over the medium term:

Table 3 Grants Allocation

NATIONAL GRANTS	MEDIUM - TERM ESTIMATES		
	2015/2016	2016/2017	2017/2018
	R'000	R'000	R'000
Equitable Share	29,958	29,291	28,047
Transitional Grant	80,432	82,700	84,870
Local Government Financial Management Grant	1,250	1,250	1,250
Municipal Systems Improvement Grant	930	960	1,033
Rural Roads Asset Management Systems Grant	2,105	2,185	2,294
Expanded Public Works Programme Integrated Grant	1,000	0	0
TOTAL INCOME	115,675	116,386	117,494

1.7 – Operating Expenditure Framework

The expenditure framework for the 2015/16 budget and MTREF is informed by the National Treasury's guidelines.

The operating expenditure increased from R114 million (2014/15) to R119 million in 2015/16.

The following table is a summary of the 2014/15 MTREF (classified by main expenditure by category):

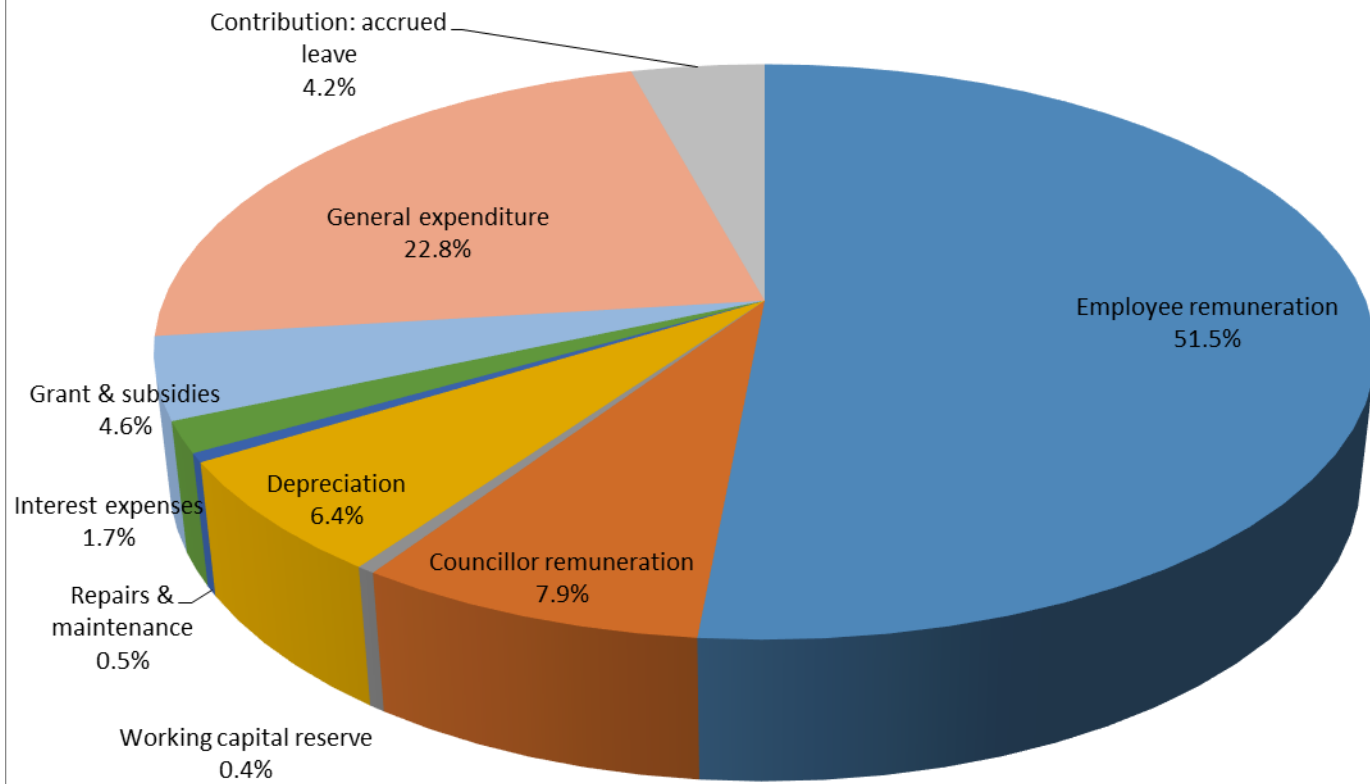
Table 13: Summary of Operating Expenditure by Category

EXPENDITURE ALLOCATION BY CATEGORY 2015/2016				
DETAILS	ORIGINAL BUDGET 2014/2015	REVISED BUDGET 2014/2015	DRAFT BUDGET 2015/2016	DIFFERENCE
Employee remuneration	57,651,226	59,808,731	61,455,303	0.03
Councillor remuneration	8,961,550	8,961,550	9,410,323	0.05
Working capital reserve	485,590	485,590	485,590	0.00
Depreciation	6,595,631	6,595,631	7,611,223	0.15
Repairs & maintenance	687,914	597,803	634,460	0.06
Interest expenses	2,320,928	2,320,928	2,022,079	(0.28)
Grant & subsidies	5,450,000	5,450,000	5,450,000	0.00
General expenditure	23,905,802	24,902,885	27,404,874	0.10
Contribution: accrued leave	4,964,108	4,834,736	4,965,451	0.03
Total Amount	111,022,749	113,957,854	119,439,303	0.05

Reasons for minor cost variances:

- Finance charges declined because the redemption portion of the loans is increasing versus the interest payments that are declining.
- The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

Operating Expenditure Budget 2015/2016



Operating Expenditure by Department

SUMMARY OF EXPENDITURE BY DEPARTMENT 2014/15				
DETAILS	BUDGET 2014/2015	REV BUDGET 2014/2015	BUDGET 2015/2016	DIFFERENCE
EXECUTIVE MAYOR	8,413,893	10,834,218	13,008,464	0.20
SPEAKER	2,691,992	2,901,319	3,077,912	0.06
MAYORAL COMMITTEE	5,663,584	5,871,853	6,064,558	0.03
COUNCIL GENERAL	18,146,532	17,828,062	19,164,446	0.07
MUNICIPAL MANAGER	14,992,031	15,326,100	13,131,639	(0.14)
CORPORATE SERVICES	11,900,712	12,377,529	12,811,145	0.04
PROPERTY	5,110,684	5,004,792	5,522,213	0.10
DISASTER MANAGEMENT	7,499,387	8,786,038	9,304,975	0.06
ENVIRONMENTAL HEALTH	10,855,540	10,213,814	10,562,814	0.03
LED & PLANNING	8,051,753	7,431,494	7,327,870	(0.01)
TOURISM	1,020,000	915,000	2,275,000	1.49
FINANCE SERVICES	16,676,640	16,467,636	17,188,268	0.04
TOTAL	111,022,748	113,957,854	119,439,303	0.05

Table 14: Repairs and maintenance per asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and Maintenance by Asset Class	1									
Total Repairs and Maintenance Expenditure	1	1,575	438	-	688	598	598	634	675	708

Repairs and maintenance do not have the same impact as in the case of local municipalities. It is our submission that 0.5% of the budgeted amount is sufficient to cover repairs and maintenance.

1.8 – Capital Budget

The capital budget increased by 75% from R950 000 (2014/15) to R1 660 000 in 2015/16. Total capital budget will be spent on furniture; other equipment; and computer software.

The Budget Committee went through several stages of prioritizing the capital budget to contain the budget within the available funding.

Table 15: Capital funding by source

DC18 Lejweleputswa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Capital expenditure - Vote</u>											
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - Executive Mayor		74	129	36	30	30	30	-	25	26	28
Vote 2 - Speaker		27	20	35	30	30	30	-	10	20	22
Vote 3 - Mayoral Committee		69	29	8	30	30	30	-	15	27	29
Vote 4 - Council General		91	301	1,197	-	190	190	-	150	92	94
Vote 5 - Municipal Manager		106	30	89	190	190	190	-	200	100	55
Vote 6 - Budget & Treasury		86	547	291	295	295	295	-	900	280	280
Vote 7 - Corporate Services		1	500	93	30	30	30	-	100	45	51
Vote 8 - Human Resources		9	-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		544	-	-	-	-	-	-	-	-	-
Vote 10 - Property		787	956	254	50	80	80	-	30	84	89
Vote 11 - Municipal Support		18	-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		30	29	47	45	45	45	-	60	63	63
Vote 13 - Community & Social Services		7,260	8	90	30	30	30	-	40	45	35
Vote 14 - Environmental Health Services		50	180	213	190	-	-	-	130	200	200
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		9,151	2,727	2,354	920	950	950	-	1,660	981	945
Total Capital Expenditure - Vote		9,151	2,727	2,354	920	950	950	-	1,660	981	945
<u>Funded by:</u>											
Internally generated funds		9,151	2,727	2,354	920	950	950	-	1,660	981	945
Total Capital Funding	7	9,151	2,727	2,354	920	950	950	-	1,660	981	945

Although the budgeted income and expenditure are realistically anticipated, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed according to the available cash. To facilitate this process the Lejweleputswa District Municipality has prioritized the Capital Budget.

The following table provides a breakdown of the budgeted capital expenditure by classification:

Table 16: Capital expenditure by GFS classification

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital Expenditure - Standard											
<i>Governance and administration</i>		1,812	2,510	2,004	655	875	875	-	1,430	673	647
Executive and council		367	508	1,366	280	470	470		400	265	227
Budget and treasury office		104	547	291	295	295	295		900	280	280
Corporate services		1,340	1,456	347	80	110	110		130	129	140
<i>Community and public safety</i>		7,260	8	90	30	30	30	-	40	45	35
Community and social services		7,260	8	90	30	30	30		40	45	35
<i>Economic and environmental services</i>		80	209	260	235	45	45	-	190	263	263
Planning and development		30	29	47	45	45	45		60	63	63
Environmental protection		50	180	213	190	-	-		130	200	200
Total Capital Expenditure - Standard	3	9,151	2,727	2,354	920	950	950	-	1,660	981	945

1.9 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

Table 17 - A1: Budget Summary

DC18 Lejweleputswa - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2,877	2,425	2,819	2,145	2,151	2,151	-	1,890	1,760	1,846
Transfers recognised - operational	96,214	99,931	103,760	108,706	108,706	108,706	-	115,675	116,386	117,494
Other own revenue	1,358	1,270	2,265	400	475	475	-	195	105	110
Total Revenue (excluding capital transfers and contributions)	100,449	103,626	108,844	111,251	111,332	111,332	-	117,760	118,251	119,450
Employee costs	43,238	48,208	60,740	57,651	59,808	59,808	-	61,455	64,426	67,422
Remuneration of councillors	6,490	8,121	8,713	8,962	8,962	8,962	-	9,410	9,848	10,306
Depreciation & asset impairment	7,956	7,764	3,318	6,596	6,596	6,596	-	7,611	8,030	8,447
Finance charges	3,107	2,841	2,583	2,321	2,321	2,321	-	2,022	1,666	1,253
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450
Other expenditure	47,771	29,115	25,370	30,044	30,821	30,821	-	33,490	29,883	31,916
Total Expenditure	116,527	100,499	104,787	111,023	113,958	113,958	-	119,439	119,303	124,794
Surplus/(Deficit)	(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)

Capital expenditure & funds sources										
Capital expenditure	9,151	2,727	2,354	920	950	950	-	1,660	981	945
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9,151	2,727	2,354	920	950	950	-	1,660	981	945
Total sources of capital funds	9,151	2,727	2,354	920	950	950	-	1,660	981	945
Financial position										
Total current assets	32,871	41,539	52,870	22,452	30,000	30,000	-	25,120	24,280	22,560
Total non current assets	91,206	76,843	72,570	74,557	72,565	72,565	-	71,821	70,003	64,714
Total current liabilities	8,667	10,268	8,723	8,221	8,985	8,985	-	8,611	7,486	6,263
Total non current liabilities	23,907	20,545	25,022	14,777	20,701	20,701	-	18,817	16,612	13,924
Community wealth/Equity	91,503	87,569	91,695	74,012	72,879	72,879	-	69,513	70,185	67,087
Cash flows										
Net cash from (used) operating	(1,870)	11,358	11,920	839	851	851	-	5,837	1,487	3,103
Net cash from (used) investing	(5,044)	(9,373)	(11,940)	(920)	(11,365)	(11,365)	-	(13,660)	(10,981)	(8,945)
Net cash from (used) financing	(1,706)	(2,118)	(1,585)	-	(1,847)	(1,847)	-	(2,146)	(2,502)	(2,890)
Cash/cash equivalents at the year end	(3,610)	(3,744)	(5,348)	(81)	7,621	7,621	19,982	(2,348)	(14,344)	(23,076)
Cash backing/surplus reconciliation										
Cash and investments available	31,115	39,982	48,377	20,000	30,000	30,000	-	25,120	24,280	22,560
Application of cash and investments	5,767	8,683	2,525	5,792	7,138	7,138	-	6,589	5,820	5,010
Balance - surplus (shortfall)	25,348	31,299	45,853	14,208	22,862	22,862	-	18,531	18,460	17,550
Asset management										
Asset register summary (WDV)	13,529	7,764	4,187	920	1,100	1,100	1,660	1,660	981	945
Depreciation & asset impairment	7,956	7,764	3,318	6,596	6,596	6,596	7,611	7,611	8,030	8,447
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1,575	438	-	688	598	598	634	634	675	708
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- Table A1 is the budget summary and provides a concise overview of the Council’s budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance.
- Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the capital budget.
- The cash backing/surplus reconciliation is positive and funding and reserves policies have been compiled to address CRR and all provisions in future.

Table 18 – A2: Budgeted Financial Performance by standard classification

DC18 Lejweleputswa - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard	1									
<i>Governance and administration</i>		99,659	102,534	108,844	111,251	111,332	111,332	117,760	118,251	119,450
Executive and council		94,343	97,537	102,510	107,456	107,456	107,456	114,425	115,136	116,244
Budget and treasury office		5,315	4,997	6,334	3,795	3,876	3,876	3,335	3,115	3,206
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		790	1,092	-	-	-	-	-	-	-
Planning and development		790	1,092	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	100,449	103,626	108,844	111,251	111,332	111,332	117,760	118,251	119,450
Expenditure - Standard										
<i>Governance and administration</i>		86,606	69,587	75,205	83,596	86,611	86,611	89,969	89,515	93,595
Executive and council		60,743	44,264	46,574	49,908	52,760	52,760	54,447	53,695	56,133
Budget and treasury office		11,750	13,229	14,435	16,677	16,468	16,468	17,188	17,284	18,041
Corporate services		14,113	12,094	14,196	17,011	17,383	17,383	18,333	18,535	19,421
<i>Community and public safety</i>		4,730	8,142	9,751	7,499	8,786	8,786	9,305	9,451	9,906
Community and social services		4,730	8,142	9,751	7,499	8,786	8,786	9,305	9,451	9,906
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20,923	18,418	17,036	18,907	17,645	17,645	17,891	18,066	18,912
Planning and development		11,694	7,958	6,162	8,052	7,431	7,431	7,328	7,338	7,681
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		9,229	10,459	10,874	10,856	10,214	10,214	10,563	10,728	11,231
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	4,268	4,353	2,796	1,020	915	915	2,275	2,271	2,382
Total Expenditure - Standard	3	116,527	100,499	104,787	111,023	113,958	113,958	119,439	119,303	124,794
Surplus/(Deficit) for the year		(16,078)	3,127	4,057	228	(2,626)	(2,626)	(1,679)	(1,052)	(5,344)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into four functional areas.
- Functions that show a deficit between revenue and expenditure are being financed from Grant revenues reflected under the Council General.

Table 19 – A3: Budgeted Financial Performance by municipal vote

DC18 Lejweleputswa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Mayor		-	-	-	-	-	-	-	-	-
Vote 2 - Speaker		-	-	-	-	-	-	-	-	-
Vote 3 - Mayoral Committee		-	-	-	-	-	-	-	-	-
Vote 4 - Council General		94,343	97,537	101,620	106,522	106,522	106,522	113,495	114,176	115,211
Vote 5 - Municipal Manager		-	-	890	934	934	934	930	960	1,033
Vote 6 - Budget & Treasury		5,315	4,997	6,334	3,795	3,876	3,876	3,335	3,115	3,206
Vote 7 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-
Vote 10 - Property		-	-	-	-	-	-	-	-	-
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		790	1,092	-	-	-	-	-	-	-
Vote 13 - Community & Social Services		-	-	-	-	-	-	-	-	-
Vote 14 - Environmental Health Services		-	-	-	-	-	-	-	-	-
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	100,449	103,626	108,844	111,251	111,332	111,332	117,760	118,251	119,450
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Mayor		19,772	11,499	9,702	8,414	10,834	10,834	13,008	13,255	13,814
Vote 2 - Speaker		2,550	2,410	3,075	2,692	2,901	2,901	3,078	3,015	3,152
Vote 3 - Mayoral Committee		4,352	4,930	5,409	5,664	5,872	5,872	6,065	6,239	6,531
Vote 4 - Council General		25,850	13,975	16,931	18,147	17,827	17,827	19,164	18,407	19,230
Vote 5 - Municipal Manager		8,219	11,451	11,457	14,992	15,326	15,326	13,132	12,780	13,406
Vote 6 - Budget & Treasury		10,401	13,229	14,435	16,677	16,468	16,468	17,188	17,284	18,041
Vote 7 - Corporate Services		5,944	8,350	10,432	11,901	12,378	12,378	12,811	12,762	13,359
Vote 8 - Human Resources		2,123	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		1,887	-	-	-	-	-	-	-	-
Vote 10 - Property		4,157	3,744	3,764	5,111	5,005	5,005	5,522	5,773	6,061
Vote 11 - Municipal Support		1,349	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		11,694	7,958	6,162	8,052	7,431	7,431	7,328	7,338	7,681
Vote 13 - Community & Social Services		4,730	8,142	9,751	7,499	8,786	8,786	9,305	9,451	9,906
Vote 14 - Environmental Health Services		9,229	10,459	10,874	10,856	10,214	10,214	10,563	10,728	11,231
Vote 15 - Tourism		4,268	4,353	2,796	1,020	915	915	2,275	2,271	2,382
Total Expenditure by Vote	2	116,527	100,499	104,787	111,023	113,958	113,958	119,439	119,303	124,794
Surplus/(Deficit) for the year	2	(16,078)	3,127	4,057	228	(2,626)	(2,626)	(1,679)	(1,052)	(5,344)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of Council.

Table 20 – A4: Budgeted Financial Performance by revenue source and expenditure type

DC18 Lejweleputswa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		2,877	2,425	2,819	2,145	2,151	2,151		1,890	1,760	1,846
Interest earned - outstanding debtors		1,034	770	1,142	305	375	375		95		
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		96,214	99,931	103,760	108,706	108,706	108,706		115,675	116,386	117,494
Other revenue	2	323	500	1,124	95	100	100	-	100	105	110
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		100,449	103,626	108,844	111,251	111,332	111,332	-	117,760	118,251	119,450
Expenditure By Type											
Employee related costs	2	43,238	48,208	60,740	57,651	59,808	59,808	-	61,455	64,426	67,422
Remuneration of councillors		6,490	8,121	8,713	8,962	8,962	8,962		9,410	9,848	10,306
Debt impairment	3										
Depreciation & asset impairment	2	7,956	7,764	3,318	6,596	6,596	6,596	-	7,611	8,030	8,447
Finance charges		3,107	2,841	2,583	2,321	2,321	2,321		2,022	1,666	1,253
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450
Other expenditure	4, 5	47,771	29,115	25,370	30,044	30,821	30,821	-	33,490	29,883	31,916
Loss on disposal of PPE											
Total Expenditure		116,527	100,499	104,787	111,023	113,958	113,958	-	119,439	119,303	124,794
Surplus/(Deficit)		(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Transfers recognised - capital											
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Taxation											
Surplus/(Deficit) after taxation		(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(16,078)	3,127	4,057	228	(2,626)	(2,626)	-	(1,679)	(1,052)	(5,344)

- Total revenue is R111.3 million 2014/15 and escalates to R 117.8 million by 2015/16. This represents a year-on-year increase of 5.77% for the 2015/16 financial year; 0.42% for the 2015/16 financial year and 1.01% 2016/17 financial year
- Transfers recognized-operating, includes the local government equitable share and other operating grants from national and provincial government.

Table 21 – A5: Budgeted Capital Expenditure by Vote, Funding and Standard Classification

DC18 Lejweleputswa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		74	129	36	30	30	30	-	25	26	28
Vote 2 - Speaker		27	20	35	30	30	30	-	10	20	22
Vote 3 - Mayoral Committee		69	29	8	30	30	30	-	15	27	29
Vote 4 - Council General		91	301	1,197	-	190	190	-	150	92	94
Vote 5 - Municipal Manager		106	30	89	190	190	190	-	200	100	55
Vote 6 - Budget & Treasury		86	547	291	295	295	295	-	900	280	280
Vote 7 - Corporate Services		1	500	93	30	30	30	-	100	45	51
Vote 8 - Human Resources		9	-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		544	-	-	-	-	-	-	-	-	-
Vote 10 - Property		787	956	254	50	80	80	-	30	84	89
Vote 11 - Municipal Support		18	-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		30	29	47	45	45	45	-	60	63	63
Vote 13 - Community & Social Services		7,260	8	90	30	30	30	-	40	45	35
Vote 14 - Environmental Health Services		50	180	213	190	-	-	-	130	200	200
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		9,151	2,727	2,354	920	950	950	-	1,660	981	945
Total Capital Expenditure - Vote		9,151	2,727	2,354	920	950	950	-	1,660	981	945
Funded by:											
Internally generated funds		9,151	2,727	2,354	920	950	950		1,660	981	945
Total Capital Funding	7	9,151	2,727	2,354	920	950	950	-	1,660	981	945

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome							
Capital Expenditure - Standard											
Governance and administration		1,812	2,510	2,004	655	875	875	-	1,430	673	647
Executive and council		367	508	1,366	280	470	470		400	265	227
Budget and treasury office		104	547	291	295	295	295		900	280	280
Corporate services		1,340	1,456	347	80	110	110		130	129	140
Community and public safety		7,260	8	90	30	30	30	-	40	45	35
Community and social services		7,260	8	90	30	30	30		40	45	35
Economic and environmental services		80	209	260	235	45	45	-	190	263	263
Planning and development		30	29	47	45	45	45		60	63	63
Environmental protection		50	180	213	190	-	-		130	200	200
Total Capital Expenditure - Standard	3	9,151	2,727	2,354	920	950	950	-	1,660	981	945

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital programme is funded from the Capital Replacement Reserve.
- **Table 22 – A6: Budgeted Financial Position**

DC18 Lejweleputswa - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		15,115	14,982	18,377					5,120	6,280	7,560
Call investment deposits	1	16,000	25,000	30,000	20,000	30,000	30,000	-	20,000	18,000	15,000
Consumer debtors	1	626	1,552	-	-	-	-	-	-	-	-
Other debtors		1,129	5	4,493	2,452						
Current portion of long-term receivables											
Inventory	2										
Total current assets		32,871	41,539	52,870	22,452	30,000	30,000	-	25,120	24,280	22,560
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	78,733	73,723	70,960	74,557	72,415	72,415	-	71,821	70,003	64,714
Agricultural											
Biological											
Intangible		4,812	3,120	1,610		150	150				
Other non-current assets		7,661	0								
Total non current assets		91,206	76,843	72,570	74,557	72,565	72,565	-	71,821	70,003	64,714
TOTAL ASSETS		124,077	118,382	125,440	97,009	102,565	102,565	-	96,941	94,283	87,274
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	1,793	1,585	1,585	1,847	1,847	1,847	-	2,022	1,666	1,253
Consumer deposits											
Trade and other payables	4	6,185	8,683	7,138	6,374	7,138	7,138	-	6,589	5,820	5,010
Provisions		690									
Total current liabilities		8,667	10,268	8,723	8,221	8,985	8,985	-	8,611	7,486	6,263
Non current liabilities											
Borrowing		16,545	14,960	13,375	9,120	13,113	13,113	-	10,967	8,465	5,575
Provisions		7,362	5,585	11,647	5,657	7,588	7,588	-	7,850	8,147	8,349
Total non current liabilities		23,907	20,545	25,022	14,777	20,701	20,701	-	18,817	16,612	13,924
TOTAL LIABILITIES		32,574	30,813	33,745	22,998	29,686	29,686	-	27,428	24,098	20,187
NET ASSETS	5	91,503	87,569	91,695	74,012	72,879	72,879	-	69,513	70,185	67,087
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		91,503	87,569	91,695	74,012	72,879	72,879		69,513	70,185	67,087
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	91,503	87,569	91,695	74,012	72,879	72,879	-	69,513	70,185	67,087

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table 23 – A7: Budgeted Cash Flow

DC18 Lejweleputswa - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		323		2,326	95	100	100		100	105	110
Government - operating	1	96,211	100,130	103,760	108,706	108,706	108,706		115,675	116,386	117,494
Government - capital	1										
Interest		2,877	2,425	2,819	2,145	2,151	2,151		1,890	1,760	1,846
Dividends											
Payments											
Suppliers and employees		(98,175)	(88,356)	(94,402)	(102,335)	(102,335)	(102,335)		(104,356)	(109,648)	(109,644)
Finance charges		(3,107)	(2,841)	(2,583)	(2,321)	(2,321)	(2,321)		(2,022)	(1,666)	(1,253)
Transfers and Grants	1				(5,450)	(5,450)	(5,450)		(5,450)	(5,450)	(5,450)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1,870)	11,358	11,920	839	851	851	-	5,837	1,487	3,103
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		108	2,354	(1,940)		(415)	(415)				
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments		4,000	(9,000)	(10,000)		(10,000)	(10,000)		(12,000)	(10,000)	(8,000)
Payments											
Capital assets		(9,151)	(2,727)		(920)	(950)	(950)		(1,660)	(981)	(945)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5,044)	(9,373)	(11,940)	(920)	(11,365)	(11,365)	-	(13,660)	(10,981)	(8,945)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(1,706)	(2,118)	(1,585)		(1,847)	(1,847)		(2,146)	(2,502)	(2,890)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,706)	(2,118)	(1,585)	-	(1,847)	(1,847)	-	(2,146)	(2,502)	(2,890)
NET INCREASE/ (DECREASE) IN CASH HELD		(8,619)	(133)	(1,604)	(81)	(12,361)	(12,361)	-	(9,969)	(11,995)	(8,733)
Cash/cash equivalents at the year begin:	2	5,009	(3,610)	(3,744)		19,982	19,982	19,982	7,621	(2,348)	(14,344)
Cash/cash equivalents at the year end:	2	(3,610)	(3,744)	(5,348)	(81)	7,621	7,621	19,982	(2,348)	(14,344)	(23,076)

The cash flow management and forecasting is a critical step in determining if the budget is funded over medium-term. The table above is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government, which also enables cash from "debtors and other" to provide for as cash inflow based on actual performance.
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

The above table shows a decrease in the cash and cash equivalents to R2.3 million for 2015/16 financial year. The negative cash position will decrease to R23 million.

Table 24 – A8: Cash backed reserves/accumulated surplus reconciliation

DC18 Lejweleputswa - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(3,610)	(3,744)	(5,348)	(81)	7,621	7,621	19,982	(2,348)	(14,344)	(23,076)
Other current investments > 90 days		34,725	43,726	53,725	20,081	22,379	22,379	(19,982)	27,468	38,624	45,636
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		31,115	39,982	48,377	20,000	30,000	30,000	-	25,120	24,280	22,560
Application of cash and investments											
Unspent conditional transfers		664	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	5,103	8,683	2,525	5,792	7,138	7,138	-	6,589	5,820	5,010
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		5,767	8,683	2,525	5,792	7,138	7,138	-	6,589	5,820	5,010
Surplus(shortfall)		25,348	31,299	45,853	14,208	22,862	22,862	-	18,531	18,460	17,550

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – funding a municipal budget in accordance with sections 18 and 19 of the MFMA.

The 2015/2016 budget is showing a positive outcome.

From the above table it can be seen that the cash and investments available total R18.531 million in the 2015/16 financial year. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- Provision for statutory requirements including VAT owing due to timing differences resulting from year-end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due.
- This liability is informed by all provisions.
- The level of cash-backing is directly informed by the municipality's cash backing policy.
- It can be concluded that the council has a surplus against the cash backed and accumulated surpluses reconciliation.

Table 25 – A9: Asset Management

DC18 Lejweleputswa - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	9,151	2,727	2,354	920	950	950	1,660	981	945
Other assets	6	4,644	2,727	2,199	770	800	800	1,360	831	795
Intangibles		4,508	-	155	150	150	150	300	150	150
<u>Total Capital Expenditure</u>	4									
Other assets		4,644	2,727	2,199	770	800	800	1,360	831	795
Intangibles		4,508	-	155	150	150	150	300	150	150
TOTAL CAPITAL EXPENDITURE - Asset class	2	9,151	2,727	2,354	920	950	950	1,660	981	945
ASSET REGISTER SUMMARY - PPE (WDV)										
Other assets		8,717	4,644	2,576	920	950	950	1,660	981	945
Intangibles		4,812	3,120	1,610	-	150	150	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	13,529	7,764	4,187	920	1,100	1,100	1,660	981	945
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		7,956	7,764	3,318	6,596	6,596	6,596	7,611	8,030	8,447
<u>Repairs and Maintenance by Asset Class</u>	3	1,575	438	-	688	598	598	634	675	708
Other assets	6, 7	1,575	438	-	688	598	598	634	675	708
TOTAL EXPENDITURE OTHER ITEMS		9,531	8,203	3,318	7,284	7,193	7,193	8,246	8,705	9,155

Table 26 – A10: Basic Service delivery measurement

DC18 Lejweleputswa - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-

The municipality is a district, and does not provide basic services.

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernize budget and financial management practices within the overall objective of maximizing the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Lejweleputswa District Municipality has been designated as a low capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 The budget preparation process

2.2.1 Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs

The budget may be funded only from reasonable estimates of revenue and cash backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in LDM.

In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Table 27 – Schedule of Key Deadlines

LEJWELEPUTSWA DISTRICT MUNICIPALITY IDP AND BUDGET PROCESS TIMEFRAMES

	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>IDP to be reviewed</i>	Final IDP 2015/16	<i>MM and Executive Mayor</i>	01 August 2014 to 31 May 2015
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plans	<i>Municipal Manager</i>	21 August 2014
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>IDP Manager</i>	29 August 2014
4.	<i>Update IDP analysis phase & Address IDP assessment report comments & report to Steering Committee & Representative Forum</i>	Reviewed & updated Analysis	<i>MM& IDP steering committee & Representative forum</i>	30 Sept 2014
5.	<i>Review key objectives, strategies and projects</i>	Reviewed key objectives, strategies and projects & programmes	<i>IDP Steering Com & Representative forum</i>	28 Nov 2014
6.	<i>Submit budget instructions to all relevant persons</i>		<i>CFO and Budget Control Officer</i>	01 Nov 2014
7.	<i>Submit 2015/2016 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>		<i>CFO and Budget Control Officer</i>	01 Nov 2014
8.	<i>Preparation of a summary of available funds from: Internal funds, e.g. CDF and External funding ,e.g. FM grant</i>		<i>CFO and Budget Control Officer</i>	28 Nov 2014

9.	<i>Prioritization of reviewed project list for 2014/2015 from 2013/2014 IDP</i>	Project list	<i>MM & Steering Committee,</i>	28 Nov 2014
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	12 Dec 2014
11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>All HODs and Budget Control Officer/IDP Steering committee</i>	30 Jan 2014
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO, Budget Control Officer/IDP Steering committee</i>	30 Jan 2014
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		<i>CFO, Budget Control Officer</i>	20 Jan 2015
14.	<i>Meeting with relevant officials (Third draft Budget meeting)</i>		<i>CFO, Budget Control Officer</i>	27 Jan 2015
15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		<i>CFO</i>	27 Feb 2015
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	<i>CFO</i>	03 Feb 2015
17.	<i>Table a draft reviewed IDP to MAYCO for consideration.</i>	Mayoral committee Budget & IDP item	<i>MM and Executive Mayor</i>	21 Feb 2015
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	<i>Executive Mayor</i>	31 Mar 2015

19.	<i>Table draft IDP to council for approval</i>	Draft IDP item to Council	<i>Executive Mayor</i>	21 Mar 2015
20.	<i>Discussing the draft with the public</i>	Public participation	<i>IDP Rep forum</i>	04 April 2015
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		<i>MM and CFO</i>	Apr 2015
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		<i>MM and CFO</i>	Apr 2015
23.	<i>Second leg of IDP and Budget Participation process starts. Comments, additions and proposals by stakeholders</i>	Incorporated Inputs from stakeholders	<i>MM, CFO, HODs and Budget Control Officer and political offices</i>	1 Apr- 30 May 2015
24.	<i>Mayoral Committee finalizes the draft 2015/2016 IDP and budget</i>		<i>MM and CFO</i>	30 May 2015
25.	<i>Submission of IDP and budget for 2015/2016 for approval by council</i>	Approved IDP and Budget by Council	<i>MM and CFO</i>	30 May 2015
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	<i>MM, Executive Mayor & IDP Rep forum</i>	10 June 2015
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		<i>CFO and Budget Control Officer</i>	June 2015

28.	<i>Submit the approved IDP to provincial departments</i>		<i>MM</i>	June 2015
29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	<i>MM</i>	June 2015
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		<i>MM</i>	July 2015
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget.</i>		<i>CFO</i>	June 2015

2.2.3 – Tabling of the budget

The budget went for public participation in May 2015 as indicated below and inputs were received from communities and provincial treasury and were taken into consideration.

The budget must be tabled by the mayor before council for adoption by 30th June, including measurable performance objectives, changes to the IDP and budget related policies.

The budget is tabled before Council on 05th June 2015.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The public participation meeting was held as follows:

- 05 May 2015 Tokologo Local Municipality (Hertzogville) at Malebogo Hall
- 06 May 2015 Tswelopele Local Municipality (Hoopstad) at Tikwana Hall
- 12 May 2015 Masilonyana Local Municipality (Winburg) at Makeleketla Hall
- 13 May 2015 Nala Local Municipality (Wesselsbron) at Alfred Nzo Hall
- 14 May 2015 Matjhabeng Local Municipality (Virginia) at Meloding Hall

The overall objective of this was to ensure an authentic and inclusive public participation process for the IDP and budget.

The planning of the public participation was driven by a steering committee constituted by politicians and officials from all Directorates. This committee provided guidance and feedback on areas that required improvement as the IDP and Budget shows unfolded.

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the executive mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The executive mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual final budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these

parameters may be considered to be unauthorized or, in some cases, irregular or fruitless and wasteful. Unauthorized expenditure must be reported and may result in criminal proceedings.

The detail SDBIP document is at an advance stage and will be finalized after approval of the 2015/16 MTREF budget.

2.4 – Alignment of Annual Budget with IDP

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities. The IDP strategic objectives and goals are set out in the IDP document.

The 2015/16 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 29 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

DC18 Lejweleputswa - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Source funding for operation and support service	Service delivery (interest from Bank & Investment)			2,877	2,425	2,819	2,145	2,151	2,151	1,890	1,760	1,846
	Other			1,358	1,270	2,265	400	475	475	195	105	110
	Grants			96,214	99,931	103,760	108,706	108,706	108,706	115,675	116,386	117,494
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	100,449	103,626	108,844	111,251	111,332	111,332	117,760	118,251	119,450

Table 30 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

DC18 Lejweleputswa - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
EXECUTIVE MAYOR												
Bursaries				785	596	1,265	1,910	2,000	2,000	21,000	2,207	2,315
Campaigns				1,855	531	752	33	700	700	1,500	1,577	1,654
District AIDS Council				53	21	33	30	30	30	40	40	42
HIV & AIDS				547	142	1	20	25	25	50	50	52
Gender/Disability & Elderly				492	44	292	60	60	60	50	53	55
Pov erty Alleviation				1,735	678	500	313	413	413	550	400	420
Youth Development				2,866	610	242	110	300	300	320	336	353
OR Tambo Games				648	500	661	520	520	520	659	665	698
Moral Regeneration				1,699	197	247	160	230	230	220	231	243
Communication				41	50	483	50	50	50	100	100	105
Municipal Sports				56								
Childrens' Programmes					285	29	40	40	40	200	200	210
Grant In Aid				1,378	1,303	592	97	125	125	130	130	136
Arts & Culture					570	146						
Educational Project						761	120	500	500	600	600	550
Agricultural Cooperatives						810						
Cooperative Development										500	526	551
National Freedom Day						455						
Mandela Day							100	100	100	100	105	110
Womens Day										50	50	52
SPEAKER												
Campaigns				150		31	100	110	110	150	152	155
Public Participation & Education				124	109	90						
COUNCIL												
Transfers				7,966	4,450	4,063	5,450	5,450	5,450	5,450	5,450	5,450
Mayoral Security					57	151	100	80	80	156	164	172
Legal Services				687	487	362	500	400	400	251	264	277
Study Assistance				127	78	100	220	220	220	220	231	243
EPWP Project				436	999							
Rural Roads Assets							1,775	1,775	1,775	2,105	2,185	2,294
Employee Sports							100	100	100	135	43	45
MUNICIPAL MANAGER												
Branding				588	72	238	54	75	75	62	65	68
Performance Management				194			100	100	100	100	105	110
Professional Fees				1,811	691	425	225	225	225	250	263	276
Facilitation Indoor Arena							1,000	300	175	20		
EPWP Programme							1,000	1,470	1,470	1,310		
Capacity Development							934	934	934	930	960	1,033

CORPORATE SERVICES												
Experiential Training							110	110	110	100	105	110
Learnership							66	66	66	20	21	22
Employee Wellness			182		34		90	140	140	140	147	154
Fun Walk			56									
FINANCE SERVICES												
Budget & Other Reforms			1,253	1,232	1,234		1,250	1,250	1,250	1,250	1,250	1,250
Professional Fees			337	482	512		475	475	475	475	499	524
LED & PLANNING												
LED Development			200	500	88		330	330	330	100	105	110
Capacity Development			790	974	736							
PPP			772	960								
Coffin Making Project			1,000									
Cooperative Development							500	50	50	50	53	55
SMME					398		500	50	50	100	100	105
TOURISM												
Tourism Awareness			160	600	600							
Sport Tourism			59									
80's Festival			658	877	600							
Phakisa Festival			1,030	877								
Tourism Programme			2,362	128	1,596							
Heritage Festival				1,500								
Easter Festival							355	551	551	1,000	1,000	1,049
Golf Tournament							20	20	20	25	21	22
Year End Festival							500	200	130	1,000	1,000	1,049
Arts & Culture Programmes							145	145	145	250	250	262
ENVIRONMENTAL HEALTH												
Campaigns			59	14	45		44	44	44	40	42	44
Food Control Programme			67	0	72		100	100	100	100	105	110
Pest Control Programme			65									
Water Quality Programme			221	72	97		150	150	150	100	105	110
Environmental Development			363	316	81							
Air Quality Programme			21		52		150			100	105	110
DISASTER MANAGEMENT												
Campaigns			38	24	44		35	35	35	20	21	22
Crime Prevention Awareness			20									
Disaster Relief Fund			0	4	20		120	120	120	60	63	66
Disaster Relief Awareness			44	2	29		25	25	25	25	26	28
TOTAL LINKED IDP			82,534	79,468	85,821		90,937	93,767	93,962	77,276	97,133	101,923
Total Expenditure			116,527	100,500	104,788		111,023	113,958	113,958	119,439	119,303	124,794

Table 31 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

DC18 Lejweleputswa - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)											
Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Basic Service Delivery and infrastructural Investment	Youth Centre (Infrastructure Development)	A	263								
Municipal Transformation and institutional Development	Furniture & fittings, Office equipment, Motor vehicles, Property & plant	B	4,381	2,727	2,354	920	950	950	1,660	981	945
Safe health and secure environment	Fire fighting equipment, Emergency equipment	C									
Local Economic Development	Fire fighting equipment, Emergency equipment, Disaster Management	D	4,508								
Municipal Financial Viability and Financial Management		E									
		F									
Allocations to other priorities											
Total Capital Expenditure			9,151	2,727	2,354	920	950	950	1,660	981	945

2.5 – Measurable Performance Objectives and Indicators

Tables 32 – SA7: Measurable Performance Objectives

DC18 Lejweleputswa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

The key financial indicators and ratios are expressed in the table below.

Tables 33 – SA8: Performance Indicators and benchmarks

DC18 Lejweleputswa - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.1%	4.9%	4.0%	2.1%	3.7%	3.7%	0.0%	3.5%	3.5%	3.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	113.6%	134.2%	82.0%	91.2%	158.7%	158.7%	0.0%	199.9%	223.5%	211.8%
<u>Safety of Capital</u>											
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	3.8	4.0	6.1	2.7	3.3	3.3	-	2.9	3.2	3.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.8	4.0	6.1	2.7	3.3	3.3	-	2.9	3.2	3.6
Liquidity Ratio	Monetary Assets/Current Liabilities	3.6	3.9	5.5	2.4	3.3	3.3	-	2.9	3.2	3.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		23.8%	0.0%	102.7%	23.7%	21.1%	21.1%	0.0%	51.3%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		23.8%	0.0%	102.7%	23.7%	21.1%	21.1%	0.0%	51.3%	100.0%	99.8%
<u>Creditors Management</u>											
Creditors to Cash and Investments		-152.9%	-231.9%	-133.5%	-7879.0%	93.7%	93.7%	0.0%	-280.6%	-40.6%	-21.7%
Employee costs	Employee costs/(Total Revenue - capital revenue)	43.0%	46.5%	55.8%	51.8%	53.7%	53.7%	0.0%	52.2%	54.5%	56.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	49.5%	54.4%	63.8%	59.9%	61.8%	0.0%		60.2%	62.8%	65.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.6%	0.4%	0.0%	0.6%	0.5%	0.5%		0.5%	0.6%	0.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.0%	10.2%	5.4%	8.0%	8.0%	8.0%	0.0%	8.2%	8.2%	8.1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.9	0.8	2.4	0.6	0.6	0.6	-	0.5	0.4	0.4
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.6)	(0.6)	(0.8)	(0.0)	1.1	1.1	-	(0.3)	(1.9)	(2.9)

2.5 Measurable Performance Indicators and Benchmarks

(a) Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Lejweleputswa District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. Council's debt portfolio is dominated by annuity loans.

The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is (3.5%) for 2015/16.
- Safety of Capital
- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

(b) Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities which is standing at 2.9 for 2015/16.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately which reflects a 2.9 ratio for 2015/16.

(c) Creditors Management

- The Finance department ensures that creditor payments are done within the allowed 30 days.

2.6 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.6.1 – National Treasury MFMA Circular No. 74 & 75

The Circulars were issued on 12 December 2014 and 04 March 2015 respectively, and it provides further guidance to municipalities for the preparation of the 2015/16 budget and MTREF and was used in preparing this budget. Copies of the Circulars are attached as an Annexure to this document.

2.6.2 – Inflation Outlook

In MFMA Circular No. 75, inflation forecasts are estimated at 4.8%, 5.9% and 5.6% respectively for the years 2016 to 2018.

2.6.3 – Average salary increases

The MTREF includes the following average percentage increases for employee remuneration and for councillors remuneration:

	2015/16	2016/17	2017/18
Councillors & employee remuneration	4.4%	4.65%	4.65%

The employee related costs comprise 51.5% and 7.9% for councilors of total operating expenditure in the 2015/16 MTREF budget and places a disproportionate upward pressure on the expenditure budget.

2.6.4 – Ability of the municipality to spend and deliver on the programmes

Spending is monitored closely throughout the year and head of departments must ensure that capital programmes are supported by robust planning.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillors, municipal manager, head of departments and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

2.6.5 – Implications of restructuring and other major events in the future

Council approved a new organizational structure that reduced the number of directorates from eight to seven. Community Safety was combined with Environmental Affairs to establish the new directorate namely Community Services. Minor changes to the micro structure were also made. These changes were made to streamline service delivery and to affect savings. The wage curve negotiations are in process but the implementation date is not clear at this stage. Certain legal issues need to be finalized before any implementation can take place.

2.7 – Other Supporting documents

2.7.1 Investment Particulars by Type

Table 34 – SA15: Investment Particulars by Type

DC18 Lejweleputswa - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds		16,000	25,000	30,000	20,000	30,000	30,000	20,000	18,000	15,000
Municipality sub-total	1	16,000	25,000	30,000	20,000	30,000	30,000	20,000	18,000	15,000
Entities										
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		16,000	25,000	30,000	20,000	30,000	30,000	20,000	18,000	15,000

Table 34.1 – SA16: Investment Particulars by Maturity

DC18 Lejweleputswa - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
ABSA		90days	Fixed	Yes	Fixed	5.40%				5,000	67			5,067
Nedbank		3 months	Fixed	Yes	Fixed	5.36%				5,000	66			5,066
First National Bank		3 months	Fixed	Yes	Fixed	5.35%				5,000	66			5,066
Standard Bank		3 months	Fixed	Yes	Fixed	5.44%				5,000	67			5,067
Municipality sub-total										20,000		-	-	20,266
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									20,000		-	-	20,266

2.7.2 Borrowings

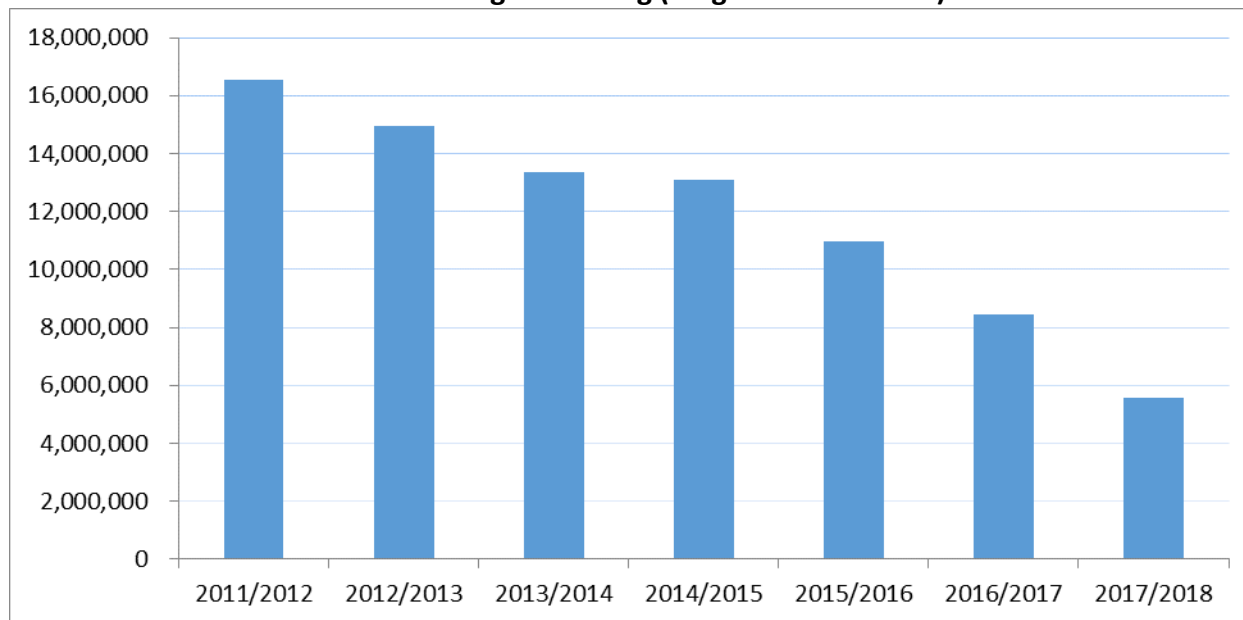
Table 35 – SA17: Borrowing

DC18 Lejweleputswa - Supporting Table SA17 Borrowing

Borrowing - Categorized by type R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)		16,545	14,960	13,375	9,120	13,113	13,113	10,967	8,465	5,575
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	16,545	14,960	13,375	9,120	13,113	13,113	10,967	8,465	5,575
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	16,545	14,960	13,375	9,120	13,113	13,113	10,967	8,465	5,575

The above schedule and below graph indicates the reduction in the capital amount from R13.113 million to R5,575 million at 2017/18.

Table 35.1 Reductions in Outstanding Borrowing (long Term Liabilities)



2.7.3 Grants and subsidies

Table 36 – SA18: Transfers and grants receipt

DC18 Lejweleputswa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		96,211	100,362	103,760	108,706	108,706	108,706	115,675	116,386	117,494
Local Government Equitable Share		21,907	23,150	24,658	26,260	26,260	26,260	29,958	29,291	28,047
RSC Levy Replacement		71,828	73,962	75,962	78,487	78,487	78,487	80,432	82,700	84,870
Finance Management		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Municipal Systems Improvement		790	1,000	890	934	934	934	930	960	1,033
EPWP Incentive		436	1,000	1,000				1,000		
Rural Roads Asset Management Systems Grant					1,775	1,775	1,775	2,105	2,185	2,294
Provincial Government:		-	-	-	-	-	-	-	-	-
Rural Roads Asset Management Systems Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	96,211	100,362	103,760	108,706	108,706	108,706	115,675	116,386	117,494

Table 37 – SA19: Expenditure on transfers and grants

DC18 Lejweleputswa - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		96,214	100,317	103,760	108,706	108,706	108,706	115,675	116,386	117,494
Local Government Equitable Share		21,907	23,150	24,658	26,260	26,260	26,260	29,958	29,291	28,047
RSC Levy Replacement		71,828	73,962	75,962	78,487	78,487	78,487	80,432	82,700	84,870
Finance Management		1,253	1,232	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Municipal Systems Improvement		790	974	890	934	934	934	930	960	1,033
EPWP Incentive		436	999	1,000				1,000		
Rural Roads Asset Management Systems Grant					1,775	1,775	1,775	2,105	2,185	2,294
Provincial Government:		-	-	-	-	-	-	-	-	-
Rural Roads Asset Management Systems Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
LGSETA										
Total operating expenditure of Transfers and Grants		96,214	100,317	103,760	108,706	108,706	108,706	115,675	116,386	117,494

Table 38 – SA20: Reconciliation of transfers, grants receipts and unspent funds

DC18 Lejweleputswa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		667								
Current year receipts		96,211	99,931	103,760	108,706	108,706	108,706	115,675	116,386	117,494
Conditions met - transferred to revenue		96,214	99,931	103,760	108,706	108,706	108,706	115,675	116,386	117,494
Conditions still to be met - transferred to liabilities		664								
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		96,214	99,931	103,760	108,706	108,706	108,706	115,675	116,386	117,494

Table 39 – SA21: Transfers and grants made by the municipality

DC18 Lejweleputswa - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Masilonyana Municipality (FS 181)					500	1,000	1,000		1,000		
Tswelopele Municipality (FS 183)		50	50	50	50	50	50		50	50	50
Matjhabeng Municipality (FS 184)		1,740	1,900	1,513	1,900	1,900	1,900		1,900	1,900	1,900
Nala Municipality (FS 185)										1,000	
Tswelopele Fancing (FS 183)					500						
Tokoloko Municipality (FS 182)											1,000
Total Cash Transfers To Municipalities:		1,790	1,950	1,563	2,950	2,950	2,950	-	2,950	2,950	2,950
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Lejweleputswa Development Agency		2,000	2,500	2,500	2,500	2,500	2,500		2,500	2,500	2,500
Cemetries: Roads & Stormwater; Roads to Cemetry		4,176									
Total Cash Transfers To Entities/Ems'		6,176	2,500	2,500	2,500	2,500	2,500	-	2,500	2,500	2,500
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450
TOTAL TRANSFERS AND GRANTS	6	7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450

The total remuneration has increased from R68.8 million to R70.9 million. The increase of R2.1 million can be contributed to:

- Salary increase of 4.4% for councillors and employee

Table 40 – SA22: Summary of councillor and staff benefits

DC18 Lejweleputswa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework					
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
					1	A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)													
Basic Salaries and Wages		3,487	4,708	4,855	5,577	5,577		5,841	6,113	6,397			
Pension and UIF Contributions		928	895		774	774		810	848	887			
Medical Aid Contributions				1,150	566	566		568	595	622			
Motor Vehicle Allowance		1,805	1,863	1,976	1,550	1,550		1,647	1,723	1,803			
Cellphone Allowance		270	347	398	289	289		292	305	320			
Housing Allowances													
Other benefits and allowances			307	332	206	206		252	264	276			
Sub Total - Councillors		6,490	8,121	8,713	8,962	8,962	-	9,410	9,848	10,306			
% increase	4		25.1%	7.3%	2.9%	-	(100.0%)	-	4.7%	4.6%			
Senior Managers of the Municipality													
Basic Salaries and Wages		2,221	1,657	2,682	5,045	5,045		5,267	5,512	5,768			
Pension and UIF Contributions		606	347	646									
Performance Bonus		381		169	757	757		790	827	865			
Motor Vehicle Allowance	3	901	534	653									
Cellphone Allowance	3	6	34	89	120	120		120	126	131			
Housing Allowances	3	77	94	261									
Other benefits and allowances	3	319	103										
Sub Total - Senior Managers of Municipality		4,511	2,770	4,501	5,921	5,921	-	6,177	6,464	6,764			
% increase	4		(38.6%)	62.5%	31.6%	-	(100.0%)	-	4.7%	4.7%			
Other Municipal Staff													
Basic Salaries and Wages		23,657	27,132	31,054	35,362	35,886		37,945	39,709	41,556			
Pension and UIF Contributions		3,526	5,005	5,765	6,028	6,098		6,508	6,811	7,128			
Medical Aid Contributions		2,143	2,401	2,907	2,810	3,302		3,589	3,756	3,931			
Overtime		483	407	188		73		-	113	118			
Performance Bonus		869	2,410										
Motor Vehicle Allowance	3	4,185	4,696	5,282	5,450	5,316		5,445	5,698	5,963			
Cellphone Allowance	3		274	235	232	221		216	226	237			
Housing Allowances	3	161	340	327	268	286		287	301	315			
Other benefits and allowances	3	699	649	1,427	1,167	2,291		1,128	1,180	1,235			
Payments in lieu of leave		1,633	2,236	2,250									
Long service awards				3,192	412	414		161	168	176			
Post-retirement benefit obligations	6	1,371	(113)	3,612									
Sub Total - Other Municipal Staff		38,728	45,439	56,239	51,729	53,887	-	55,279	57,962	60,657			
% increase	4		17.3%	23.8%	(8.0%)	4.2%	(100.0%)	-	4.9%	4.6%			
Total Parent Municipality		49,729	56,329	69,453	66,612	68,770	-	70,866	74,274	77,728			
			13.3%	23.3%	(4.1%)	3.2%	(100.0%)	-	4.8%	4.6%			
TOTAL SALARY, ALLOWANCES & BENEFITS		49,729	56,329	69,453	66,612	68,770	-	70,866	74,274	77,728			
% increase	4		13.3%	23.3%	(4.1%)	3.2%	(100.0%)	-	4.8%	4.6%			
TOTAL MANAGERS AND STAFF	5,7	43,239	48,208	60,740	57,651	59,809	-	61,455	64,426	67,422			

Table 41 – SA23:

Table 42 – SA24: Summary of personnel numbers

DC18 Lejweleputswa - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		37			37			37		
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7									
Professionals		46	46	-	46	46	-	46	46	-
<i>Finance</i>		3	3		3	3		3	3	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		42	42		42	42		42	42	
Technicians		87	87	-	91	91	-	91	91	-
<i>Finance</i>		14	14		14	14		14	14	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>		3	3		3	3		3	3	
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		69	69		73	73		73	73	
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	175	133	5	179	137	5	179	137	5

2.7.5 Monthly targets for revenue, expenditure and cash flow

Table 43 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

DC18 Lejweleputswa - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates													-	-	-	-
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue													-	-	-	-
Service charges - other													-	-	-	-
Rental of facilities and equipment													-	-	-	-
Interest earned - external investments		14	83	250	374	183	246	157	86	145	117	123	112	1,890	1,760	1,846
Interest earned - outstanding debtors													95	95	-	-
Dividends received													-	-	-	-
Fines													-	-	-	-
Licences and permits													-	-	-	-
Agency services													-	-	-	-
Transfers recognised - operational		46,025		934		38,524				23,223			6,969	115,675	116,386	117,494
Other revenue		5	8	6	9	14	6	7	8	9	10	6	14	100	105	110
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		46,044	91	1,190	383	38,721	252	164	94	23,377	127	129	7,190	117,760	118,251	119,450
Expenditure By Type																
Employee related costs		3,985	4,371	4,482	4,626	4,714	5,070	5,530	5,707	5,860	5,613	5,820	5,677	61,455	64,426	67,422
Remuneration of councillors		705	710	723	731	738	741	771	760	770	773	780	1,208	9,410	9,848	10,306
Debt impairment													-	-	-	-
Depreciation & asset impairment		607	618	606	560	657	651	674	656	678	631	650	624	7,611	8,030	8,447
Finance charges							1,011						1,011	2,022	1,666	1,253
Bulk purchases													-	-	-	-
Other materials													-	-	-	-
Contracted services													-	-	-	-
Transfers and grants		2,500	168	290	372	405	460	300	275	190	200	150	140	5,450	5,450	5,450
Other expenditure		2,165	2,290	2,346	2,487	2,409	2,610	3,025	2,989	3,070	3,582	3,458	3,060	33,490	29,883	31,916
Loss on disposal of PPE													-	-	-	-
Total Expenditure		9,962	8,157	8,447	8,776	8,923	10,543	10,300	10,387	10,568	10,799	10,858	11,719	119,439	119,303	124,794
Surplus/(Deficit)																
Transfers recognised - capital		36,082	(8,066)	(7,258)	(8,394)	29,798	(10,291)	(10,136)	(10,293)	12,809	(10,672)	(10,730)	(4,529)	(1,679)	(1,052)	(5,344)
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		36,082	(8,066)	(7,258)	(8,394)	29,798	(10,291)	(10,136)	(10,293)	12,809	(10,672)	(10,730)	(4,529)	(1,679)	(1,052)	(5,344)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	36,082	(8,066)	(7,258)	(8,394)	29,798	(10,291)	(10,136)	(10,293)	12,809	(10,672)	(10,730)	(4,529)	(1,679)	(1,052)	(5,344)

Table 44-

SA26: Budgeted monthly revenue and expenditure by municipal vote

DC18 Lejweleputswa - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Executive Mayor													-	-	-	-
Vote 2 - Speaker													-	-	-	-
Vote 3 - Mayoral Committee													-	-	-	-
Vote 4 - Council General		42,609				38,524			25,389			6,973	113,495	114,176	115,211	
Vote 5 - Municipal Manager			934									(4)	930	960	1,033	
Vote 6 - Budget & Treasury		1,500	129	272	138	116	302	225	173	266	371	180	(336)	3,335	3,115	3,206
Vote 7 - Corporate Services													-	-	-	-
Vote 8 - Human Resources													-	-	-	-
Vote 9 - Information Technology													-	-	-	-
Vote 10 - Property													-	-	-	-
Vote 11 - Municipal Support													-	-	-	-
Vote 12 - Planning & Development													-	-	-	-
Vote 13 - Community & Social Services													-	-	-	-
Vote 14 - Environmental Health Services													-	-	-	-
Vote 15 - Tourism													-	-	-	-
Total Revenue by Vote		44,109	1,063	272	138	38,640	302	225	173	25,655	371	180	6,633	117,760	118,251	119,450
Expenditure by Vote to be appropriated																
Vote 1 - Executive Mayor		917	923	943	956	969	985	1,098	1,211	1,305	1,243	1,368	1,090	13,008	13,255	13,814
Vote 2 - Speaker		195	214	227	249	261	250	278	297	307	293	263	244	3,078	3,015	3,152
Vote 3 - Mayoral Committee		450	475	486	508	515	527	482	490	465	429	410	827	6,065	6,239	6,531
Vote 4 - Council General		940	1,053	1,199	1,500	1,640	1,684	1,704	1,853	2,050	1,982	1,739	1,820	19,164	18,407	19,230
Vote 5 - Municipal Manager		760	832	940	972	1,048	1,290	1,144	1,275	1,209	1,140	1,260	1,262	13,132	12,780	13,406
Vote 6 - Budget & Treasury		1,056	1,248	1,356	1,479	1,570	1,680	1,480	1,521	1,670	1,396	1,304	1,428	17,188	17,284	18,041
Vote 7 - Corporate Services		901	935	959	1,082	980	1,150	1,163	1,294	1,182	1,063	1,187	915	12,811	12,762	13,359
Vote 8 - Human Resources													-	-	-	-
Vote 9 - Information Technology													-	-	-	-
Vote 10 - Property		416	433	480	470	556	461	467	439	484	450	460	406	5,522	5,773	6,061
Vote 11 - Municipal Support													-	-	-	-
Vote 12 - Planning & Development		539	490	504	518	561	818	612	603	741	686	642	615	7,328	7,338	7,681
Vote 13 - Community & Social Services		708	761	820	763	742	830	762	801	733	806	835	743	9,305	9,451	9,906
Vote 14 - Environmental Health Services		713	863	885	901	823	855	942	915	889	926	957	895	10,563	10,728	11,231
Vote 15 - Tourism				400			370			250			1,255	2,275	2,271	2,382
Total Expenditure by Vote		7,595	8,227	9,198	9,398	9,665	10,900	10,133	10,699	11,285	10,414	10,425	11,500	119,439	119,303	124,794
Surplus/(Deficit) before assoc.		36,514	(7,164)	(8,927)	(9,260)	28,975	(10,598)	(9,908)	(10,526)	14,370	(10,043)	(10,245)	(4,867)	(1,679)	(1,052)	(5,344)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	36,514	(7,164)	(8,927)	(9,260)	28,975	(10,598)	(9,908)	(10,526)	14,370	(10,043)	(10,245)	(4,867)	(1,679)	(1,052)	(5,344)

Table 45 – SA27: Budgeted monthly revenue and expenditure by standard classification

DC18 Lejweleputswa - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		42,609	-	-	-	-	-	-	-	-	-	-	75,151	117,760	118,251	119,450
Executive and council		42,609											71,816	114,425	116,244	
Budget and treasury office													3,335	3,335	3,206	
Corporate services													-	-	-	
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and social services													-	-	-	
Sport and recreation													-	-	-	
Public safety													-	-	-	
Housing													-	-	-	
Health													-	-	-	
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Planning and development													-	-	-	
Road transport													-	-	-	
Environmental protection													-	-	-	
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electricity													-	-	-	
Water													-	-	-	
Waste water management													-	-	-	
Waste management													-	-	-	
<i>Other</i>													-	-	-	
Total Revenue - Standard		42,609	-	-	-	-	-	-	-	-	-	-	75,151	117,760	118,251	119,450
Expenditure - Standard																
<i>Governance and administration</i>		6,535	7,072	7,545	7,216	7,539	8,027	7,816	8,380	8,672	7,996	7,991	5,179	89,969	89,515	93,595
Executive and council		4,162	4,456	4,750	4,185	4,433	4,736	4,706	5,126	5,336	5,087	5,040	2,430	54,447	53,695	56,133
Budget and treasury office		1,056	1,248	1,356	1,479	1,570	1,680	1,480	1,521	1,670	1,396	1,304	1,428	17,188	17,284	18,041
Corporate services		1,317	1,368	1,439	1,552	1,536	1,611	1,630	1,733	1,666	1,513	1,647	1,321	18,333	18,535	19,421
<i>Community and public safety</i>		708	761	820	763	742	830	762	801	733	806	835	743	9,305	9,451	9,906
Community and social services		708	761	820	763	742	830	762	801	733	806	835	743	9,305	9,451	9,906
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		1,391	1,353	1,388	1,419	1,384	1,673	1,554	1,518	1,630	1,612	1,588	1,381	17,891	18,066	18,912
Planning and development		539	490	504	518	561	818	612	603	741	686	642	615	7,328	7,338	7,681
Road transport													-	-	-	-
Environmental protection		852	863	885	901	823	855	942	915	889	926	946	767	10,563	10,728	11,231
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>				250	15		1,000		10	1,000			-	2,275	2,271	2,382
Total Expenditure - Standard		8,634	9,186	10,003	9,413	9,665	11,530	10,133	10,709	12,035	10,414	10,414	7,303	119,439	119,303	124,794
Surplus/(Deficit) before assoc.		33,975	(9,186)	(10,003)	(9,413)	(9,665)	(11,530)	(10,133)	(10,709)	(12,035)	(10,414)	(10,414)	67,848	(1,679)	(1,052)	(5,344)
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	33,975	(9,186)	(10,003)	(9,413)	(9,665)	(11,530)	(10,133)	(10,709)	(12,035)	(10,414)	(10,414)	67,848	(1,679)	(1,052)	(5,344)

Table 46 –

SA28: Budgeted monthly capital expenditure by municipal vote

DC18 Lejweleputswa - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Multi-year expenditure to be appropriated	1																
Vote 1 - Executive Mayor														-	-	-	
Vote 2 - Speaker														-	-	-	
Vote 3 - Mayoral Committee														-	-	-	
Vote 4 - Council General														-	-	-	
Vote 5 - Municipal Manager														-	-	-	
Vote 6 - Budget & Treasury														-	-	-	
Vote 7 - Corporate Services														-	-	-	
Vote 8 - Human Resources														-	-	-	
Vote 9 - Information Technology														-	-	-	
Vote 10 - Property														-	-	-	
Vote 11 - Municipal Support														-	-	-	
Vote 12 - Planning & Development														-	-	-	
Vote 13 - Community & Social Services														-	-	-	
Vote 14 - Environmental Health Services														-	-	-	
Vote 15 - Tourism														-	-	-	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - Executive Mayor					25									-	25	26	28
Vote 2 - Speaker				10										-	10	20	22
Vote 3 - Mayoral Committee				15										-	15	27	29
Vote 4 - Council General					50		100							-	150	92	94
Vote 5 - Municipal Manager			19		55		20	36		50		20		-	200	100	55
Vote 6 - Budget & Treasury					50		200	150	250		250			-	900	280	280
Vote 7 - Corporate Services			40	60										-	100	45	51
Vote 8 - Human Resources														-	-	-	-
Vote 9 - Information Technology														-	-	-	-
Vote 10 - Property			15				15							-	30	84	89
Vote 11 - Municipal Support														-	-	-	-
Vote 12 - Planning & Development					60									-	60	63	63
Vote 13 - Community & Social Services			20				20							-	40	45	35
Vote 14 - Environmental Health Services			60		37	25				8				-	130	200	200
Vote 15 - Tourism														-	-	-	-
Capital single-year expenditure sub-total	2	-	154	145	217	25	355	186	250	58	250	20	-	1,660	981	945	
Total Capital Expenditure	2	-	154	145	217	25	355	186	250	58	250	20	-	1,660	981	945	

Table 47 – SA29: Budgeted monthly capital expenditure by standard classification

DC18 Lejweleputswa - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1	-	170	50	242	60	278	50	250	80	250	-	-	1,430	673	647
<i>Governance and administration</i>		-	170	50	242	60	278	50	250	80	250	-	-	1,430	673	647
Executive and council		-	70	50	90	60	50	50	80	-	-	-	-	400	265	227
Budget and treasury office		-	-	-	152	-	248	-	250	-	250	-	-	900	280	280
Corporate services		-	100	-	-	-	30	-	-	-	-	-	-	130	129	140
<i>Community and public safety</i>		-	-	30	-	-	-	10	-	-	-	-	-	40	45	35
Community and social services		-	-	30	-	-	-	10	-	-	-	-	-	40	45	35
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	45	45	25	-	15	35	-	-	-	25	-	190	263	263
Planning and development		-	45	-	-	-	15	-	-	-	-	-	-	60	63	63
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	45	25	-	-	35	-	-	-	25	-	130	200	200
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	-	215	125	267	60	293	95	250	80	250	25	-	1,660	981	945
Funded by:																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	215	125	267	60	293	95	250	80	250	25	-	1,660	981	945
Total Capital Funding		-	215	125	267	60	293	95	250	80	250	25	-	1,660	981	945

Table 48 – SA30: Budgeted monthly cash flow

DC18 Lejweleputswa - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source														1		
Property rates																
Property rates - penalties & collection charges																
Service charges - electricity revenue																
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue																
Service charges - other																
Rental of facilities and equipment																
Interest earned - external investments	35	110	151	202	83	247	293	225	101	141	112	190	1,890	1,760	1,846	
Interest earned - outstanding debtors																
Dividends received																
Fines																
Licences and permits																
Agency services																
Transfer receipts - operational	44,571	930			40,216				29,958				115,675	116,386	117,494	
Other revenue	4	16	21		15		25		10	4	5	0	100	105	110	
Cash Receipts by Source	44,610	1,056	172	202	40,314	247	318	225	30,069	145	117	191	117,665	118,251	119,450	
Other Cash Flows by Source																
Transfer receipts - capital																
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (Increase) in non-current debtors																
Decrease (increase) other non-current receivables																
Decrease (increase) in non-current investments							(4,000)		(4,000)			(4,000)	(12,000)	(10,000)	(8,000)	
Total Cash Receipts by Source	44,610	1,056	172	202	40,314	(3,753)	318	225	26,069	145	117	(3,809)	105,665	108,251	111,450	
Cash Payments by Type																
Employee related costs	4,603	4,717	4,820	4,906	5,104	5,196	5,310	5,399	5,360	5,413	5,390	5,237	61,455	64,426	67,422	
Remuneration of councillors	668	665	670	678	683	692	705	717	719	723	728	1,762	9,410	9,848	10,306	
Finance charges						1,011						1,011	2,022	1,666	1,253	
Bulk purchases - Electricity																
Bulk purchases - Water & Sewer																
Other materials																
Contracted services																
Transfers and grants - other municipalities		168	190	372	305	375	400	327	390	248	175		2,950	2,950	2,950	
Transfers and grants - other	2,500												2,500	2,500	2,500	
Other expenditure	2,065	2,190	2,260	2,387	2,419	2,610	3,107	3,219	3,358	3,480	3,303	3,092	33,490	35,374	31,916	
Cash Payments by Type	9,836	7,740	7,940	8,343	8,511	9,884	9,522	9,662	9,827	9,864	9,596	11,102	111,828	116,765	116,347	
Other Cash Flows/Payments by Type																
Capital assets	96	105	127	149	138	156	144	159	184	153	125	124	1,660	981	945	
Repayment of borrowing						1,073						1,073	2,146	2,502	2,890	
Other Cash Flow/Payments																
Total Cash Payments by Type	9,932	7,845	8,067	8,492	8,649	11,113	9,666	9,821	10,011	10,017	9,721	12,299	115,634	120,247	120,182	
NET INCREASE/(DECREASE) IN CASH HELD	34,677	(6,790)	(7,895)	(8,290)	31,665	(14,866)	(9,348)	(9,596)	16,058	(9,872)	(9,604)	(16,109)	(9,969)	(11,996)	(8,732)	
Cash/cash equivalents at the month/year begin:	7,621	42,298	35,509	27,614	19,324	50,989	36,123	26,775	17,179	33,237	23,365	13,761	7,621	(2,348)	(14,344)	
Cash/cash equivalents at the month/year end:	42,298	35,509	27,614	19,324	50,989	36,123	26,775	17,179	33,237	23,365	13,761	(2,348)	(2,348)	(14,344)	(23,076)	

2.7.6 External mechanisms

Table 49 – SA32: List of external mechanisms

DC18 Lejweleputswa - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

Table 50 – SA33: Contracts having future budgetary implications

DC18 Lejweleputswa - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
		Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.7.7 Capital expenditure details

The following three tables present details of the Municipality’s capital expenditure programme.

Table 51 – SA34a: Capital Expenditure on new assets by asset class

DC18 Lejweleputswa - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Other assets		4,644	2,727	2,199	770	800	800	1,360	831	795
General vehicles		200	200	1,197		190	190			
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment	2			7						
Computers - hardware/equipment				682	560	370	370	1,130	571	532
Furniture and other office equipment		4,175	2,328	313	160	160	160	80	210	210
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		263	200							
Other Land						30	30	90	50	53
Surplus Assets - (Investment or Inventory)										
Other		4			50	50	50	60		
Intangibles		4,508	-	155	150	150	150	300	150	150
Computers - software & programming		4,508	-	155	150	150	150	300	150	150
Other (list sub-class)										
Total Capital Expenditure on new assets	1	9,151	2,727	2,354	920	950	950	1,660	981	945

Table 52 – SA34b: Capital Expenditure on the renewal of assets by asset class

DC18 Lejweleputswa - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Other assets</u>		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-

Table 53 – SA34c: Repairs and maintenance expenditure by asset class

DC18 Lejweleputswa - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Other assets		1,575	438	-	688	598	598	634	675	708
General vehicles			146		123	123	123	156	165	173
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment			8		87	87	87	47	57	59
Furniture and other office equipment		1,575	37		28	28	28	16	17	18
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			129		330	300	300	360	378	397
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			118		120	60	60	55	58	61
Total Repairs and Maintenance Expenditure	1	1,575	438	-	688	598	598	634	675	708

Table 54 – SA34d: Depreciation by asset class

DC18 Lejweleputswa - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
Other assets		7,341	7,149	1,753	6,596	6,596	6,596	7,611	8,030	8,447
General vehicles		209	200	93	719	719	719	969	1,065	1,283
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		2,582		128	371	371	371	458	478	501
Computers - hardware/equipment										
Furniture and other office equipment		1,997	2,479	1,183	2,649	2,649	2,649	2,997	3,185	3,260
Abattoirs				1,309						
Markets										
Civic Land and Buildings										
Other Buildings		2,480	49	(993)	2,827	2,827	2,827	3,024	3,130	3,218
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		73	4,422	33	30	30	30	165	172	185
Intangibles		615	615	1,565	-	-	-	-	-	-
Computers - software & programming		615	615	1,565						
Other (list sub-class)										
Total Depreciation	1	7,956	7,765	3,318	6,596	6,596	6,596	7,611	8,030	8,447

Table 55 – SA35: Future financial implications of the capital budget

DC18 Lejweleputswa - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive Mayor		25	26	28				
Vote 2 - Speaker		10	20	22				
Vote 3 - Mayoral Committee		15	27	29				
Vote 4 - Council General		150	92	94				
Vote 5 - Municipal Manager		200	100	55				
Vote 6 - Budget & Treasury		900	280	280				
Vote 7 - Corporate Services		100	45	51				
Vote 8 - Human Resources		-	-	-				
Vote 9 - Information Technology		-	-	-				
Vote 10 - Property		30	84	89				
Vote 11 - Municipal Support		-	-	-				
Vote 12 - Planning & Development		60	63	63				
Vote 13 - Community & Social Services		40	45	35				
Vote 14 - Environmental Health Services		130	200	200				
Vote 15 - Tourism		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		1,660	981	945	-	-	-	-
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		1,660	981	945	-	-	-	-

2.7.8 Detailed capital budget per municipal vote

Table 56 – SA36: Detailed capital budget per municipal vote

DC18 Lejweleputswa - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
		Office buildings			Yes	Other Assets	Other Buildings									
		Other Assets			Yes	Other Assets	General vehicles		1,197	200						
		Other Assets			Yes	Intangibles	Computers - software & programming		155	150	250	150	150			
		Other Assets			Yes	Other Assets	Furniture and other office equipment		896	520	1,110	831	795			
		Other Assets			Yes	Other Assets	Other		106	80	300					
Parent Capital expenditure	1										1,660	981	945			
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A		Water project A														
Entity B		Electricity project B														
Entity Capital expenditure											-	-	-	-	-	-
Total Capital expenditure											2,354	950	1,660	981	945	

Table 57 – SA37: Projects delayed from previous financial years

DC18 Lejweleputswa - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1.2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

2.7.9 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 58 – SA1: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Other Revenue by source</u>											
<i>Sundry</i>		323	500	1,124	95	100	100		100	105	110
Total 'Other' Revenue	1	323	500	1,124	95	100	100	-	100	105	110
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	25,878	28,790	35,720	40,407	42,889	42,889		44,302	46,362	48,517
Pension and UIF Contributions		4,133	5,352	5,765	6,028	6,098	6,098		6,508	6,811	7,128
Medical Aid Contributions		2,143	2,401	2,907	2,810	3,302	3,302		3,589	3,756	3,931
Overtime		483	407	188		73	73			113	118
Performance Bonus		1,250	2,410		757						
Motor Vehicle Allowance		5,086	5,230	5,282	5,450	5,316	5,316		5,445	5,698	5,963
Cellphone Allowance		6	308	235	352	221	221		216	226	237
Housing Allowances		237	435	327	268	286	286		287	301	315
Other benefits and allowances		1,018	752	1,262	1,167	1,210	1,210		948	992	1,038
Payments in lieu of leave		1,633	2,236	2,250	-						
Long service awards				3,192	412	414	414		161	168	176
Post-retirement benefit obligations	4	1,371	(113)	3,612							
<i>sub-total</i>	5	43,238	48,208	60,740	57,651	59,808	59,808	-	61,455	64,426	67,422
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	43,238	48,208	60,740	57,651	59,808	59,808	-	61,455	64,426	67,422

Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		7,341	7,149	6,229	6,596	6,596	6,596		7,611	8,030	8,447
Lease amortisation		615	615								
Capital asset impairment				(2,911)							
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	7,956	7,764	3,318	6,596	6,596	6,596	-	7,611	8,030	8,447
Transfers and grants											
Cash transfers and grants		7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	7,966	4,450	4,063	5,450	5,450	5,450	-	5,450	5,450	5,450
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions		1,633	2,123	3,915	4,964	4,835	4,835		4,965	1,847	2,623
Consultant fees		3,542	1,850	924	700	700	700		725	762	799
Audit fees		2,056	1,721	2,102	2,092	2,092	2,092		1,800	1,892	1,984
General expenses	3	26,299	15,689	11,335	14,463	15,349	15,349		18,466	18,201	19,739
<i>List Other Expenditure by Type</i>											
<i>Grants & subsidies</i>		7,967	4,450	4,450	5,450	5,450	5,450		5,450	5,450	5,450
<i>Interest paid on DBSA loans</i>		3,107	2,841	2,583	2,321	2,321	2,321		2,022	1,666	1,253
<i>Branding internal</i>		588	72	61	54	75	75		62	65	68
<i>Tourism awareness</i>		2,580	370								
Total 'Other' Expenditure	1	47,771	29,115	25,370	30,044	30,821	30,821	-	33,490	29,883	31,916
Repairs and Maintenance by Expenditure Item											
Other Expenditure	8	1,575	438	-	688	598	598	-	634	675	708
Total Repairs and Maintenance Expenditure	9	1,575	438	-	688	598	598	-	634	675	708

Table 59 – SA3: Supporting detail to Statement of Financial Position

DC18 Lejweleputswa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Other current investments > 90 days		16,000	25,000	30,000	20,000	30,000	30,000		20,000	18,000	15,000
Total Call investment deposits	2	16,000	25,000	30,000	20,000	30,000	30,000	-	20,000	18,000	15,000
Consumer debtors											
Consumer debtors		12,996	13,923								
Less: Provision for debt impairment		(12,370)	(12,370)								
Total Consumer debtors	2	626	1,552	-	-	-	-	-	-	-	-
Debt impairment provision											
Balance at the beginning of the year		2,322			12,370	-	-				
Contributions to the provision		9,246									
Bad debts written off		(6,924)									
Balance at end of year		4,644	-	-	12,370	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/v valuation (ex cl. finance leases)		89,724	91,438	92,211	80,273	97,316	97,316		104,880	112,653	120,348
Leases recognised as PPE	3										
Less: Accumulated depreciation		10,991	17,715	21,251	5,716	24,901	24,901		33,059	42,650	55,634
Total Property, plant and equipment (PPE)	2	78,733	73,723	70,960	74,557	72,415	72,415	-	71,821	70,003	64,714
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1,793	1,585	1,585	1,847	1,847	1,847		2,022	1,666	1,253
Total Current liabilities - Borrowing		1,793	1,585	1,585	1,847	1,847	1,847	-	2,022	1,666	1,253
Trade and other payables											
Trade and other creditors		5,521	8,683	7,138	6,374	7,138	7,138		6,589	5,820	5,010
Unspent conditional transfers		664									
Total Trade and other payables	2	6,185	8,683	7,138	6,374	7,138	7,138	-	6,589	5,820	5,010
Non current liabilities - Borrowing											
Borrowing	4	16,545	14,960	13,375	9,120	13,113	13,113		10,967	8,465	5,575
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		16,545	14,960	13,375	9,120	13,113	13,113	-	10,967	8,465	5,575
Provisions - non-current											
Retirement benefits		5,504	5,585	7,588	5,657	7,588	7,588		7,850	8,147	8,349
Other		1,857		4,059							
Total Provisions - non-current		7,362	5,585	11,647	5,657	7,588	7,588	-	7,850	8,147	8,349
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		107,581	84,443	87,638	73,784	75,505	75,505		71,192	71,237	72,431
GRAP adjustments											
Restated balance		107,581	84,443	87,638	73,784	75,505	75,505		71,192	71,237	72,431
Surplus/(Deficit)		(16,078)	3,127	4,057	228	(2,626)	(2,626)		(1,679)	(1,052)	(5,344)
Accumulated Surplus/(Deficit)	1	91,503	87,569	91,695	74,012	72,879	72,879	-	69,513	70,185	67,087
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	91,503	87,569	91,695	74,012	72,879	72,879	-	69,513	70,185	67,087

2.8 Municipal Manager’s Quality Certificate

I, **P.M.E. Kaota**, The Municipal Manager of Lejweleputswa District Municipality hereby certify that the annual budget and supporting documentation for the 2015/2016 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name: **Palesa Matshidiso Elizabeth Kaota**

Municipal Manager of: **Lejweleputswa District Municipality (DC18)**

Signature

Date **Table 18 – A2: Budgeted Financial Performance by standard classification**

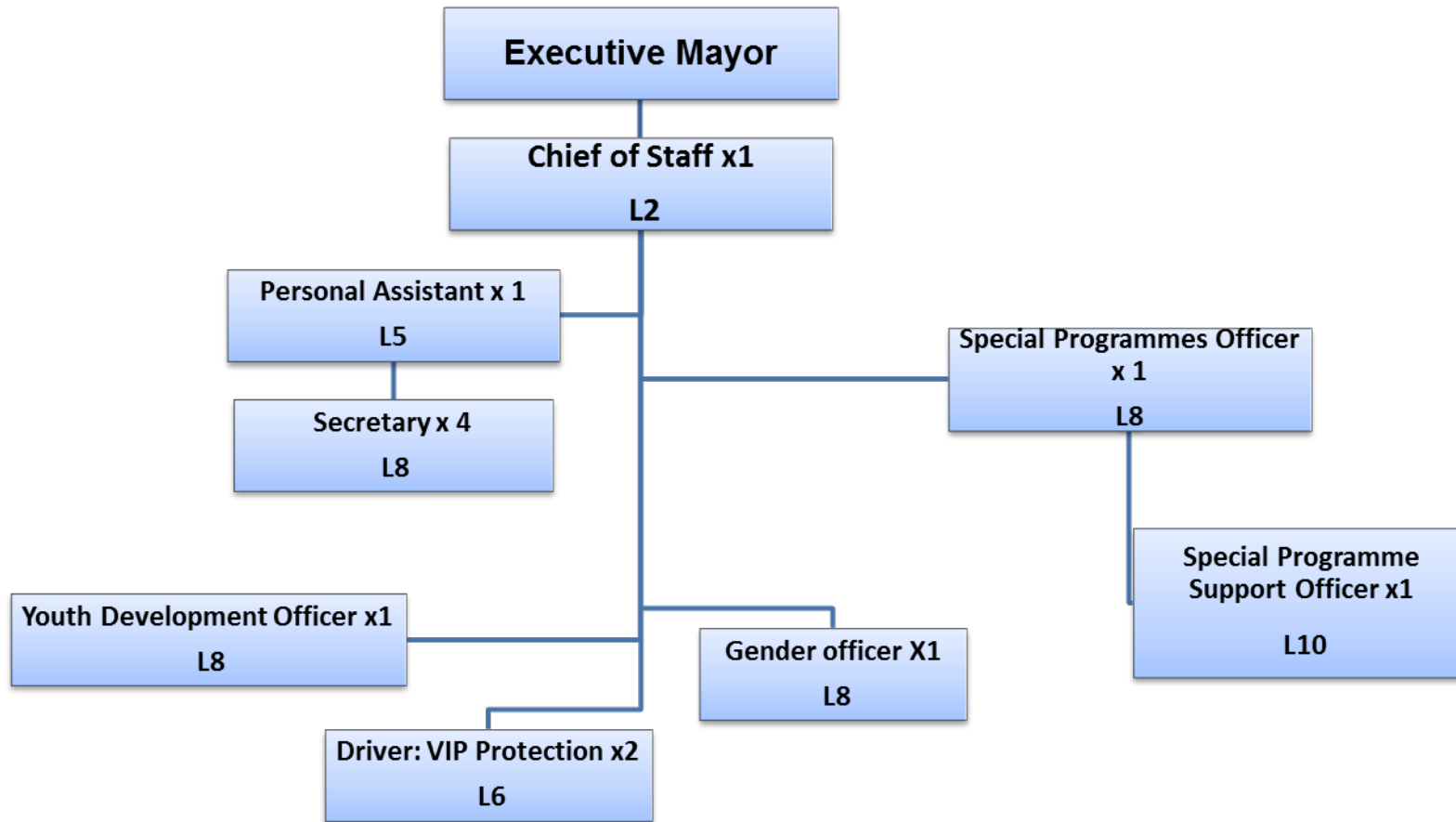
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CHAPTER 8

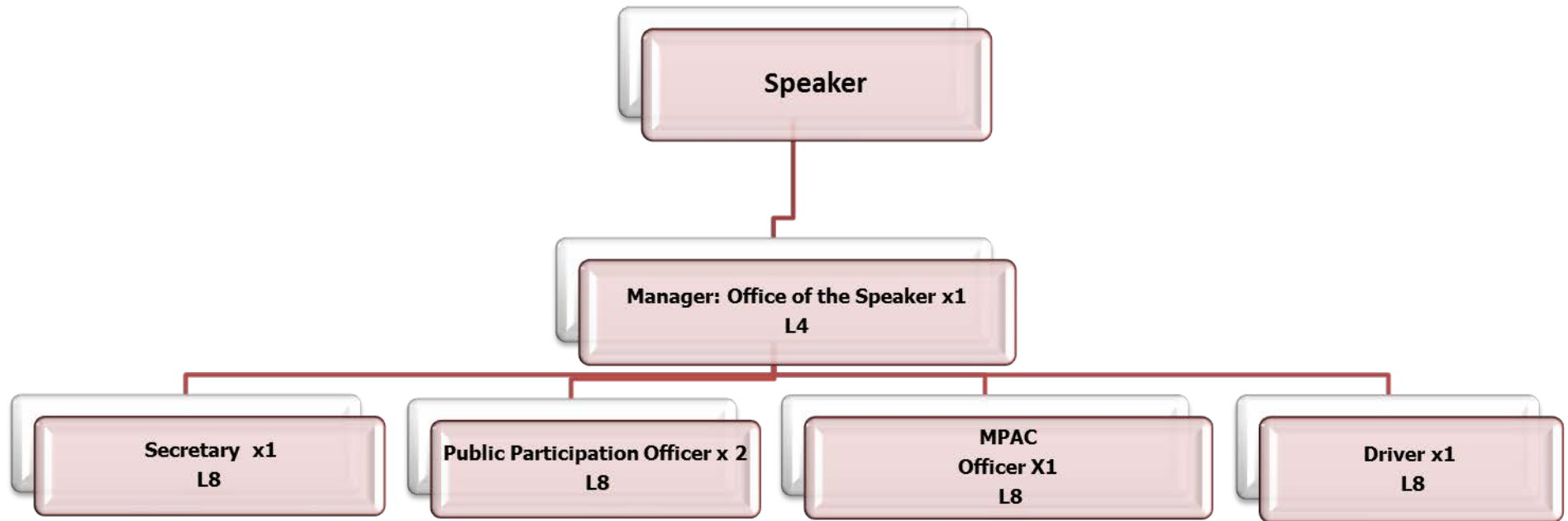
Human Resource Management Component

ORGANISATIONAL STRUCTURE 2015/2016

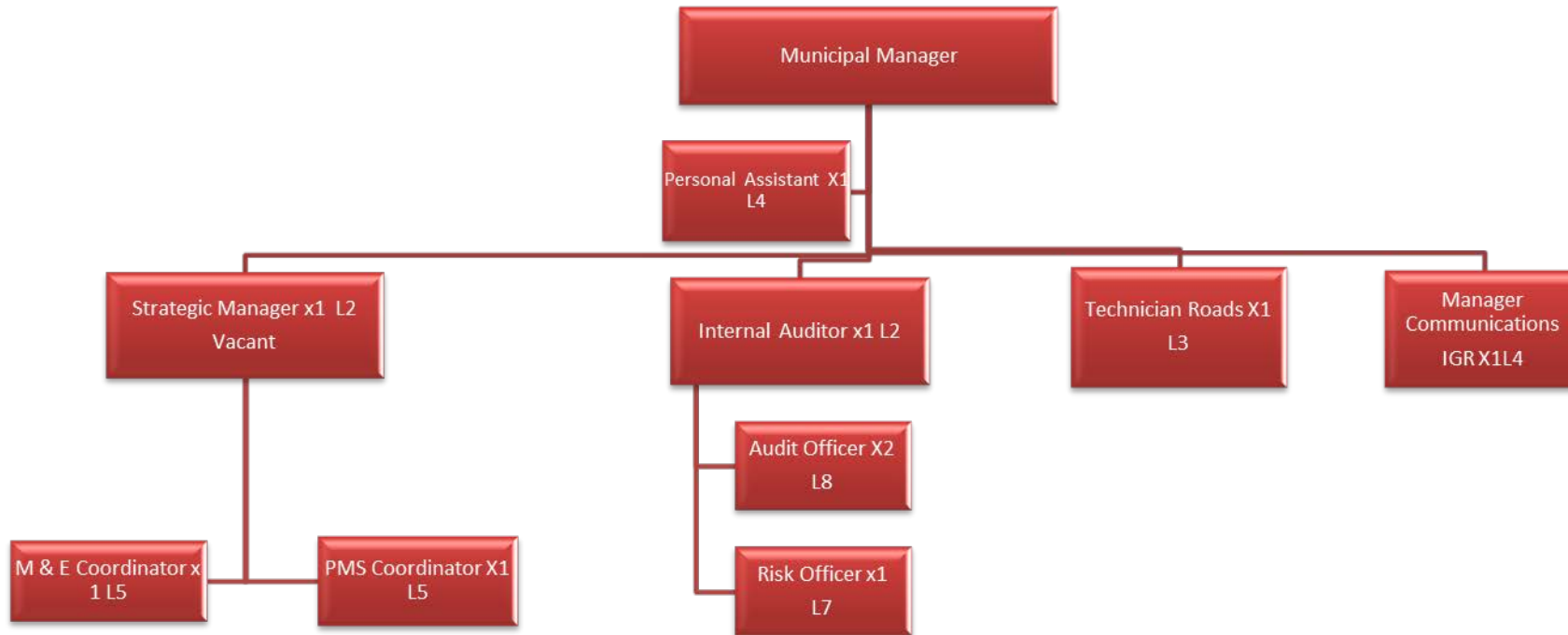
1.1 EXECUTIVE MAYOR'S OFFICE

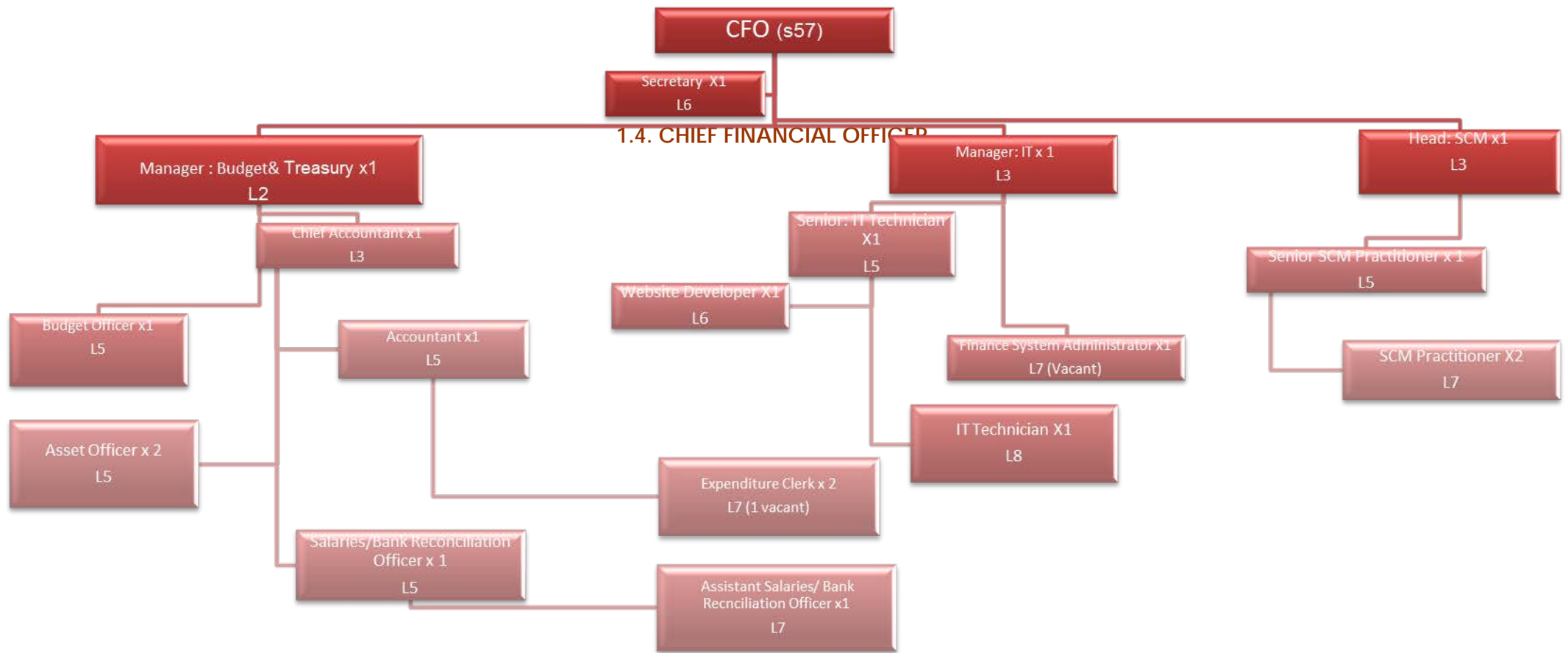


1.2. SPEAKER'S OFFICE

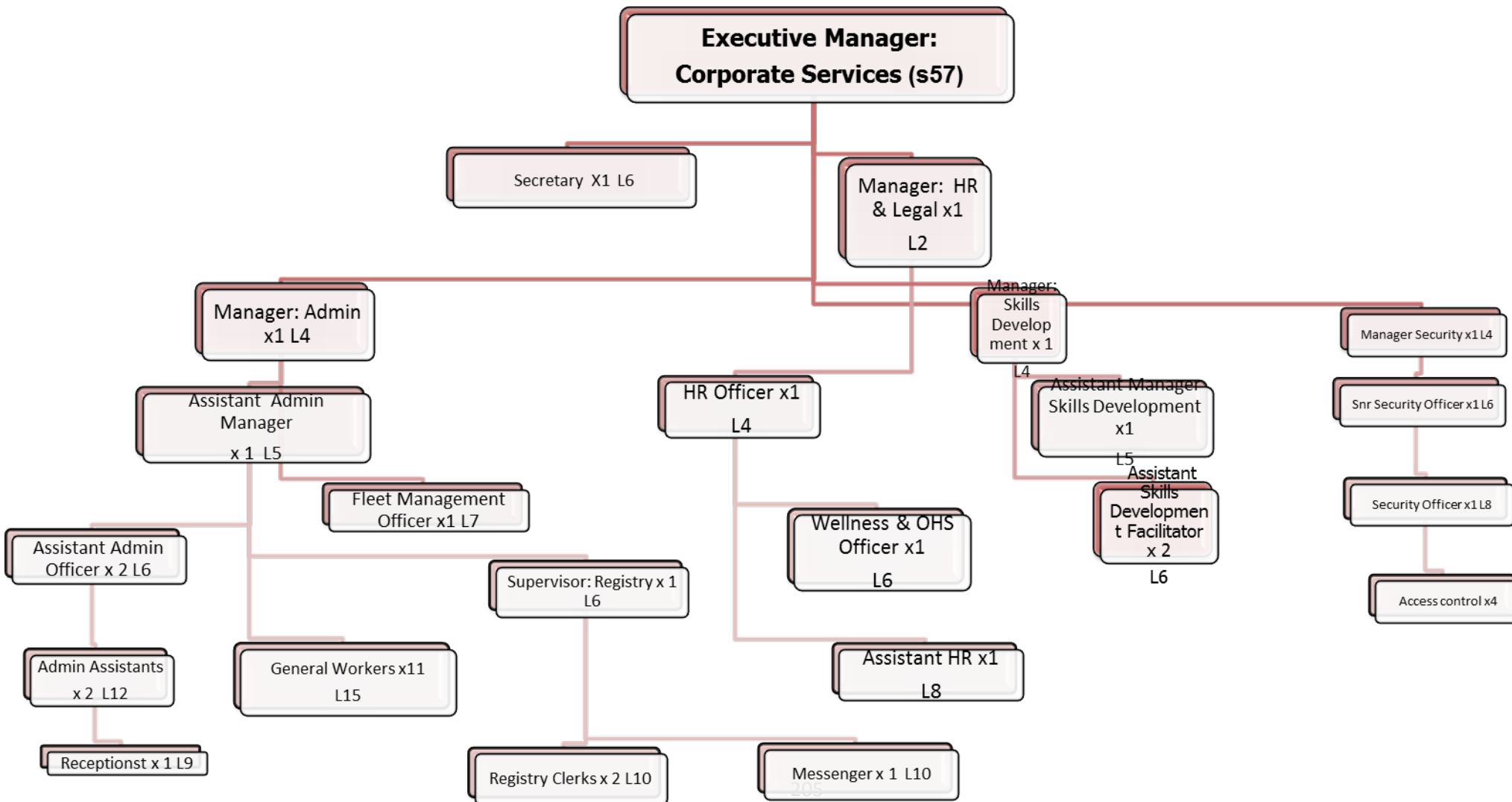


1.3. MUNICIPAL MANAGER'S OFFICE

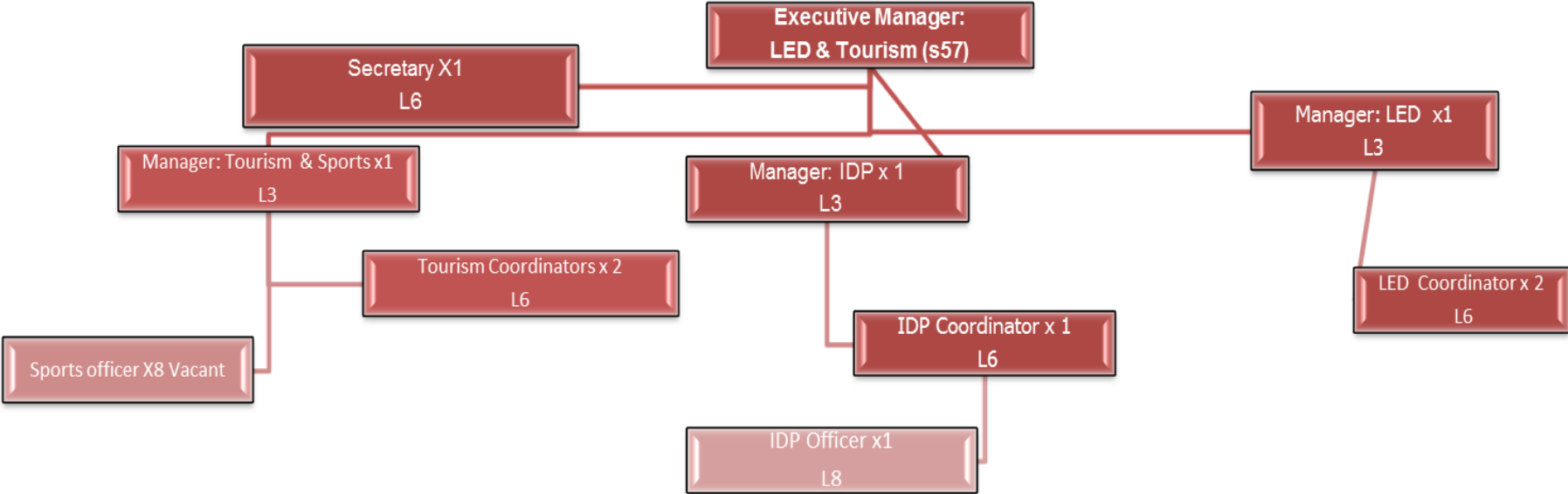




1.5 CORPORATE SERVICES OFFICE

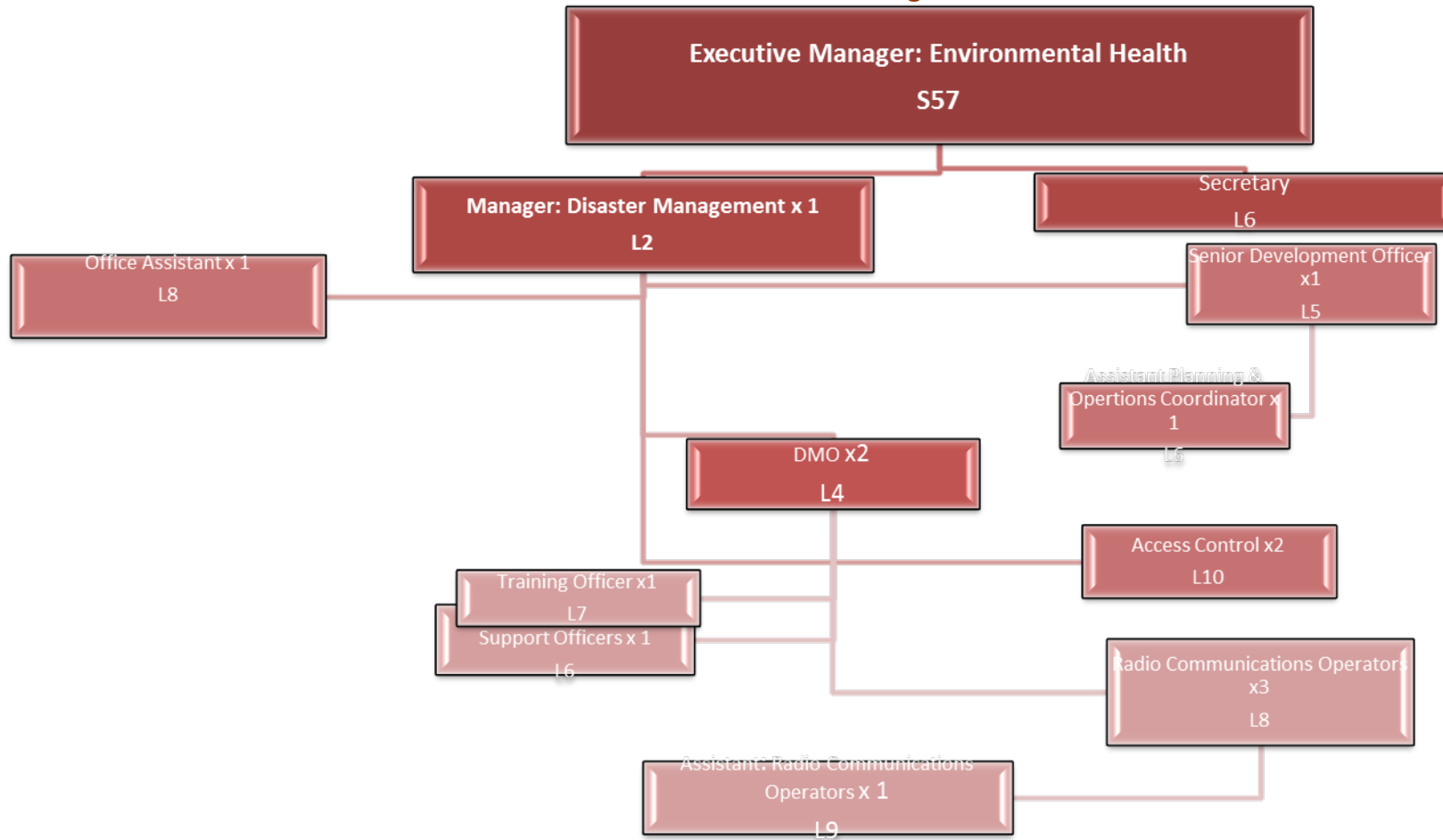


1.6. LED & TOURISM

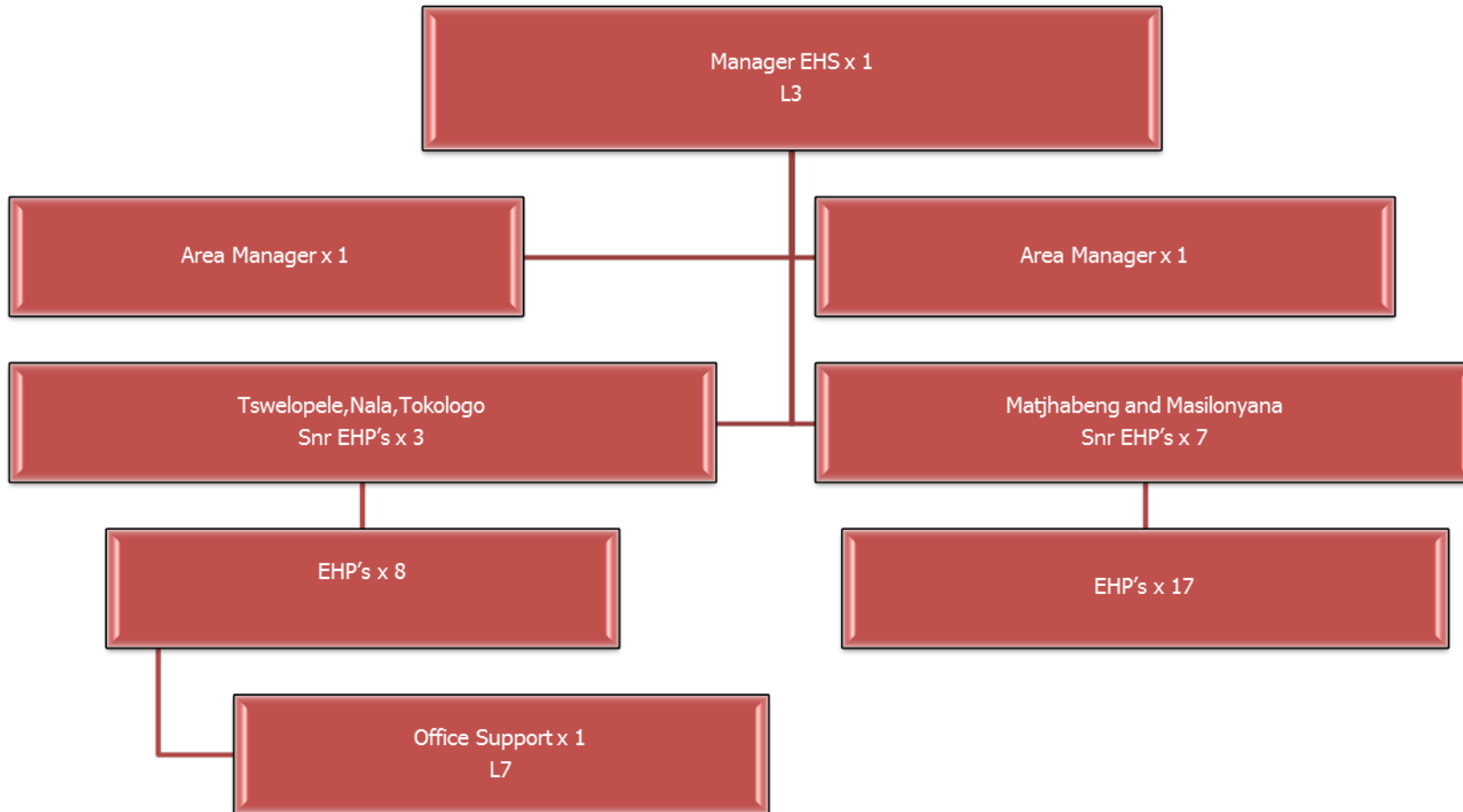


1.8. ENVIRONMENTAL HEALTH & DISASTER MANAGEMENT

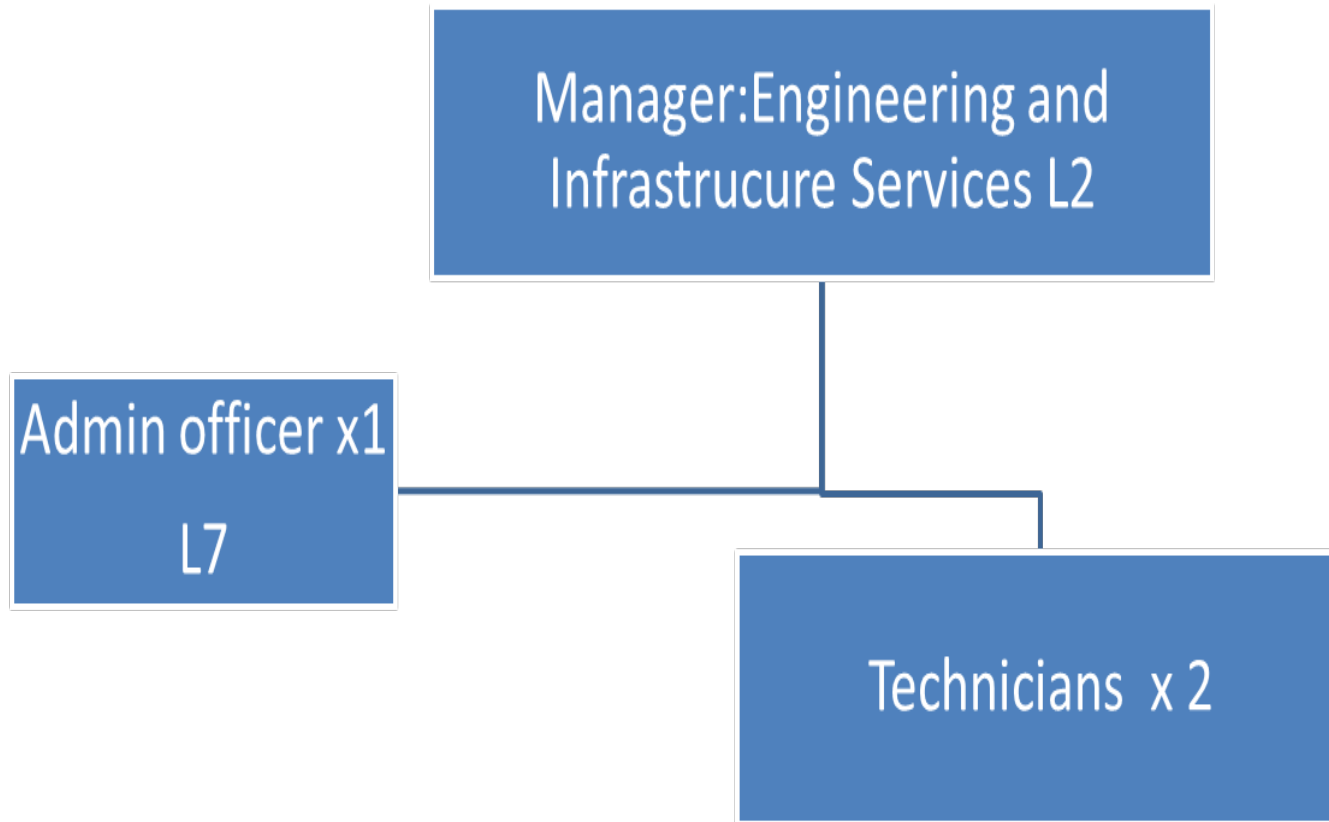
1.8.1. Disaster Management



1.8.2. Environmental Health



1.9 Engineering & Infrastructure Services



CHAPTER 9

Performance Management of municipal programmes for 2015/16

9.1. Legislative background

- A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, review and reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

(Local Government: Municipal Planning and Performance Management Regulations, 2001 (Chapter 3)).

- Chapter 6 of the Municipal Systems Act stipulates the following in terms of the establishment of performance management system:

– “ A municipality must-

a) establish a performance management system that is-

i) commensurate with its resources;

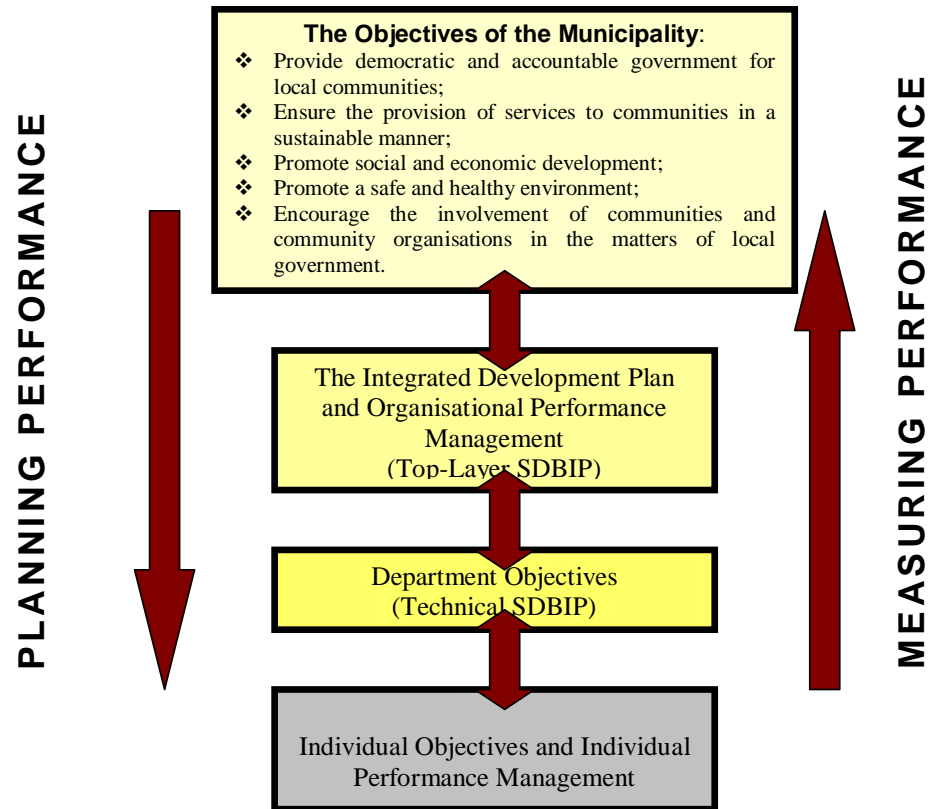
ii) best suited to its circumstances; and

iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;

b) Promote a culture of performance management among its political structures, political office bearers and councillors and in its administration;
and

c) Administer its affairs in an economical, effective, efficient and accountable manner”

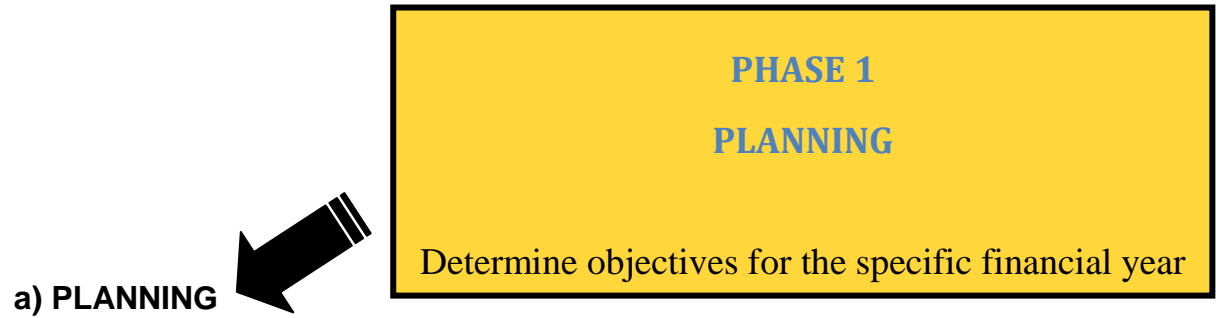
The above scenario is better depicted graphically below as follows:



It is therefore important to ensure that all resources of the municipality are used for the purpose of ensuring improved service delivery. All municipal programmes must be linked to a municipal macro plan called the IDP. Each Head of department must contribute towards consolidation of a top layer of an SDBIP for that financial year. Subsequent to each departmental head developing each departmental SDBIP, there need to be a process where all staff

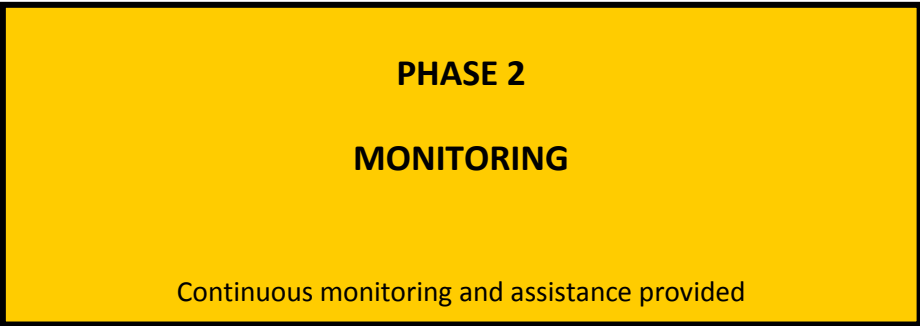
members find their specific role in the municipal programme and are therefore going to be assessed as required following the time lines as stipulated in the graph below:

TIMING AND ACTIVITIES AS SPECIFIED IN THE PERFORMANCE MANAGEMENT POLICY



TIMING	ACTIVITIES
July each year i.e. beginning of financial year	<ol style="list-style-type: none"> 1. Manager/Supervisor to schedule meeting with Employee to agree on performance objectives* for the year. (*In respect of the Municipal Manager or Section 57 Managers to be directly linked to the SDBIP of the respective directorate to be reflected in the Performance Agreement and Performance Plan. *In the case of Non Section 57 Employees (lower ranking officials) job descriptions can be used to set performance objectives. However it is important to always consider the IDP and each Department’s respective SDBIP in setting performance objectives. To be reflected in the Performance Management Tool and Performance Plan) 2. Both the Manager/Supervisor and the Employee are required to prepare for this meeting. 3. Ensure that the following documentation in respect of the Municipal Manager as well as Section 57 Managers are compiled for the financial year or updated when necessary: <ul style="list-style-type: none"> • Employment Contract • Job Description • Performance Agreement with Key Performance Areas and Core Competency Criteria • Performance Plan

	<ul style="list-style-type: none">• Personal Development Plan• Code of Conduct• Financial Disclosure form <p>4. Ensure that the following documentation in respect of Non Section 57 Employees are compiled for the financial year or updated when necessary:</p> <ul style="list-style-type: none">• Job Description• Performance Plan• Personal Development Plan• Performance Management Tool with Objectives and weights in terms of relevant Codes of Conduct to the specific posts
--	--



b) MONITORING

TIMING	ACTIVITIES
On-going throughout the year	<ol style="list-style-type: none"> 1. Manager/Supervisor to provide on-going feedback and assistance to the Employee on his/her performance against the agreed objectives. 2. Employees to request for feedback and assistance when required.

PHASE 3

REVIEWING

Informal review sessions between Supervisors and Municipal Manager and Section 57 Managers to determine whether objectives as set for the specific quarters have been met or not and to what extent.

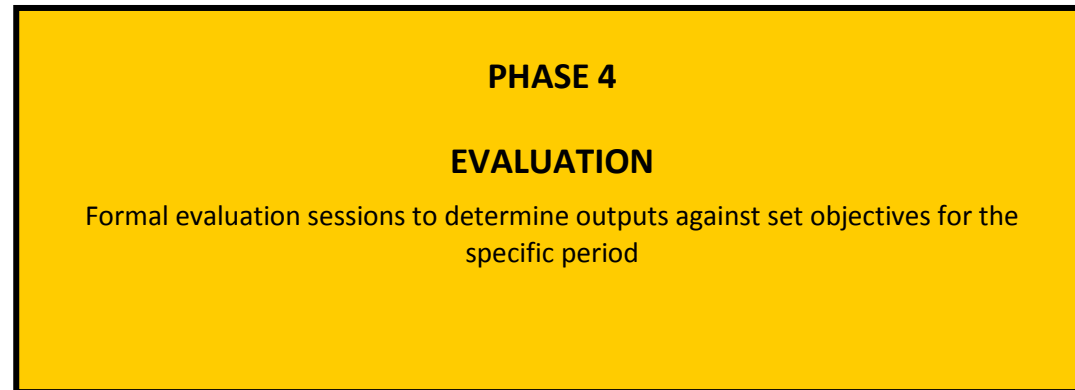
Remedial actions if need be.

c) REVIEWING



TIMING	ACTIVITIES
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<p>First 2 weeks of October for Quarter 1</p> <p>First 2 weeks of April for Quarter 3</p>	<p>MUNICIPAL MANAGERS AND SECTION 57 MANAGERS</p> <ol style="list-style-type: none"> 1. Informal review sessions to be held between the Section 57 manager and the Municipal Manager in the first 2 weeks of October as well as well as the first 2 weeks of April to determine whether objectives as set for the specific quarters has been met or not and to what extent. 2. Remedial actions if need be.
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d) EVALUATION

TIMING	ACTIVITIES
<p>In January for Mid-Year evaluations</p> <p>In July for end of the year evaluation</p>	<p>MUNICIPAL MANAGERS AND SECTION 57 MANAGERS</p> <p>1. Formal review sessions to be held twice a year as set in the Regulations to be done by the panels.</p>

<p>January of each year – mid- year review</p> <p>Reviews by managers/ supervisors to be done within the January.</p> <p>Internal quality assurance committee meetings to be held in February (If need be)</p> <p>Quality assurance committee meetings to be held in March</p> <p>July of each year - final review</p> <p>Reviews by managers/ supervisors to be done within July.</p> <p>Internal quality assurance committee meetings to be held in the first 2 weeks of August (when required)</p> <p>Quality assurance committee meetings to be held in the last week of August</p>	<p>NON SECTION 57 EMPLOYEES</p> <p>Reviewing Performance</p> <ol style="list-style-type: none"> 2. Manager/Supervisor to set up formal mid-year review in the first 2 weeks of January to assess the Employee’s performance against the objectives. 3. Manager/Supervisor to set up a formal final review in the first 2 weeks of July. <p>The process for reviewing performance is as follows:</p> <ol style="list-style-type: none"> 1. Manager/Supervisor to request inputs in terms of service delivery in respect of services rendered by the relevant employee- by means of reports, letters, “incidents” where the official went the extra mile, etc. 2. Manager/Supervisor to prepare scores of Employee’s performance against agreed objectives as a result of the evidence and “customer” input. 3. Manager/Supervisor to ask Employee to prepare for formal review sessions. 4. Formal review session between Manager/Supervisor and Employee to review performance against the set objectives for the specific quarter also taking into consideration aspects discussed during the informal evaluation. It may be necessary to have two meetings in cases where there are insufficient evidence to motivate scores. Where an Employee and Manager/Supervisor disagree on the score, the Manager’s/Supervisor’s decision will be taken into consideration- the appeals procedures can be followed should the employee disagree in terms of scores allocated. 5. Review form to be signed by both Manager/Supervisor and employee. 6. Manager/Supervisor and Employee to prepare and agree on development plan for the employee in line with the competencies necessary to achieve objectives as set in the Performance Plan in line with the Job Description. 7. Informal Quality assurance committee meetings to be held as scheduled (when required). 8. Municipal Quality assurance committee meetings to be held as scheduled to ensure that the evaluation was fair and just. Performance Review Documentation to be approved by the Municipal Manager/head of the Quality Assurance Committee.
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e) REWARDING

PHASE 5
REWARDING

Recognition for outstanding performance.
Address poor performance and development needs.

TIMING	ACTIVITIES
<p>Budget in February of each year</p> <p>Rewards to be paid in September after the respective evaluation cycle each year</p> <p>Pro-rata rewards to be paid upon termination of contract should the employee qualify</p>	<p>MUNICIPAL MANAGER AND SECTION 57 MANAGERS</p> <ol style="list-style-type: none"> 1. Employees to be rewarded according to the policy 2. Ensure that Development needs are addressed. <p>NON SECTION 57 EMPLOYEES</p> <ol style="list-style-type: none"> 1. The Quality Assurance Committee and the Chief Financial Officer to determine affordability in terms of rewards. 2. Allocation of rewards 3. Ensure that development needs are addressed.

9.3. Summary of PMS process

GANTT Chart: PMS (Municipal)

	Milestone	2013					2014					2015	
		Mar	May	Jun	July	Oct	Jan	Apr	Jun	Jul	Aug	Jan	Mar
Municipal Monitoring & Evaluation System	1	█											
	2		█										
	3			█									
	4		█		█								
	5		█										
	6	█	█	█									
	7					█							
	8						█						
	9						█						
	10							█					
	11								█				
	12									█			
	13										█		
	14											█	
	15												█

█ Critical milestones

█ Supporting Milestones

9.4. Link between IDP(Chapter 6) and Municipal PMS

All programme as indicated in chapter 6 will be monitored with the use of the approved performance management system(PMS). It is therefore expected as per legislation governing Municipal Manager and Managers accountable to the Municipal Manager that performance agreements and plans be developed within set time frames to ensure that service is implemented in line with the allocated resources and for specific and agreed upon plans. The PMS is adopted as a tool to monitor progress on the implementation of IDP programmes for a specific financial year and will be used as a remedial tool in instances of both under and over-performance. For purposes of correcting under performance, the municipality is required to ensure that all personnel implicated sign a personal development plan in anticipation of areas that may hinder successful implementation of municipal programmes and further commit to request that specific training needs be planned for and time availed to him/her for capacity development. The law allows for officials to receive training in order to improve on their capacity to deliver planned services. Punitive measures can only be resorted to in instances where training does not yield expected results and therefore realising below minimum service delivery performance.

It would be expected for the policy to pronounce what the council should be afforded to do in instances where performances have been above expectation. The policy clearly specifies that officials who qualify should be given performance bonuses calculated in a manner disclosed in the policy to a maximum of 14% of each HOD's gross annual income. The same is the case for non-section 56/57 employees of the municipality. Although the policy does not pronounce as yet on monetary remuneration for the category of employees, it indicates that as per the municipality's affordability matrix, it should in the meantime provided leave days to a maximum of 4 days redeemable within six months after such a decision was taken beyond which time leave days get forfeited if not claimed and taken.

CHAPTER 10

Project Integration

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

TOURISM SUPPORT

FOCUS AREA	MUNICIPALITY	START DATE	END DATE	RESPONSIBILITY
Creation of Flea Markets	All Districts	2015/07/01	2016/06/31	
Support Provided to Tourism Information Centres	All Districts	2015/04/01	2016/09/30	
I love Free State Cleaning Campaign	All Districts	2015/07/01	2016/06/31	
IDP Assessment for alignment with Master Plan	All Districts	2015/04/01	2016/06/31	
Schools Competition Programme implemented	All Districts	2015/10/01	2016/09/30	
Provincial Tourist Guide Association established	All Districts	2015/04/01	2016/03/01	
Tourism Skills Enhancement programme implemented	All Districts	2015/04/01	2015/03/01	

FOCUS AREA	MUNICIPALITY	START DATE	END DATE	RESPONSIBILITY
Establishment of 6 Conservancies- Environmental Management Skills (The voluntary cooperative nature and environmental management of an area by its community and its users and in respect of which registration has been granted by the relevant Provincial Authority)	District and Local municipalities	2015/04/01	2016/03/31	Environmental Empowerment Services
Training of 200 community members as Urban Rangers (Demand Driven)	District and Local municipalities	2015/04/01	2016/03/31	
Establishment of Eco-Schools (9110)	District and Local municipalities	2015/04/01	2016/03/31	
Sector tools sustainability awareness workshops	Fezile Dabi District, Lejweleputswa District, Xhariep District, Thabo Mofutsanyane District and Mangaung Metro	2015/05/01	2015/10/30	Mr. M. Walaza

ENVIRONMENTAL AFFAIRS

ENVIRONMENTAL AFFAIRS

FOCUS AREA	MUNICIPALITY	START DATE	END DATE	RESPONSIBILITY
Assist with greening planning (landscaping) in municipalities and training of community members in the maintenance of greening actions	District and Local municipalities	2015/04/01	2016/03/31	
Training on Waste Information System (5 sessions on demand)	District and Local municipalities	2015/04/01	2016/03/31	

ECONOMIC AND SMALL BUSINESS DEVELOPMENT SUPPORT				
FOCUS AREA	MUNICIPALITY	START DATE	END DATE	RESPONSIBILITY
Support 100 existing SMME's	All Districts	2015/04/01	2016/06/31	Ms. G Brown
Develop 150 new SMME's and existing SMME's	All Districts	2015/04/01	2016/03/31	
Support 15 Existing Cooperatives	All Districts	2015/04/01	2016/03/31	
Develop 20 new Cooperatives and existing Cooperatives	All Districts	2015/04/01	2016/03/31	
Maintain 5 services centres to deliver quality services to customers	All Districts	2015/04/01	2016/03/31	
24 Capacity building sessions to be conducted	All Municipalities	2015/04/01	2016/03/31	

INFRASTRUCTURE PROJECTS

PROJECT DESCRIPTION	MUNICIPALITY	BUDGET (R'000)	JOBS CREATION	RESPONSIBILITY
Construction of a new abattoir (Willem Pretorius)	Matjhabeng Local	4,8 million	20	Public Works
Lien Invasive Plants Eradication-EPWP (TDR, Maria Moroka, Seekoeivlei, Sterkfontein, Sandveld, Willem Pretorius, Koppies Dam)	Mangaung Metro, Matjhabeng local, Masilonyana local, Moqhaka local, Kopanong local, Tswelopele local, Phumelela local, Maluti –A-Phofung	2,4 million	75	DESTEA
Upgrading of day visitor and picnik facilities	Tswelopele local	15 million	100	DEA

DEPARTMENT OF HEALTH

Rheeders park Clinic	Rheeders park Clinic	Upgrading the current infrastructure	Feasibility	R 357	R 1 623		R1 980
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DEPARTMENT OF WATER AND SANITATION**REGIONAL BULK INFRASTRUCTURE GRANT 1**

PROJECT DESCRIPTION	MUNICIPALITY	BUDGET (R'000)	JOBS CREATION	RESPONSIBILITY
Bulk Water Supply	Masilonyana	55 million		
Bulk Water Supply	Nala	17 million		
REGIONAL BULK INFRASTRUCTURE 2				
Bulk Water Supply	Tokologo	33 million		
Bulk Water Supply	Tswelopele	10 million		
ACCELERATED COMMUNITY INFRASTRUCTURE PROJECT 2				
Water conservation and Demand Management	Tswelopele	5 million		
Refurbishment of Winburg sewer pump station	Masilonyana	1 036 000		
Upgrading of sewer network in Kutlwanong	Matjhabeng	3 352 000		
Mamahabane WWTW	Matjhabeng	3 million		

CHAPTER 11

Required legislative annexures

The following documents were used to review the contents of this main document. It must be noted that some of the documents were not reviewed for implementation and have been noted as such.

Revised policies

- Performance Management Policy
- District Growth and Development Strategy
- Credit and debt control policy
- Pauper's funeral policy
- HR Policy

Draft policies

- Disaster Management framework and plan
- Youth Development policy
- Skill Development Plan
- Employment Equity Plan
- Spatial Development Framework
- Public Participation Policy
- Risk Management

- Integrated Transport Plan
- Fraud Prevention Policy

Critical policies that have not yet been developed

- Environmental Management plan (Environmental Management Framework)
- Integrated Waste Management Plan

Policies that must be revised annually and as circumstances require

- Performance Management Policy
- Credit and debt control policy
- HR Policy
- Skill Development Plan
- Employment Equity Plan
- Spatial Development Framework
- Local Economic Development Plan and Strategy
- Integrated Waste Management Plan