



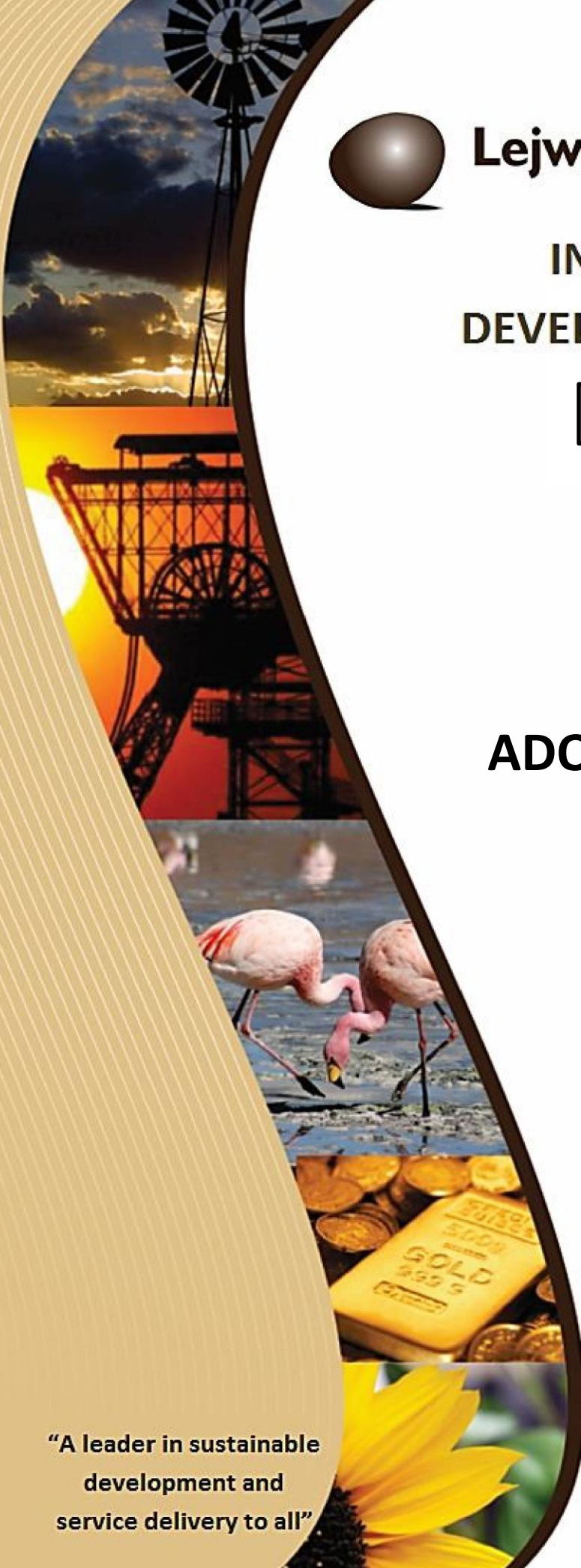
Lejweleputswa
DISTRICT MUNICIPALITY

**INTEGRATED
DEVELOPMENT PLAN**

2018-2019

ADOPTED IDP

**“A leader in sustainable
development and
service delivery to all”**



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EXECUTIVE MAYOR'S FOREWORD

IDP 2018/2019

This IDP is the culmination of a lengthy process of consultation with our various stakeholders within the district.

Accordingly, this IDP carries the aspirations of the masses of our communities which the 2018/2019 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.

The 2018/2019 IDP is premised on the facilitation of investment for potential investor in our district. Hence, our local municipalities have committed to do regular review and update of the Spatial Development Framework and Geographic Information System to ensure that vacant land designated for development by investor is available. Pieces of land will be set aside for development purposes and investors will be encouraged to choose available land as and when they want to put their investment.

Our IDP therefore, must first and foremost reflect our commitment to goals in our quest to meet the 2016 Local Government Elections Manifesto of the ruling party and we have committed ourselves to the following key deliverables:

- Local government offices have to become more effective in meeting the needs of the citizens,
- Sporting and recreational facilities must be built.
- Free basic services must be provided to communities and;
- Water and electricity must be accessible.

Our IDP, in its strategic thrust, gives expression to our first generation Growth and Development Strategy, which is for the holistic development of the district.

We look back with pride as we approach the beginning of the new financial year. It is this achievement, coupled with our confidence, commitment and loyalty which will see us standing proud at the end of our political term.

As we continue on our march to deliver on our Manifesto commitments, we pledge ourselves to continue to work with our people to leave no stone unturned in fulfilling our objectives by accelerating and doubling our efforts to bring about a better life to all our people. We will do so in an accountable and ethical manner, as we have been proven to do over the years.

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 Organisational Development

Basic Infrastructure and Service Delivery

Local Economic Development

Municipal Financial Viability and Management

In our quest to transform and change the lives of our people for the better, let us emulate the Former President Nelson Mandela who said, “There is nothing I fear more than waking up without a program that will help me bring a little happiness to those with no resources, those who are poor, illiterate, and ridden with terminal disease.” This year (2018) marks 100th Anniversary of Nelson Mandela and was declared by the ruling party as the year of Nelson Mandela.

We will forever defend the gains and victories of our democracy and continue serving our people.

CLLR SEBENZILE NGANGELIZWE

SECTION: A

EXECUTIVE SUMMARY

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.

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.

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 Board¹.

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.

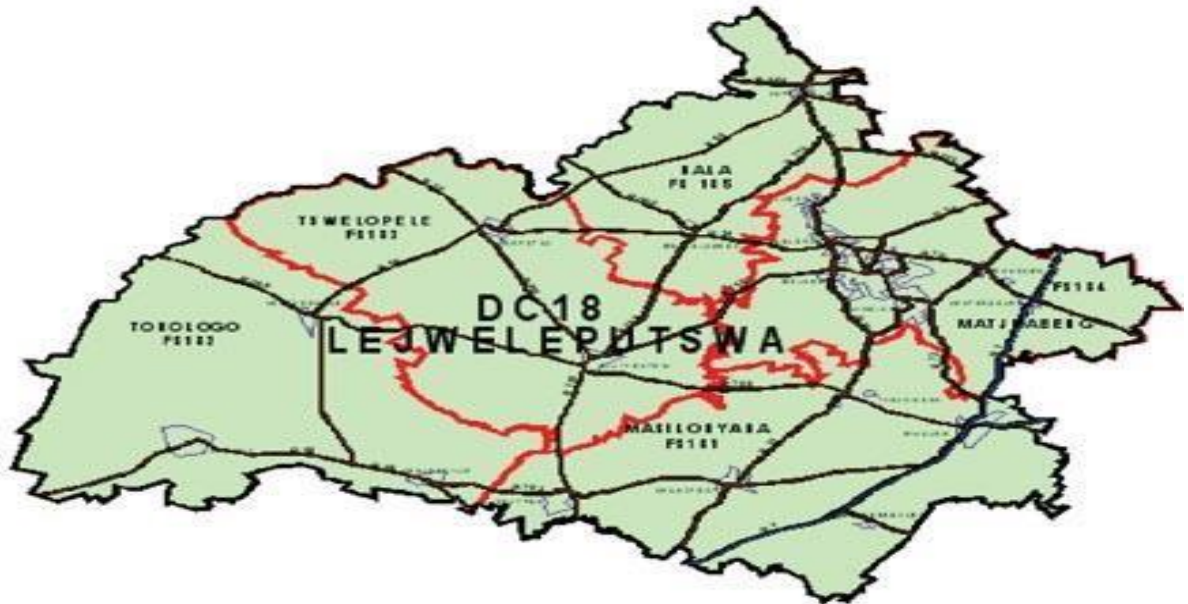
The mining sector has been in a process of restructuring for some years and is still retrenching staff, which is particularly affecting the mining towns of Welkom, Virginia, Odendaalsrus and Allanridge. The sudden surge in petrol prices nationwide would indeed exacerbate the already negative

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.



Map 1 - Lejweleputswa District

				
Masilonyana Theunissen Verkeerdevlei Brandfort Soutpan Winburg	Tokologo Dealesville Boshof Hertzogville	Tswelopele Bultfontein Hoopstad	Matjhabeng Welkom Ventersburg Hennenman Virginia Allanridge Odendaalsrus	Nala Bothaville Wesselsbron

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

Note "Soutpan" in Masilonyana has been demarcated under Mangaung Metro.

Governance issues

The municipality is currently governed by the troika. The executive Mayor- **Cllr Sebenzile Ngangelizwe** 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	VACANT
MEMBER	MR MOTSHOIKHA
MEMBER	MR. NL MASOKA
MEMBER	

AUDIT COMMITTEE MEETINGS PLANNER FOR 2017/2018				
Meetings Category	Q1	Q2	Q3	Q4
	July - Sept	Oct - Dec	Jan - March	Apr - June
Ordinary	24 July 2017	27 October 2017	26 January 2018	23 April 2018
Special	28 August 2017	27 November 2017		
	Review AFS for 2016	Review AG report for 2016		
	Review AR for 2016			
Present to Council				
			AC half year Report	
Abbreviations:				
AFS = Annual Financial Statements				
AC = Audit Committee				

Dates of meetings held by the Audit Committee from 1 July 2017 to date	Planned meeting dates for the 2017/18 FY
4-Aug-17	24-Jul-17
29-Aug-17	28-Aug-17
3-Nov-17	27-Oct-17
28-Nov-17	27-Nov-17
9-Feb-18	26-Jan-18

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 N.V. NTAKUMBANA, appointed for a term which corresponds to the term of sitting council.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE		
1	CHAIRPERSON	Cllr NTAKUMBANA NV
2	MEMBER	Cllr QABELA V
3	MEMBER	Cllr MOIPATLE KSV
4	MEMBER	Cllr MAFSAISA MG
5	MEMBER	Cllr MONJOVO NE
6	MEMBER	Cllr MASINA XN
7	MEMBER	Cllr NJODINA DA
8	MEMBER	Cllr SNYER MM
9	MEMBER	Cllr DR MARIAS JS
10	MEMBER	Cllr NANYANE LJ
11	MEMBER	Cllr TALJAARD

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.

MEMBERS OF BID COMMITTEES 2017/2018

BID SPECIFICATIONS COMMITTEE		
NO	SURNAME AND INITIALS	DESIGNATION
1	MR. RAMABITSA DL	CHAIRPERSON
2	MR BOTES W	MEMEBER
3	MR DLAMINI M	MEMEBER
4	MISS MEMANE ML	MEMEBER
SCRIBE		
	MS DENG D	ASSISTANT ADMIN OFFICER
BID EVALUATION COMMITTEE		
NO	SURNAME AND INITIALS	DESIGNATION
1	MS MALAPANE BJ	CHAIRPERSON
2	MS NJOBE K	MEMEBER
3	MR MASELWA D	MEMEBER
4	MRS BALOYI CB	MEMEBER
SCRIBE		
	MR MATSUNYANE TN	ADMIN MANAGER
BID ADJUDICATION COMMITTEE		
1	MR PITSO PK	DESIGNATION
2	MR PETERSEN C	CHAIRPERSON
3	MS NTWANA J	MEMEBER
		MEMEBER
SCRIBE		
	MS PHARA M	SENIOR ADMIN OFFICER

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.

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).

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 72 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.

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 CEO, three (3) permanent staff members and the agency has employed Finance Manger on month to month basis.

LDA BOARD MEMBERS		
1	CHAIRPERSON	MR LR MUTSI
2	DEPUTY CHAIRPERSON	MR BA MGUNI
3	MEMBER	MR HLALELE
4	MEMBER	MS M MOSALA
5	MEMBER	MR AZ NDLALA

INSTITUTIONAL ARRANGEMENT

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. Currently there are two (2) senior positions that are vacant, that is the position of **Economic, Small Business & Rural Development, Agriculture and Tourism** and **Environmental Health Services and Disaster Management**. It is therefore logical that the municipal structure would be revised as and when conditions arises to beef it up in line with the powers and functions assigned to the Lejweleputswa District Municipality.

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.

VISION

“A LEADER IN SUSTAINABLE DEVELOPMENT AND SERVICE DELIVERY TO ALL”

MISSION STATEMENT

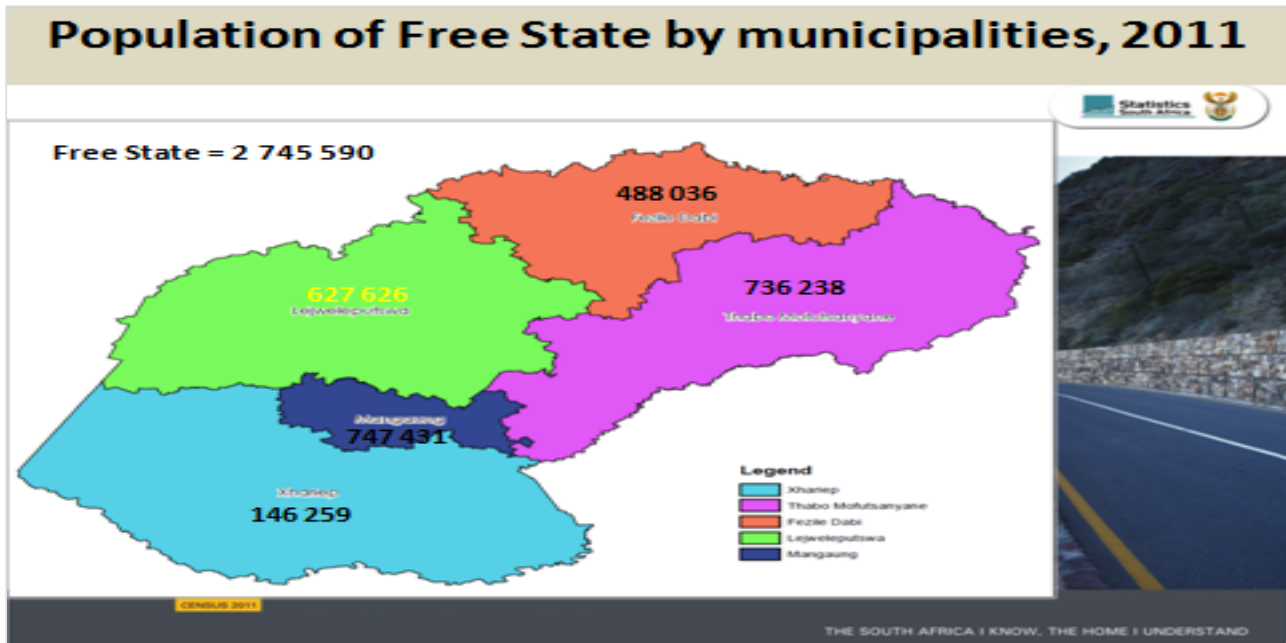
THE LDM STRIVES TO ACHIEVE ITS VISION THROUGH

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

THE VALUES OF THE LDM ARE THE FOLLOWING

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

Demographic Profile

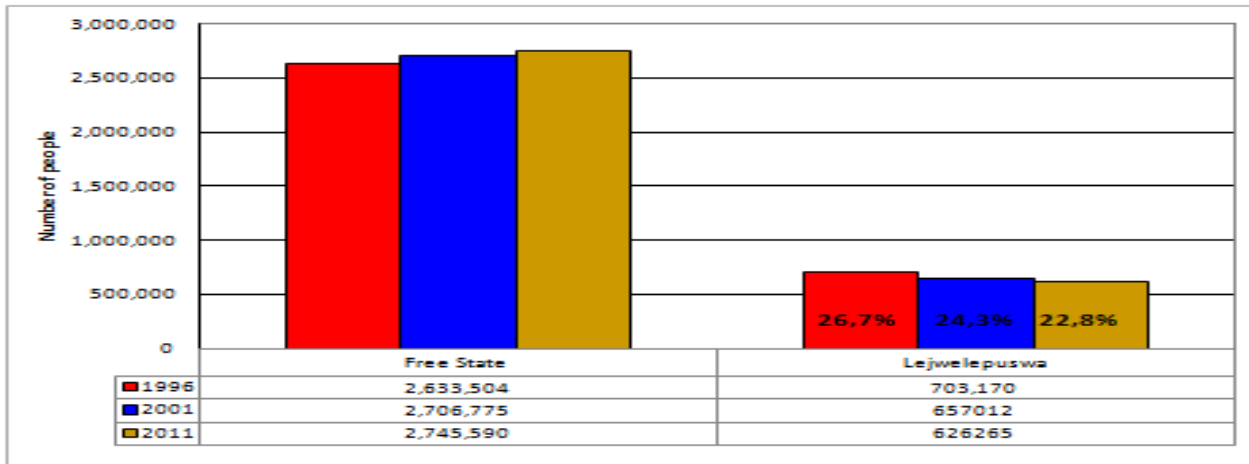


DEMOGRAPHICS			CS
Population	2001	2011	2016
South Africa	44819777	51770561	
Free State	2706771	2745590	2 834 714
DC18: Lejweleputswa	657012	627626	649964
FS181: Masilonyana	64409	63334	66084
FS182: Tokologo	32455	28986	29149
FS183: Tswelopele	53714	47625	47373
FS184: Matjhabeng	408170	406461	428843
FS185: Nala	98264	81220	78515

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.

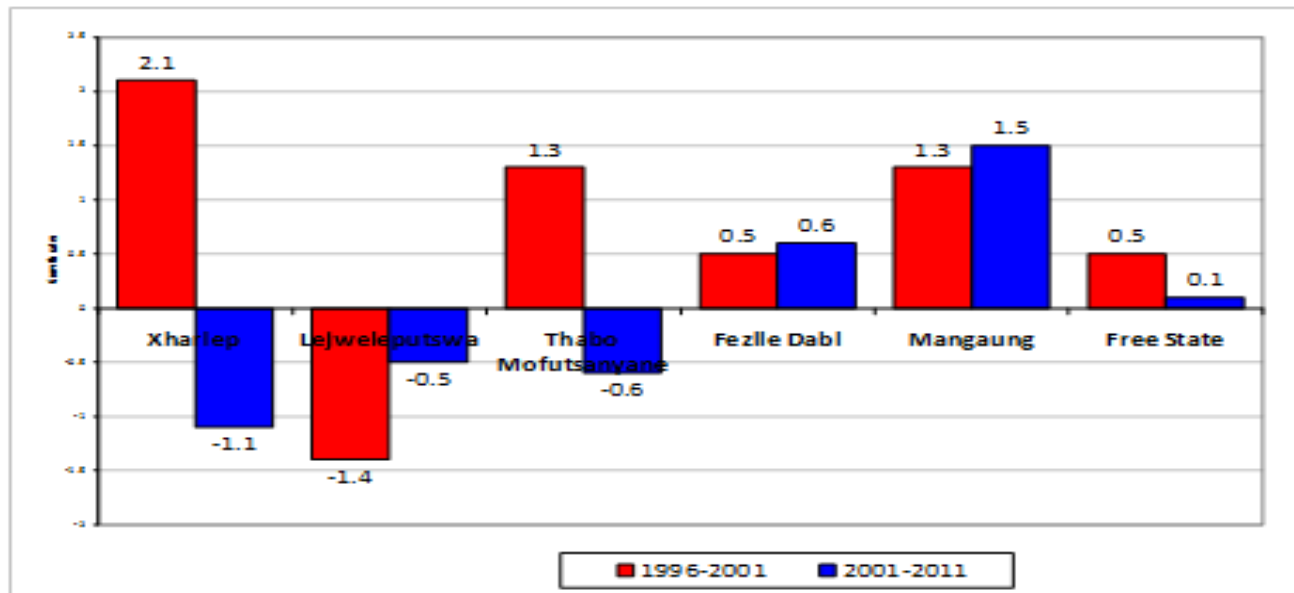
Population sizes of Free State and Lejweleputswa, 1996–2011



StatsSA: Census, 2011

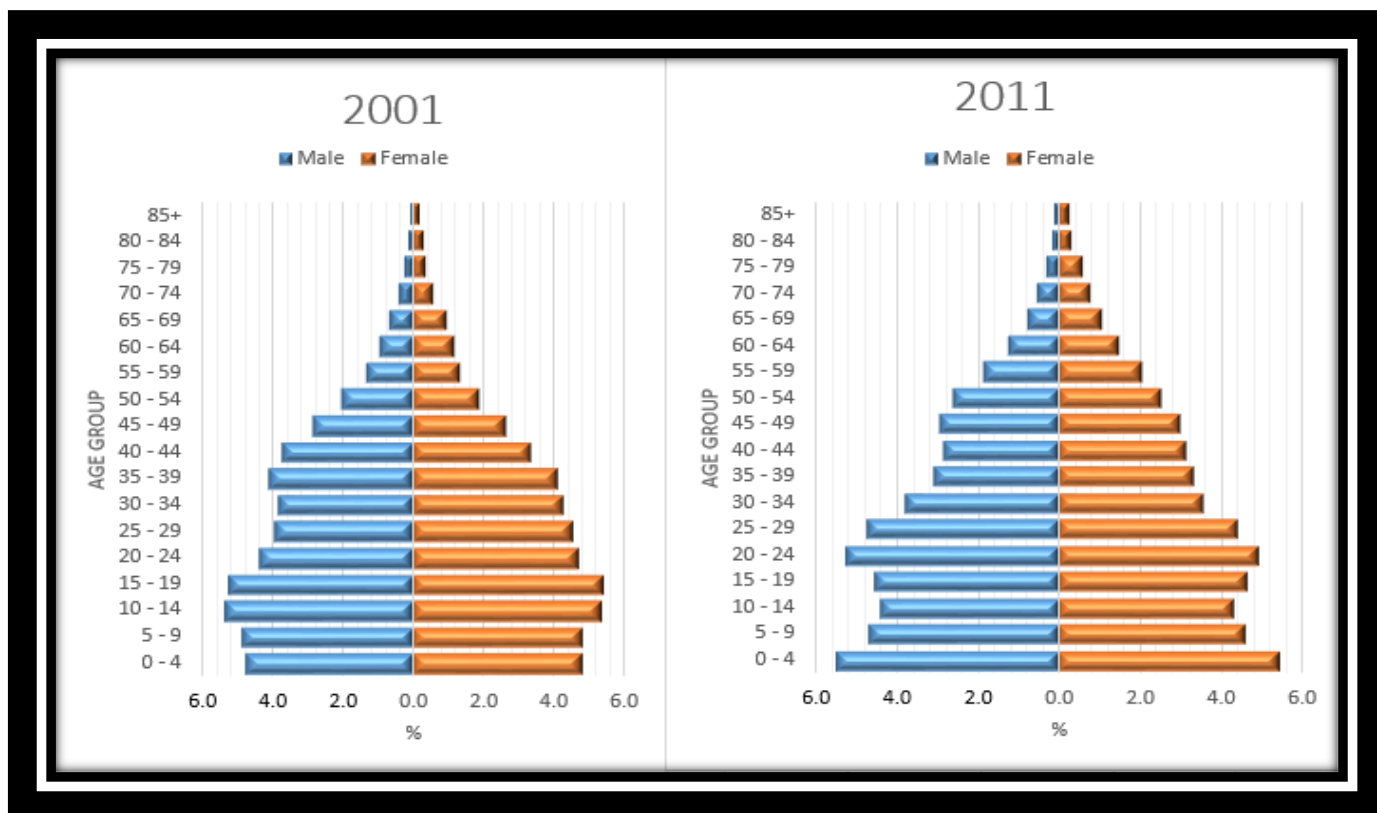
The table above makes a comparative analysis of the growth patterns between the Free State Province and Lejweleputswa District over a 15-year period and depicts that while the population of the province has marginally increased (from 2.633,504 in 1996 to 2.706,590 in 2011 during that period the District 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.**

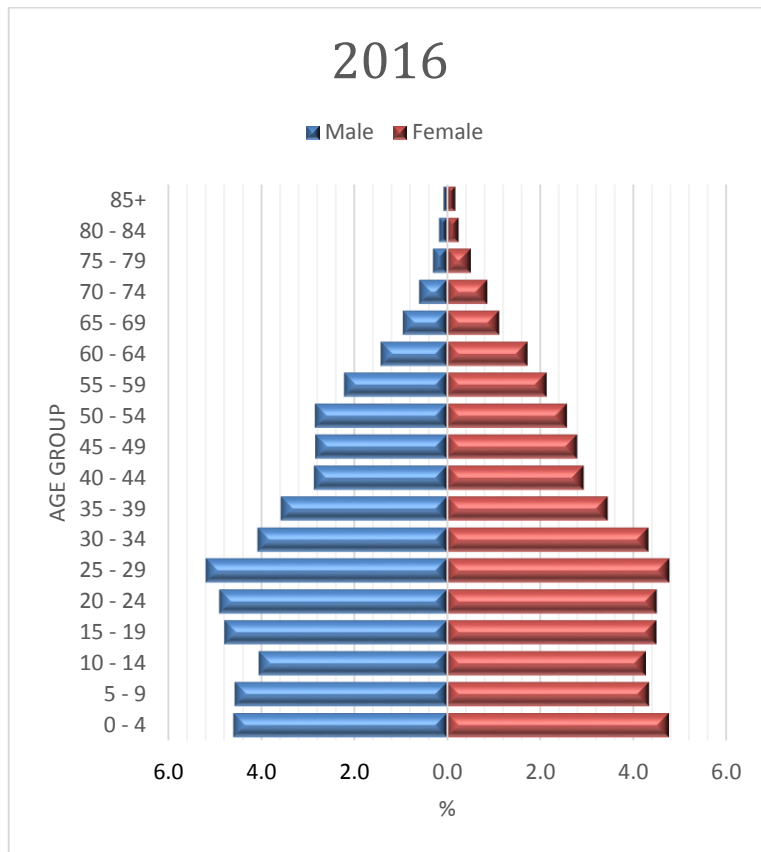


3.1.2. Population Distribution

POPULATION DISTRIBUTION OF LEJWELEPUTSWA BY AGE AND SEX, 2001 AND 2011

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.



CS 2016

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.

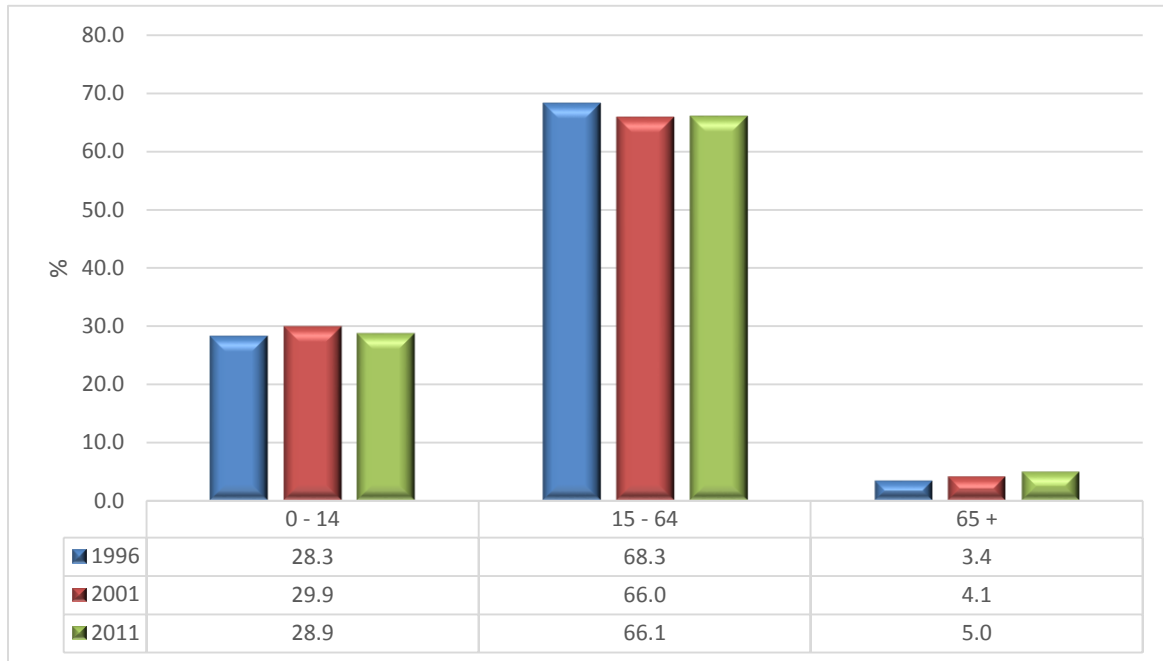
Population distribution by province of birth, Free State Municipalities, 2011

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

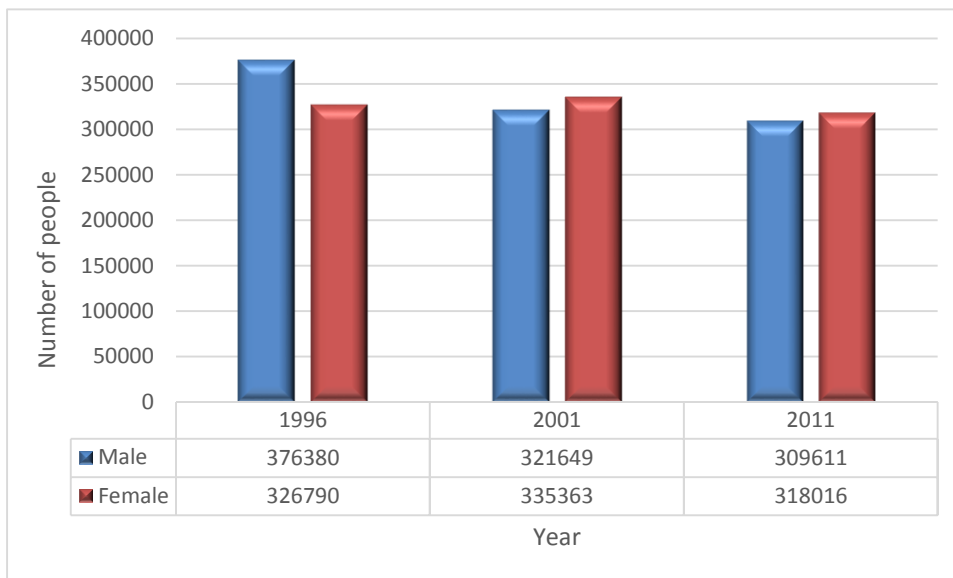
StatsSA: Census, 2011

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.

POPULATION COMPOSITION



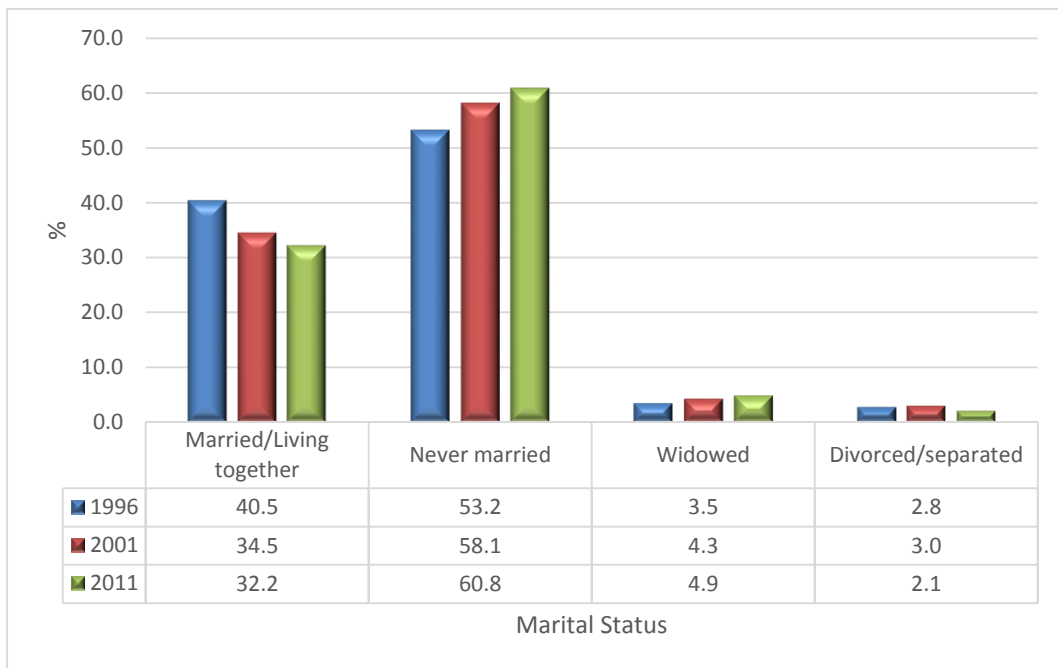
StatsSA: Census, 2011



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.

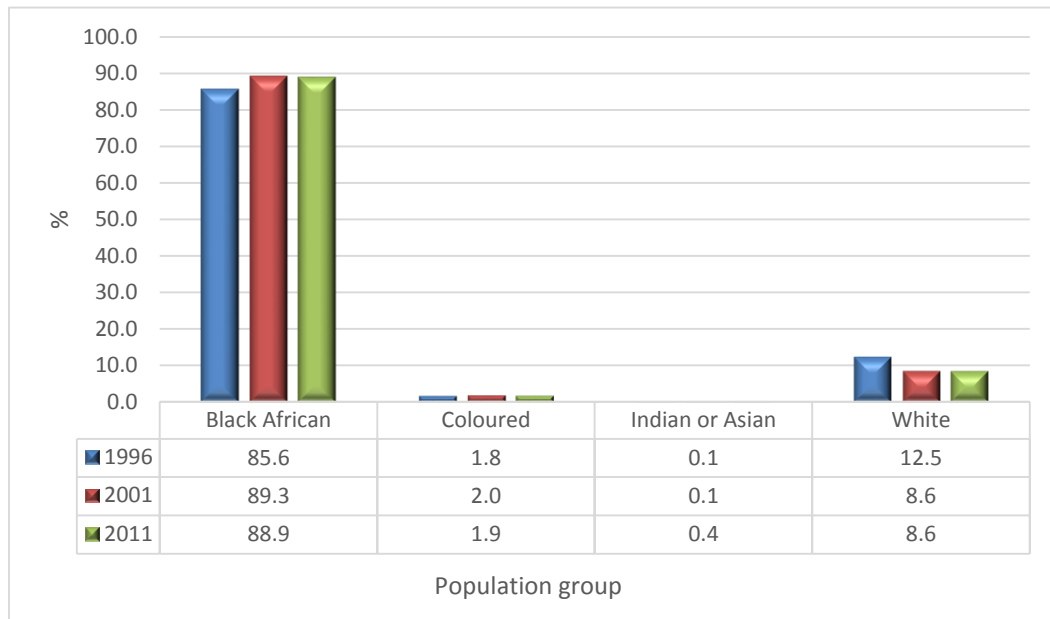
PERCENTAGE DISTRIBUTION OF LEJWELEPUTSWA POPULATION BY MARITAL STATUS, 1996-2011



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

PERCENTAGE DISTRIBUTION OF LEJWELEPUTSWA POPULATION BY POPULATION GROUP, 1996-2011

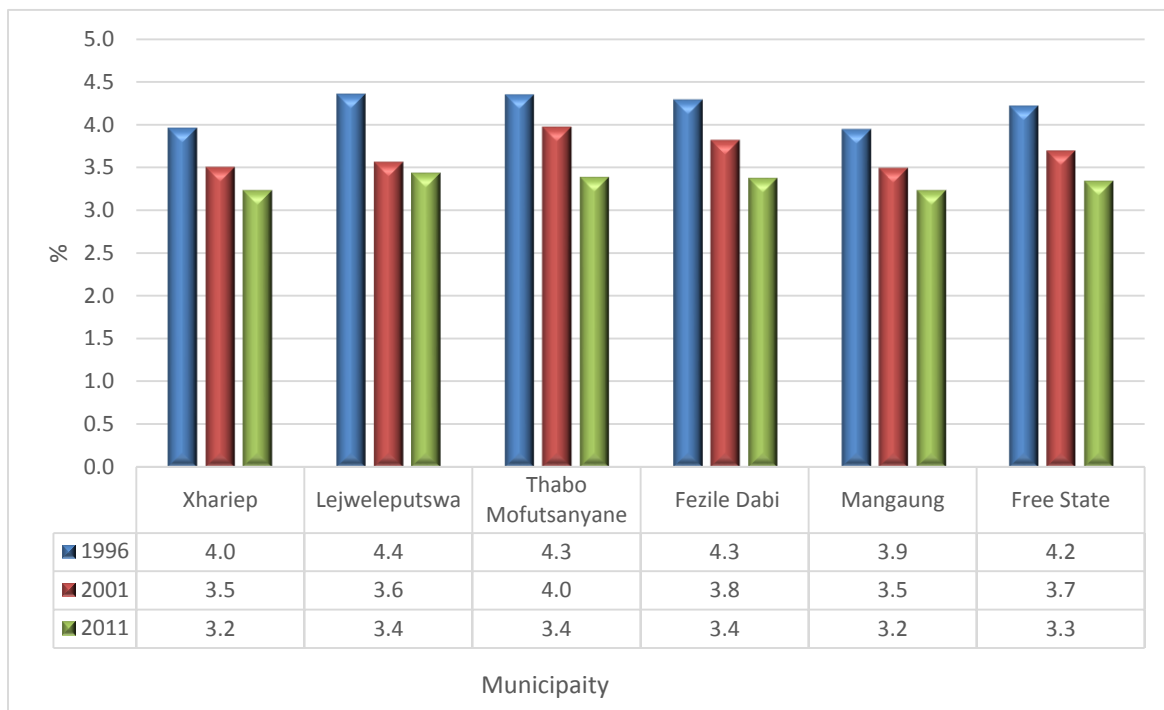


StatsSA: Census, 2011

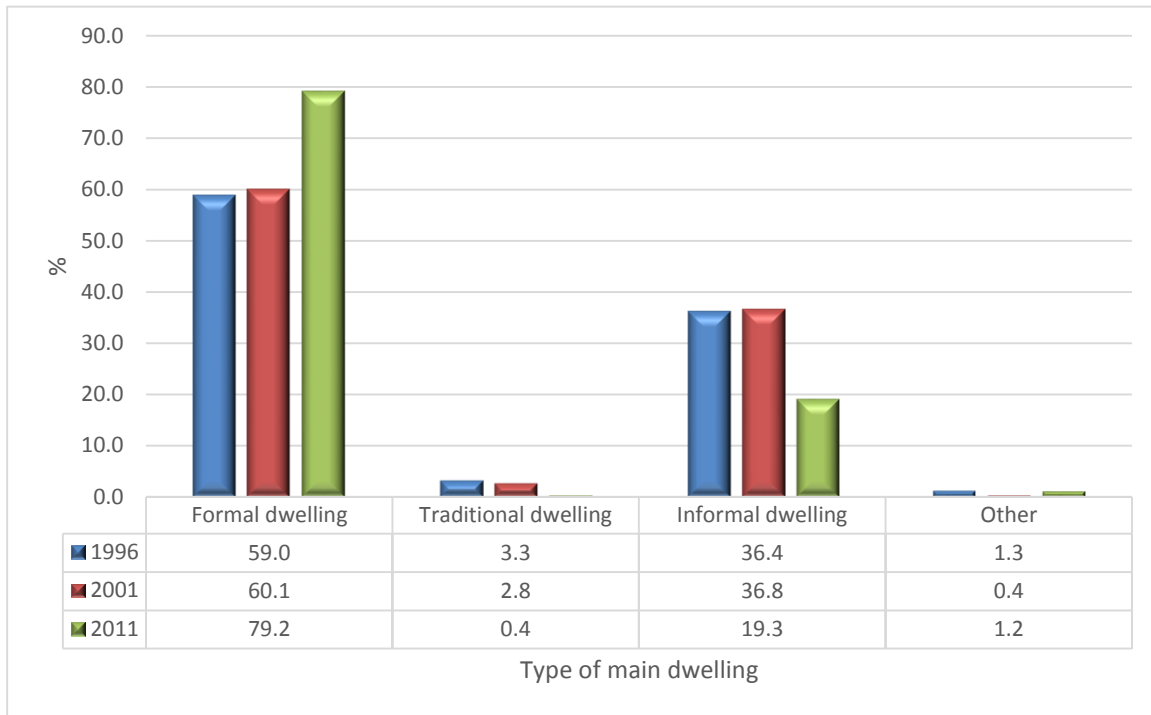
The majority of the population in the Lejweleputswa District has always been black African for the 15-year period with a small difference over the period ranging from 82.2% in 1996 to 77.0% in 2011, followed by white population group with 22, 0% in 1996 to 20, 2% in 2011 and the third being coloured population with 5, 0% in 1996 to 5, 2% in 2011.

Household and services

AVERAGE HOUSEHOLD SIZES FOR FREE STATE MUNICIPALITIES, 1996-2011



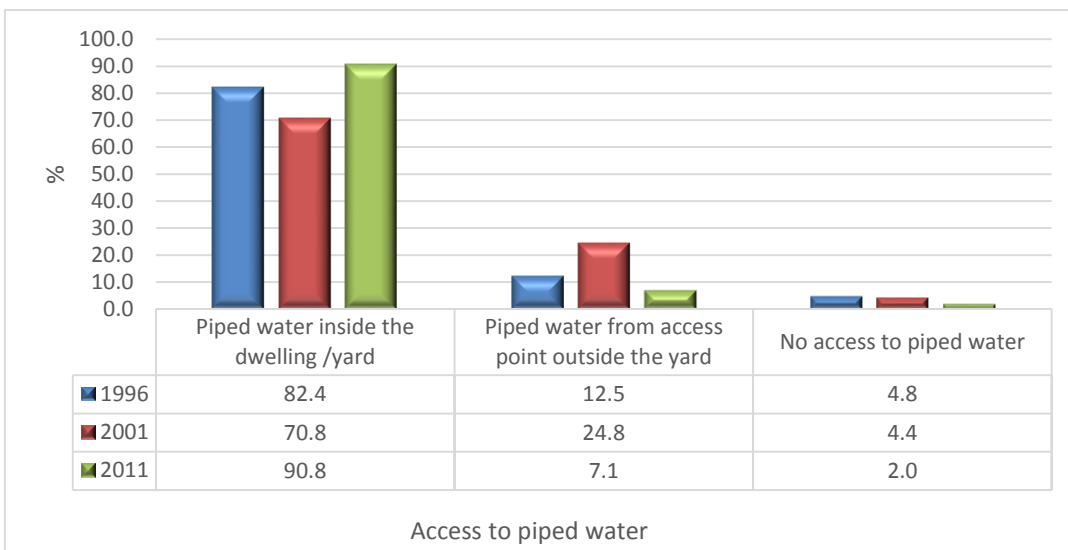
PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF MAIN DWELLING, LEJWELEPUTSWA, 1996-2011



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

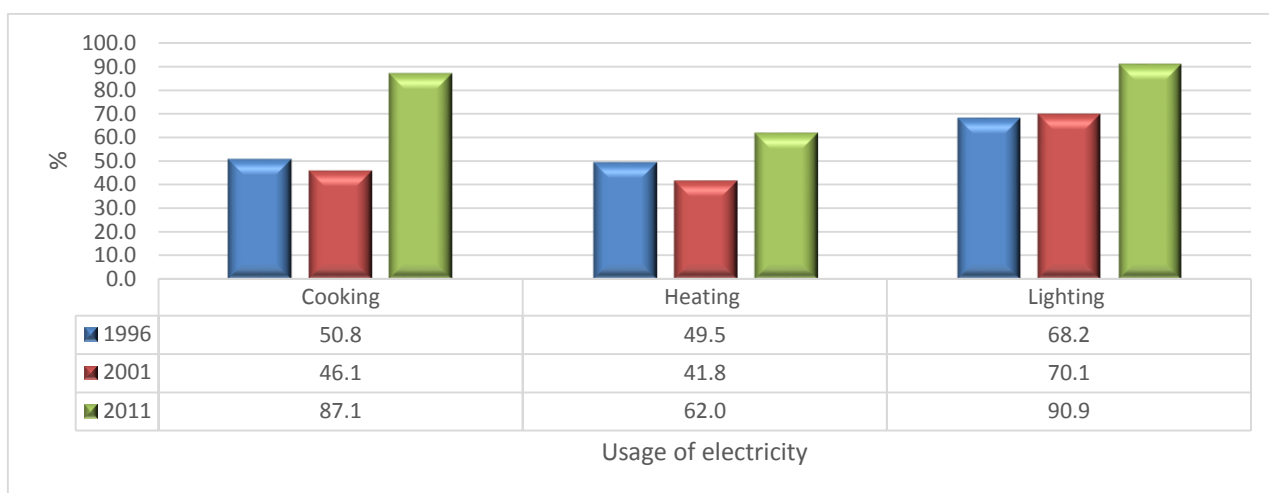


StatsSA: Census, 2011

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 water still require improvement in the water service in the district.

Main source of water for drinking														
Province, District and Local Municipality	Piped (tap) water inside the dwelling /house	Piped (tap) water inside yard	Piped water on community stand	Bore hole in the yard	Rain-water tank in yard	Neighbours tap	Public/communal tap	Water-carrier/tanker	Bore hole outside the yard	Flowing water/stream/river	Well	Spring	Other	Total
Free State	357926	499067	25768	8098	694	13142	14680	11226	8548	1124	411	1108	4848	946638
DC18: Lejweleputswa	94736	107755	3354	2012	149	3021	2949	374	2119	129	-	83	2332	219014
FS181: Mafikeng	5730	15246	63	224	-	264	66	75	270	-	-	-	863	22802
FS182: Tsoelike	788	7364	12	538	17	306	343	31	432	-	-	-	-	9831
FS183: Tswelopele	1716	10685	121	326	30	165	36	230	204	95	-	-	96	13705
FS184: Matjhabeng	79509	60157	2450	678	102	2188	2003	38	574	34	-	15	1274	149021
FS185: Nala	6992	14303	708	246	-	98	502	-	639	-	-	68	98	23653

PERCENTAGE DISTRIBUTION OF HOUSEHOLDS USING ELECTRICITY, LIGHTING, COOKING AND HEATING, LEJWELEPUTSWA, 1996-2011

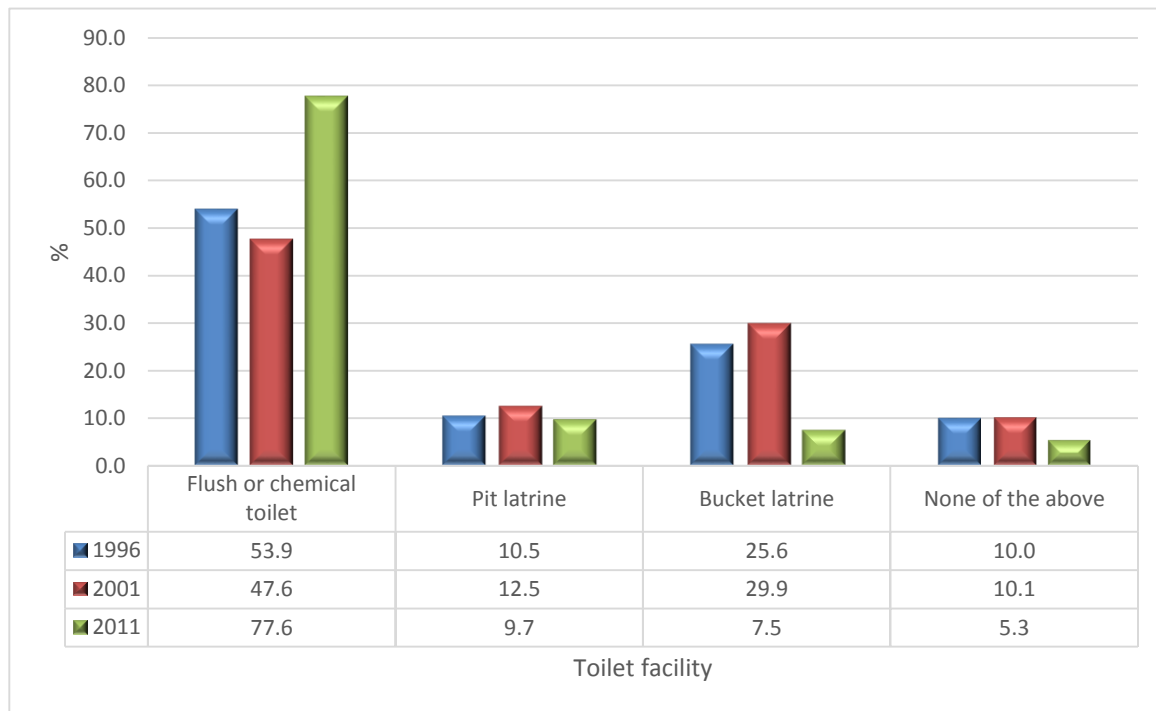


It has become known that people have been using electricity for lighting more than cooking and heating. The figures above are an illustration of this point. The % of using electricity for lighting has staggered upwards from 61.6% in 1996 to 91.4% in 2011. It is also interesting though that electricity has also been preferred of late for cooking purposes with 88.5% of the population using it for cooking. Urbanization 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.

Household access to electricity

Province, District and Local municipality	In-house conventional meter	In-house prepaid meter	Connected to other source which household pays for (e.g. con	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity	Total
Free State	108973	761009	17676	2466	209	992	179	4786	50349	946638
DC18: Lejweleputswa	34255	167983	4449	623	30	156	106	1285	10126	219014
FS181: Masilonyana	2803	17890	477	87	-	-	26	134	1385	22802
FS182: Tokologo	1533	7342	203	75	-	39	-	79	561	9831
FS183: Tswelopele	1147	10864	923	118	-	-	-	33	621	13705
FS184: Matjhabeng	25575	114481	2421	235	30	87	80	388	5726	149021
FS185: Nala	3198	17407	425	109	-	30	-	652	1833	23653

PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF TOILET FACILITIES, LEJWELEPUTSWA, 1996-2011

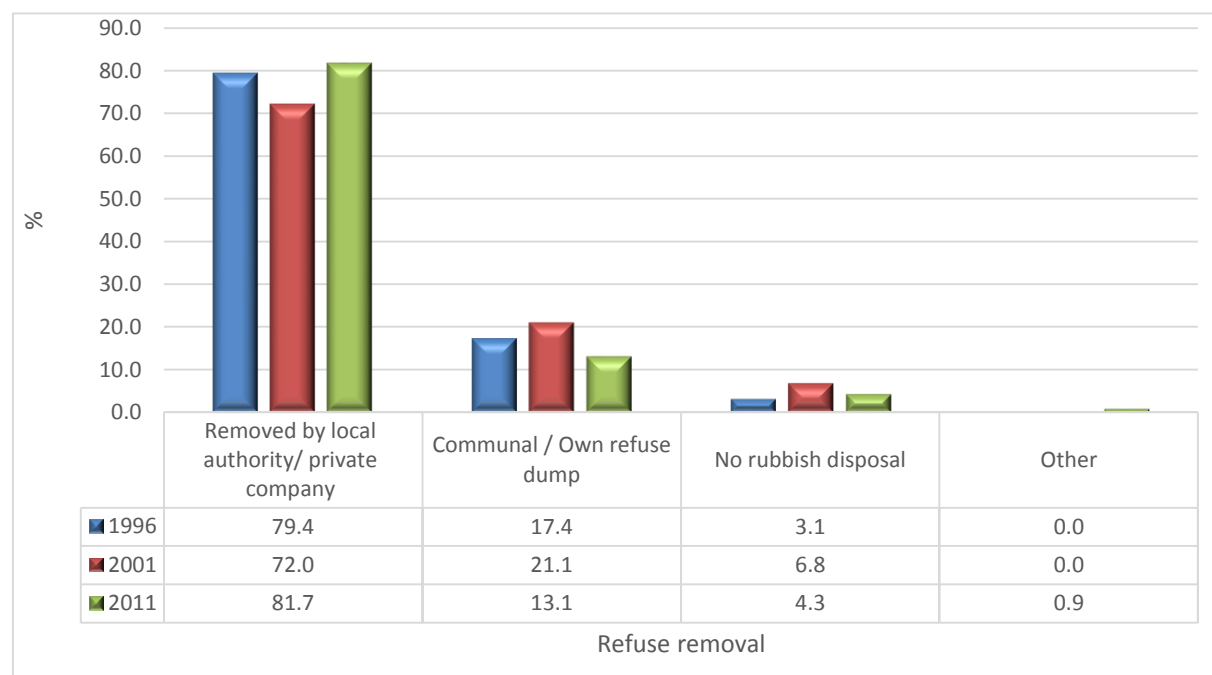


StatsSA: Census, 2011

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.

Main type of toilet facility used											
Province, District and Local Municipality	Flush toilet connected to a public sewerage system	Flush toilet connected to a septic tank or conservancy tank	Chemical toilet	Pit latrine/toilet with ventilation pipe	Pit latrine/toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; enviroloo; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	Total
Free State	663809	19526	19662	64462	105588	1602	24131	13650	18526	15684	946638
DC18: Lejweleputswa	179008	2010	472	5141	15166	142	4817	3322	4711	4225	219014
FS181: Masilonyana	19279	180	186	183	496	41	1262	363	194	618	22802
FS182: Tokologo	2685	873	37	4159	741	-	752	36	139	409	9831
FS183: Tswelopele	10692	388	57	252	1163	64	-	68	133	888	13705
FS184: Matjhabeng	126135	383	191	413	10712	20	2420	2720	4141	1886	149021
FS185: Nala	20217	185	-	134	2054	17	383	135	104	426	23653

PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF REFUSE DISPOSAL, LEJWELEPUTSWA, 1996-2011



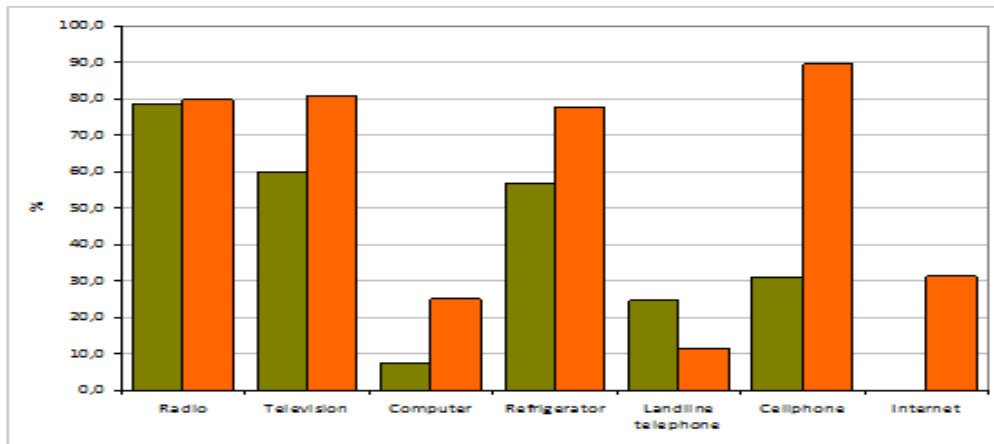
StatsSA: Census, 2011

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 behaviour. 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

Statistics South Africa								
Community Survey 2016								
Table 1								
Geography hierarchy 2011 by Refuse removal								
for Household weight								
Province, District and Municipality	Refuse removal							
	Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
Free State	659477	36019	33928	7242	165624	37494	6854	946638
DC18: Lejweleputswa	158249	16795	8445	1592	25984	6894	1055	219014
FS181: Masilonyana	15229	2552	431	-	4149	289	152	22802
FS182: Tokologo	3651	1165	762	-	4109	100	44	9831
FS183: Tswelopele	11559	103	123	-	1184	695	41	13705
FS184: Matjhabeng	108414	12049	7021	1577	13797	5414	749	149021
FS185: Nala	19396	925	108	15	2745	395	70	23653

CS2016

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

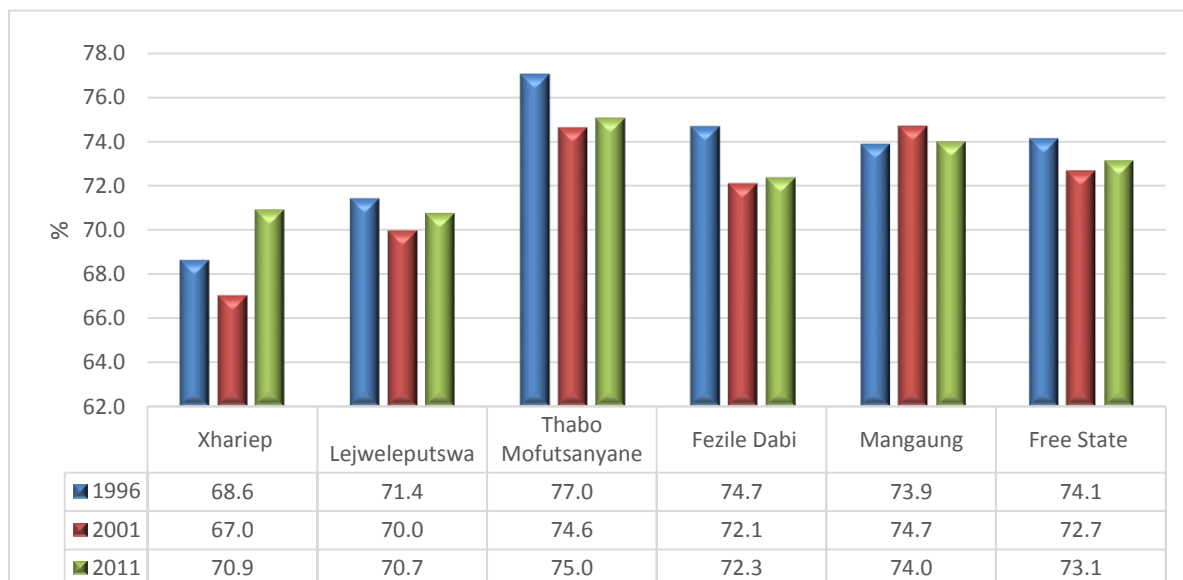


StatsSA: Census, 2011

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.

EDUCATIONAL STATUS

PERCENTAGE DISTRIBUTION OF POPULATION AGED 5-24, BY SCHOOL ATTENDANCE AND MUNICIPALITY, FREE STATE, 1996-2011

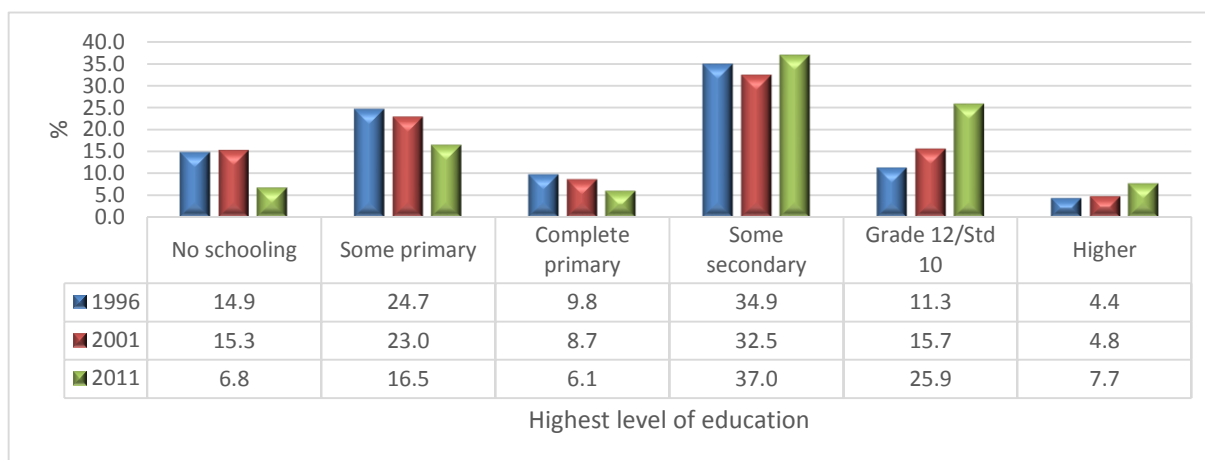


StatsSA: Census, 2011

Geography	School Attendance		
	Yes	No	Do not know
Free State	859361	1699444	2402
DC18: Lejweleputswa	182607	406237	319
FS181: Masilonyana	17756	41943	24
FS182: Tokologo	7491	18576	-
FS183: Tswelopele	14439	27793	44
FS184: Matjhabeng	117252	273512	224
FS185: Nala	25669	44413	27

Source: CS 2016

PERCENTAGE DISTRIBUTION OF POPULATION AGED 20+ BY HIGHEST LEVEL OF EDUCATION, LEJWELEPUTSW, 1996-2011

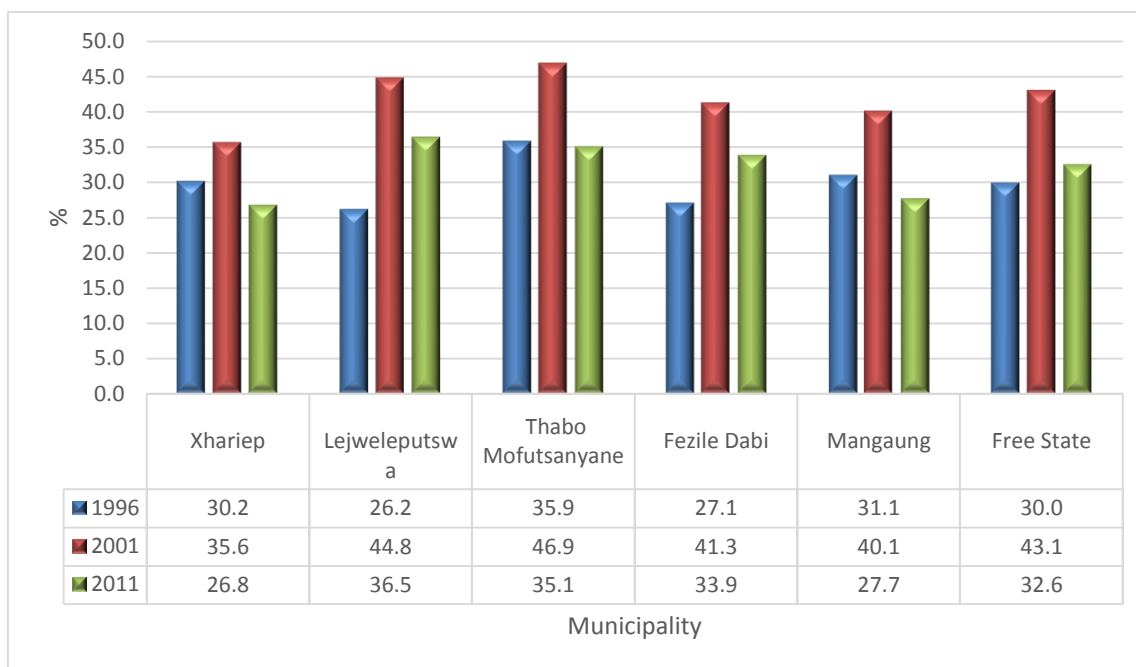


StatsSA: Census, 2011

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.

Employment status

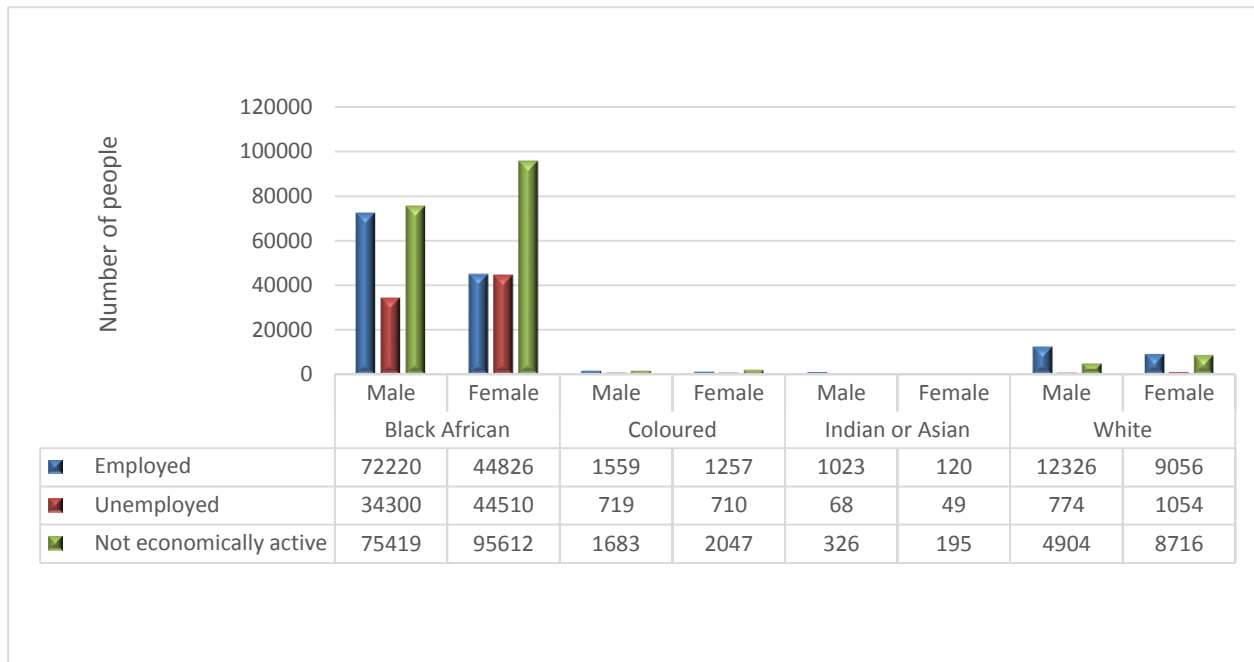
UNEMPLOYMENT RATES (OFFICIAL DEFINITION) OF FREE STATE MUNICIPALITIES, 1996-2011



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 LEJWELEPUTSWA



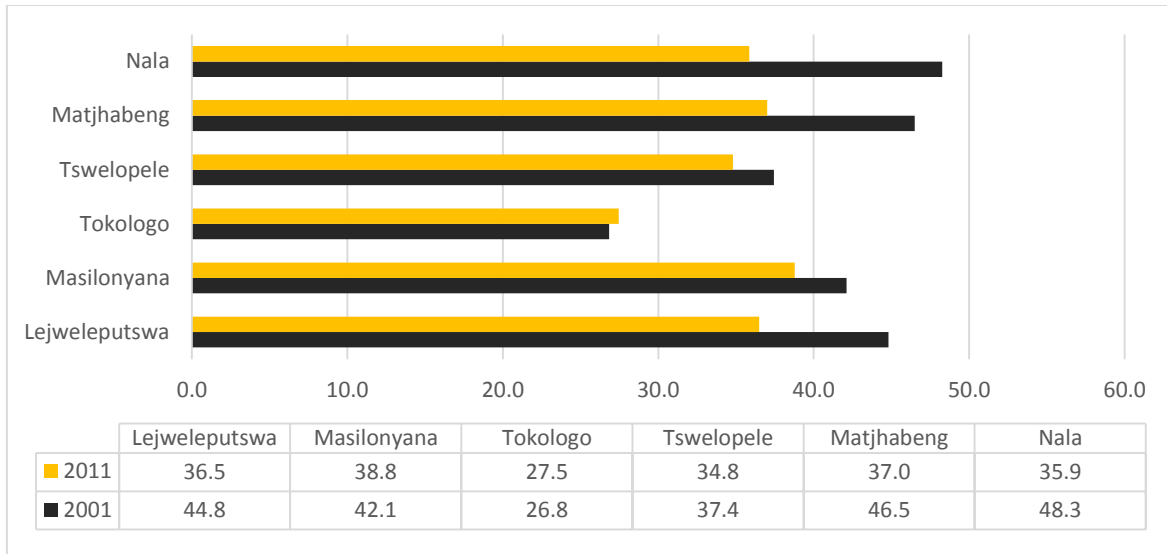
StatsSA: Census, 2011

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

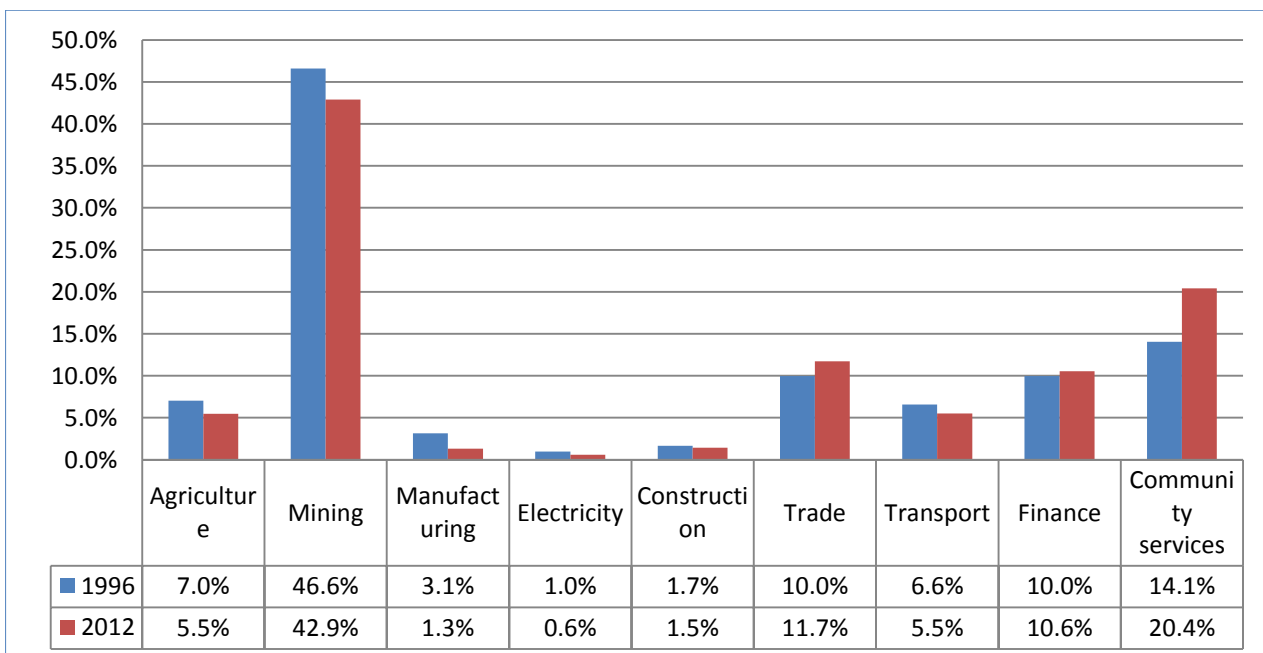


StatsSA: Census, 2011

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 prioritize 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

Sectoral composition of Lejweleputswa’s economy by local municipalities, 2014.

2014	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala	
1 Agriculture	5.6%	6.2%	24.6%	36.9%	0.8%	17.7%	
2 Mining	46.5%	50.3%	21.6%	1.2%	56.0%	4.7%	
3 Manufacturing	2.5%	2.1%	2.9%	2.2%	2.1%	5.2%	
4 Electricity	1.5%	1.2%	2.9%	2.8%	1.3%	2.3%	
5 Construction	1.7%	2.2%	2.5%	1.8%	1.5%	2.6%	
6 Trade	11.0%	8.3%	12.3%	15.4%	10.0%	17.6%	
7 Transport	6.3%	5.2%	5.0%	7.8%	5.6%	11.8%	
8 Finance	10.8%	8.4%	7.6%	10.6%	10.8%	13.9%	
9 Community services	14.2%	16.2%	20.7%	21.4%	11.9%	24.0%	
Total Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: IHS Global Insight Regional explorer, 2015

The 2014 sectoral composition of Lejweleputswa as revealed by figure 4.5 points to the dominance of a few sectors in the economy of the District. According to table 3.1, the mining sector is the dominant sector with 46.5 percent of the economic activities of the district, followed by community services sector at 14.2 percent and then trade at 11 percent. The smaller municipalities of Nala, Tswelopele and Tokologo are the municipalities without mining as the dominant sector, instead Tswelopele has agriculture as the dominant sector at 36.9 percent in 2014. Nala had government services as the dominant sector with 24 percent in 2014, whilst Tokologo had agriculture as the dominant sector with 24.6 percent in 2014. In recent years the contribution of mining in Lejweleputswa’s economy has been declining due to a number of reasons and recently the effect of lower world commodity prices has fueled the decline of the sector. The share of the primary sector in Lejweleputswa’s GVA has also been on a decline, indicating a shift away from the primary sector to the tertiary sector. The community services sector is growing strongly in all of Lejweleputswa’s municipalities and is also forecasted to grow further.

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:

- Firefighting 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
Integrated planning	Trading regulations
Municipal Health Services	Street lighting
Firefighting Services (Masilonyana and Tswelopele)	Firefighting Services
Municipal Public Transport (policy development)	Municipal Public Transport(All local Municipalities)
Fresh Produce Markets	Fresh Produce Markets (All local municipalities)
Cemeteries, funeral parlours and crematoria (policy development)	Cemeteries, funeral parlours and crematoria(by-laws)
Local Tourism	Local Tourism
Municipal Airport	Municipal Airport(except for Matjhabeng and Nala)
Municipal Abattoirs (policy development)	Municipal abattoirs(by-laws)
Solid waste disposal sites	Billboards and Display of advertisements in public places
Local sport facilities	Sanitation
Air pollution	Potable water

	Air pollution
	Child Care facilities
	Electricity regulation
	Refuse removal dumps and waste
	Fencing and fences
	Local amenities

Sustainable Development Goals

The following are the sustainable development goals, as set by the United Nations (UNDP, 2015):

- **Goal 1.** End poverty in all its forms everywhere
- **Goal 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages
- **Goal 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **Goal 5.** Achieve gender equality and empower all women and girls
- **Goal 6.** Ensure availability and sustainable management of water and sanitation for all
- **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **Goal 10.** Reduce inequality within and among countries
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- **Goal 12.** Ensure sustainable consumption and production patterns
- **Goal 13.** Take urgent action to combat climate change and its impacts
- **Goal 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **Goal 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **Goal 17.** Strengthen the means of implementation and revitalize the global partnership for sustainable development.

LEGISLATIVE REQUIREMENTS

ADOPTED
IDP AND BUDGET PROCESS PLAN

2018-2019

LEJWELEPUTSWA DISTRICT MUNICIPALITY

NO OF ITEM	ITEM	PAGE NO
1.	LEGISLATIVE BACKGROUND	45-46
2.	INSTITUTIONAL ARRANGEMENTS	47-47
3.	ROLES AND RESPONSIBILITIES	47-50
4.	PLANNING AND PUBLIC PARTICIPATION PROCESSES	51-52
5.	PROCESS PLAN TIME FRAMES	53-57

1. Legislative_background

The Integrated Development Planning is a process by which a municipality prepares a strategic plan. Integrated planning helps local government transcend its traditional service delivery functions to cope with the contemporary and pressing demand that it plays on a continuous basis. It is the principal strategic instrument guiding all planning, management, investment, and development and implementation decisions in the short to medium-term, taking into account inputs from all stakeholders, including the community and elected public representatives.

According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipalities, and therefore is also in charge of municipal planning. The constitutional mandate to relate its management, budgeting and planning functions to its objectives gives a clear indication of the intended purposes of municipal integrated development planning:

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

The IDP therefore reflects a municipality's strategic choices about governance, service provision and economic development within its jurisdiction. In order for the municipality to achieve the entire key strategic tasks through its IDP, the municipality, in terms of the Municipal Systems Act (Act 32 of 2000)

- must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan
- must through appropriate mechanisms, processes, and procedures established in terms of Chapter 4, consult the community before adopting the process
- Give notice to the local community of particulars of the process it intends to follow.
- Be in accordance with predetermined program specifying timeframes for the different steps
- Through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for
 - ✓ The local community to be consulted on its development needs and priorities
 - ✓ The local community to participate in the drafting of the integrated development plan.

The purpose of the process plan is to outline and describe how the municipality (District and Local) intends to implement the new system of planning. It is mainly concerned with the allocation of the municipal resource envelopes both financial and human in support of the planning process. The process plan is intended to serve as a guide to the municipality in terms of carrying out its mandate with regard to the Integrated Development Plan.

2. Institutional arrangements

The elected council is the ultimate decision – making forum on IDP. The role of participatory democracy is to inform, negotiate and comment on those decisions, in the course of the planning process.

The following structures and positions are important for the IDP development process:

- I. The IDP/Budget Steering Committee (formed by members of the above two structures)
- II. The Management/Technical Committee
- III. Mayoral Committee
- IV. Project Steering Committee
- V. The IDP Representative Forum
- VI. LDA Board
- VII. The LDM Council

3. Roles and responsibilities

3.1. Mayoral Committee

Names	Designation
Cllr. SEBENZILE NGANGELIZWE	District Executive Mayor
Cllr. J.S. MABITLA	Finance (Budget and Treasury)
Cllr. M.H. NTSEBENG	Municipal Infrastructure
Cllr. M.S. SEHLOHO	Economic, Small Business and Rural Development (Agriculture and Tourism)
Cllr M.J. MELI	IDP,PMS, Policy Development and Monitoring
Cllr. M.M.T MATLABE	Corporate Services (HR and Legal)
Cllr. M.J. PEREKO	Community Services
Cllr. M.L. TLHONE	Municipal Health Services, Disaster Management and Fire Fighting

The Mayoral Committee, with the assistance from the Accounting Officer:

- Define the terms of reference for the IDP Manager and steering committee
- Identify an appropriate IDP Manager, taking into consideration the importance of the IDP;

Names	Designation
Me. P.M.E. Kaota	District Municipal Manager
Mr. P.K. Pitso	Chief Financial Officer
VACANT	Executive Manager: Corporate Services
VACANT	Executive Manager: LED, Tourism, Agriculture, SMME's , Youth & Sports
Mr. M. Mthombeni	Executive Manager: Social Services
Mr. Ntsiki Mtirara	Chief of Staff
Mr. E.T. Ntsuba	Manager: Speaker's Office
Mr. A. Bester	Internal Auditor
Mr. D. Maselwa	Manager : PMS
Mr. K. Mqeke	Communications & IGR Manager
VACANT	Manager: Budget & Treasury
Mr. M.W. Segalo	Manager: ICT
Mr. C. Petersen	Manager: HR & Legal Services
Miss. B. Malapane	Skills Development Manager
Mr. T.L. Skele	Manager : LED
Me. K.V. Njobe	Manager: Tourism
Mr. S.A. Musapelo	Manager : IDP
Mrs. N.M. Maboea	IDP Coordinator
Mr. M.D Matolo	IDP Officer
Mr. D.E. Kirsten	Manager: Environmental Health Services
Mr. S. Nzume	Manager: Disaster Management
VACANT	CEO: LDA
Mr. Sidney Mokoena	Manager: Security
Mr. T.N. Matsunyane	Manager: Admin

Assign responsibilities to the Municipal Manager regarding the drafting of the IDP and the Municipal Manager may in turn decide to delegate those responsibilities;
Identify and nominate further suitable candidates for the IDP Steering Committee ensuring that all relevant issues (e.g. LED, Spatial, Housing Finance, etc.) are addressed

3.2. IDP Steering Committee

The IDP Steering Committee is a working team of dedicated heads of Departments and senior officials who must support the IDP Manager to ensure a smooth planning process.

3.2.1. Terms of reference for the Steering Committee

The Steering Committee will be responsible for the establishment of the **IDP Representative Forum**

- Provide terms of references for the IDP Representative Forum, subcommittees and the various planning committees.
- Commission research studies
- Consider and comment on inputs from sub- committees, study teams and consultants, inputs from provincial sector departments and service providers
- Prepare and submit reports to the IDP Representative Forum.

3.3. IDP Representative Forum

The IDP Representative Forum is the structure which institutionalizes and guarantees representative participation in the IDP process. The selection of members to the IDP representative forum has to be based on criteria which ensure geographical, economic and social representation and as follows:

- Chairperson : Political Head of the institution
- Secretariat : The IDP Steering Committee secretariat
- Members : Members of the Mayoral Committee & ordinary councillors
 - Ward Committee chairpersons
 - Heads of Departments/ Senior Officials
 - Stakeholder representatives of organized groups
- Resource persons/organizations
- Community Representatives (e.g. Transport Forum)

3.3.1. Terms of reference of the IDP Representative Forum

To represent the interests of their constituents in the IDP process;

Provide an organizational mechanism for discussion, negotiation and decision- making between the stakeholders and the municipality;

Ensure there is adequate communication and consensus on priority issues among all the stakeholder representatives; and

Monitor the performance of the planning and implementation of the IDP and its process

3.3.2. Code of conduct- IDP Representative Forum

The code of conduct will at least include the following:

- Meeting schedule (Frequency and attendance)

4. Planning and public participation processes

Annual IDP Review Planning Process

1. PHASE 1: ANALYSIS

- Community and Ward Committee meetings
- Institutional meetings (Technical/Political)
- Stakeholder meetings
- Sample surveys (if necessary)
- Opinion polls (on certain issues if necessary)
- Desktop analysis

2. PHASE 2: STRATEGIES

Strategic workshops, with IDP Representative Forum, provincial and national departments and selected representatives of stakeholder organizations and resource people must be convened as planned.

Stimulation for success of these public events must be through public meetings, press conferences, etc. The outcome of these meetings should give impetus towards addressing pressing challenges that have been identified by stakeholders in order of priorities and municipal delegated functions.

3. PHASE 3: PROJECTS

Municipality wide Projects/Programs identified from:

Internal departments especially the ones that are of short- to medium term and requiring further budgetary requirements;

Stakeholder inputs (departmental, community priorities)

4. PHASE 4: INTEGRATION

District Integrated Plans: Incorporation of sector plans must be done at this stage. Contribution must have been accessed through set meetings.

5. PHASE 5: APPROVAL

Broad public discussion/ consultation process within community/ stakeholder organizations IDP Representative Forum.

Council resolution taken on approving the document for implementation the next financial year.

LEJWELEPUTSWA DISTRICT MUNICIPALITY IDP PROCESS PLAN AND BUDGET PROCESS TIMEFRAMES FOR 2018-2019				
	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>IDP to be reviewed</i>	Final IDP 2018-2019	<i>MM and Executive Mayor</i>	August 2017 to 31 May 2018
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plan	<i>Municipal Manager</i>	August 2017
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>Municipal Manager</i>	August 2017
4.	<i>Undertake District-wide Research analysis to assess level of existing development</i>	Updated Situational Analysis	<i>Municipal Manager</i>	Sept 2017 to November 2017
5.	<i>Review key objectives, strategies and projects</i>	Reviewed key Objectives, strategies, projects & programmes	<i>IDP Steering Com & Representative forum</i>	September 2017 to November 2017
6.	<i>Submit budget instructions to all relevant persons</i>		<i>CFO</i>	30 Nov 2017
7.	<i>Submit 2018/2019 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>	Budget Framework	<i>CFO</i>	30 Nov 2017
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</i>	30 Nov 2017
9.	<i>Prioritize Projects for implementation</i>	Project list	<i>IDP Steering Committee & Rep forum</i>	31 March 2018
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	01 Dec 2017

11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>IDP Steering Committee</i>	31Jan 2018
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO</i>	31 Jan 2018
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2018
14.	<i>Meeting with relevant officials (Third draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2018
15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		<i>CFO</i>	28 Feb 2018
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	<i>CFO</i>	28 Feb 2018
17.	<i>Table a draft IDP to MAYCO for consideration.</i>	Mayoral committee Budget & IDP item	<i>MM and Executive Mayor</i>	28 Feb 2018
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	<i>Executive Mayor</i>	30 March 2018
19	<i>Table draft 5 year IDP to council for approval</i>	Draft IDP item to Council	<i>Executive Mayor</i>	30 March 2018
20.	<i>Discussing the draft with the public</i>	Public participation	<i>IDP Rep forum</i>	30 March 2018
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		<i>MM and CFO</i>	2 Apr 2018
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		<i>MM and CFO</i>	02 April 2018

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 Manager</i>	02 April 2018
24.	<i>Mayoral Committee finalizes the draft IDP and budget</i>		<i>MM and CFO</i>	30 May 2018
25.	<i>Submission of Draft IDP and budget for approval by council</i>	Approved IDP and Budget by Council	<i>MM and CFO</i>	30 May 2018
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	<i>MM, Executive Mayor & IDP Rep forum</i>	30 May 2018
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		<i>CFO and Budget Control Officer</i>	12 June 2018
28.	<i>Submit the approved IDP to provincial departments</i>		<i>MM</i>	12 June 2018
29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	<i>MM</i>	12 June 2018
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		<i>MM</i>	31 July 2018
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget.</i>		<i>CFO</i>	31 July 2018

SPATIAL ECONOMY AND DEVELOPMENT RATIONALE

LEJWELEPUTSWA ECONOMIC VISION

13.1 SPC C- AGRICULTURAL AREAS

The Free State is considered the bread-basket of South Africa supplying a significant portion of the agricultural produce. Maize is the main product of Lejweleputswa and the region is also known as the maize capital of South Africa although the municipality is diverse in farming activities. The agriculture industry is important for a number of reasons namely, food security, employment opportunities, the economy, and provides a good foundation for rural development and it is therefore important to protect agricultural land from being transformed into urban related areas SPC D. An advantage of this industry is the snowball effect it creates by way of agro-processing and tourism but those will be discussed in detail in the other sections. Irrigation schemes play an important role in agriculture as they prove to yield more compared to crops harvested on dry land. The Free State is mostly characterised by subsistence and large scale commercial farming.

The following SPC C- Agricultural Areas Sub Categories are present in Lejweleputswa (refer to map SPC C)

(a) SPC C. a Extensive Agricultural Areas

Description: Agricultural areas covered with natural vegetation, used for extensive agricultural enterprises, e.g. indigenous plant harvesting, extensive stock-farming, game-farming, eco-tourism.

- Extensive agriculture is practiced throughout the entire district municipality, mainly in the form of stock-farming. This includes beef cattle, sheep, and pigs.
- Game farming is most present in Tokologo LM

(b) SPC C. B Intensive Agricultural Areas

Description: Agricultural areas used for intensive agricultural practices, e.g. crop cultivation, citrus, lucerne, dates, vineyards, intensive stock farming on pastures.

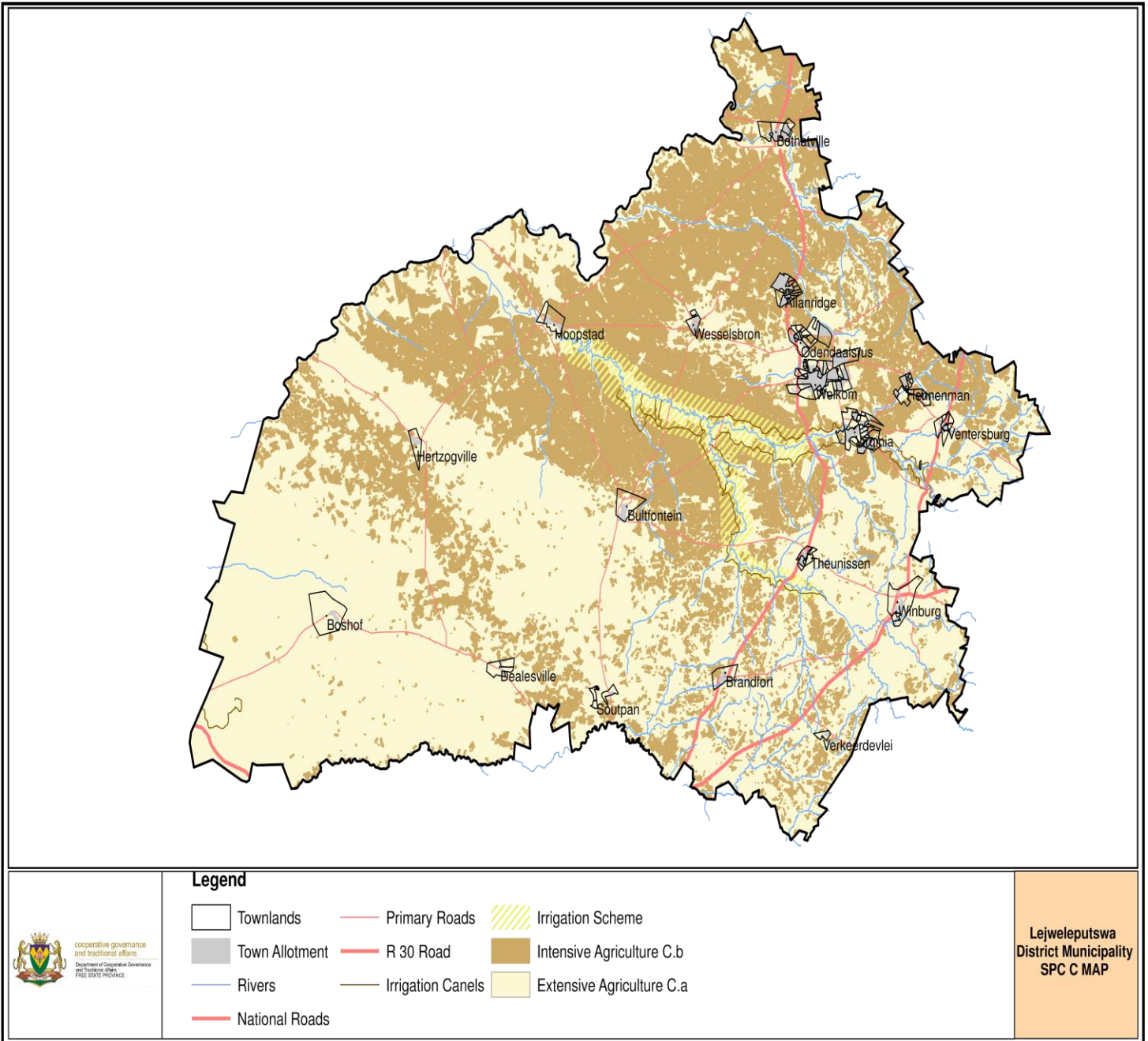
- Intensive agriculture is also practiced throughout the municipality and is more predominant compared to extensive agriculture. This category primarily produces crop production including maize, grain, wheat, potatoes, soya beans, cabbage, ground nuts, carrots, ground nuts, lucerne, sunflower, and pumpkins.

(c) SPC C strategies:

(i) Link with the Free State Growth and Development Strategy (2012)

Pillar 1: Inclusive economic growth and sustainable job creation

- Driver 1: Diversify and expand agricultural development and food security
 - Expand and diversify sustainable agriculture production and food security
 - Accelerate post settlement support programmes for emerging farmers.
 - Strengthen agricultural research, knowledge and skills
 - Improve and maintain agro-logistics
 - Establish and fast track value adding agro-processing



- Strengthen rural security of farm communities
- Extend social service delivery to farm-worker communities

CURRENT STATUS AND TARGETS BY THE FSGDS FOR THE PROVINCE

INDICATOR	CURRENT STATUS	FIVE YEAR PLAN 2015	TEN YEAR PLAN 2020	FIFTEEN YEAR PLAN 2025	TWENTY YEAR PLAN 2030
GV A Growth per five year cycle	-0.1% PER Annum over 15 years.	1%	3%	4%	5%
Employment in Agriculture	88395	100 000	120 000	130 000	140 000

(ii) Link with the Free State Provincial Spatial Development Framework (2014)

- Encourage bona fide game farms to combine their landholdings to create extensive SPC B areas that would support biodiversity conservation in a meaningful manner.
- Consider the rezoning of low-potential agricultural land as a mechanism to promote sustainable economic development.
- Encourage local processing of farm products and the provision of local farm services to enhance the rural economy, increase the viability of extensive agricultural production and reduce rural poverty.
- Promote diversification and controlled experimenting as it relates to alternative practices and enterprises
- Facilitate sustainable use of irrigation water in irrigation schemes
- As part of the provincial rural development function, support the following projects in the Lejweleputswa District Municipality:
 - Agro-processing (i.e. peanut butter, tannery and abattoirs).
 - Livestock production, including improving quality of livestock, piggery, poultry hub (i.e. Bothaville, Welkom, Soutpan, Winburg, Allanridge and Wesselsbron, small stock (sheep) and fish projects

13.2 SPC E-INDUSTRIAL AREAS

Economic development opportunities are the key determinant of the settlement pattern and also the distribution pattern of industrial areas in the district. Economic development typically responds to the availability of *environmental capital* (e.g. water, suitable agricultural soil, mining resources, etc.) and *infrastructural capital* (e.g. roads, electricity, bulk engineering services, etc.).

The following SPC E-Industrial Areas Sub Categories are present in Lejweleputswa (refer to map SPC E)

(a) SPC E. a Agricultural Industry

Description:

Agriculture-related industrial development, e.g. silos, wine cellars, packing facilities excluding abattoirs.

- Eendag Mill located in Bothaville is used for maize and groundnuts. There are other mills situated in Bothaville and Wesselsbron which are used for maize.

(b) SPC E. d Heavy Industry

Description:

Areas designated for robust industrial activities, e.g. chemical works, brewery, processing of hides, abattoirs, stone crushing, crematoriums.

- Bothaville Biofuel Plant

(c) SPC E. e Extractive Industry

Description:

Settlements and infrastructure associated with multiple consumptive resource extraction, e.g. mining.

- Gold mining is dominant in Matjhabeng. Two considerable gold reserves with an estimated 20 year life span still exist in some parts of Matjhabeng and Nala Local Municipalities.
- There is significant potential for mining of low grade coal in Matjhabeng and Nala.
- There is some lower value mining potential in salt in the municipalities of Matjhabeng, Masilonyana, Tswelopele, and Tokologo.
- There are also gypsum fields in Tokologo.
- Diamond Kimberlite outcrops are located in the vicinity of Boshof and Theunissen.

(d) SPC E strategies:

(i) Link with the Free State Growth and Development Strategy (2012)

Pillar 1: Inclusive economic growth and sustainable job creation

- Driver 2: Minimize the impact of the declining mining sector and ensure that existing mining potential is harnessed.
 - Support the life of existing mines and create new mining opportunities
 - Develop a post mining economy for mining areas
 - Ensure rehabilitation of mining areas

CURRENT STATUS AND TARGETS BY THE FSGDS FOR THE PROVINCE

INDICATOR	CURRENT STATUS	FIVE YEAR PLAN 2015	TEN YEAR PLAN 2020	FIFTEEN YEAR PLAN 2025	TWENTY YEAR PLAN 2030
GV A Growth per five year	-1.85% PER Annum over 15 years.	-1%	0%	0%	0%
Employment in Mining	33863	28 000	25 000	25 000	25 000

- Driver 3: Expand and diversify manufacturing opportunities
 - Invest in key manufacturing subsectors
 - Ensure an enabling environment for manufacturing

CURRENT STATUS AND TARGETS BY THE FSGDS FOR THE PROVINCE

INDICATOR	CURRENT STATUS	FIVE YEAR PLAN 2015	TEN YEAR PLAN 2020	FIFTEEN YEAR PLAN 2025	TWENTY YEAR PLAN 2030
GV A Growth per five year cycle	4.2% PER Annum over 15 years.	4.5%	5%	6%	7%
Employment in	37 000	45 000	70 000	85 000	120 000
Employment in Food and Beverage subsector	8258	9 000	11 000	13 000	15 000

(ii) Link with the Free State Provincial Spatial Development Framework (2014)

- Develop the required industrial amenities and infrastructure along the defined transport routes.
- Institute the *Industry Strategy* proposed by the National Transport Master Plan 2050 (2009). A key proposal under this strategy is the area in the proximity of the Bloemhof Dam for a possible power station.

- Require as a mandatory requirement, a detailed climate-neutrality strategy for large-scale industries.
- Actively promote 'clustering' of activities
- Revitalize existing but less successful subsectors such as textile, food and beverages etc. through access to market, skills and finance.
- Promote the expansion of the solar energy projects at Dealesville into as solar energy hub.
- Link the newly constructed bio-fuel plants in Matjhabeng to the National Refined Products Pipeline network.

13.3 SURFACE INFRASTRUCTURE-SPC F

This category consists of the different kind of roads, railways, truck stops, power lines, telecommunication infrastructure, dams, reservoirs, canals, sewerage plants, refuse areas, science and technology structures see map SPC F. All these infrastructures play a central role in the production and distribution of products, general operations of enterprises and organisations, as well as providing basic services to communities.

The following SPC F Surface Infrastructure Areas Sub Categories are present in Lejweleputswa (refer to map SPC F)

(a) SPC F.a National Roads

Description:

National roads proclaimed in terms of the National Roads Act 7 of 1998.

- The N1 route passes Ventersburg and Winburg
- The N5 links Winburg and Thabo Mofutsanyana
- The N8 intersects Lejweleputswa in the southern area of Tokologo LM

(b) SPC F.b Main Roads

Description:

Provincial and regional roads proclaimed in terms of the Roads Ordinance 19 of 1976.

- The R30 links Lejweleputswa with North West and Mangaung

(c) SPC F.f Railway Lines

Description:

Railway lines and associated infrastructure

- Railway lines are present in the Matjhabeng region

(d) SPC F.g Power lines

Description:

Power lines and associated sub-stations and infrastructure

- High voltage power lines are running from the Northern Cape and intersecting Matjhabeng

(e) SPC F.i Renewable Energy Structures

Description:

Any wind turbine or solar voltaic apparatus, or grouping thereof, which captures and converts wind or solar radiation into energy for commercial gain irrespective of whether it

feeds onto an electricity grid or not. It includes any appurtenant¹ structure or any test facility for energy generation.

- Dealesville Solar Plant

(f) SPC F.j Dams and Reservoirs

Description:

Major dams and reservoirs

- The Bloemhof dam is located towards the western side of the district
- The Alemanskraal dam is located towards the eastern side of the district
- The Sandveld dam is important for the supply of the irrigation scheme

(g) SPC F.k Canals

Description:

Constructed permanent waterways, e.g. irrigation canals, storm water trenches

- Irrigation canals towards the centre of the district, feeding from the Vet and Sand River.
- There is an irrigation canal south of Boshof, feeding from the Vaalhartz irrigation scheme of the Northern Cape.
- Bulk water pipelines

(h) SPC F.n Pipelines

Description:

Pipelines

- Refined Products Pipeline to Welkom (Final Draft Provincial Spatial Development Framework 2014)

(i) SPC F Strategies:

(i) Link with the Free State Growth and Development Strategy (2012)

Pillar 1: Inclusive economic growth and sustainable job creation

- Driver 4: Capitalise on transport and distribution opportunities
 - Capitalise on the centrality of the province with regard to freight and distribution
 - Develop and maintain an efficient road, rail and public transport network

CURRENT STATUS AND TARGETS BY THE FSGDS FOR THE PROVINCE

INDICATOR	CURRENT STATUS	FIVE YEAR PLAN 2015	TEN YEAR PLAN 2020	FIFTEEN YEAR PLAN 2025	TWENTY YEAR PLAN 2030
GV A Growth per five year cycle	4.2% PER Annum over 15 years.	4.5%	5%	6%	7%
Employment in Transport	37 000	45 000	70 000	85 000	120 000
Road Quality	1731 KM POOR OR VERY POOR	1400KM	1 000 KM	800KM	500 KM

(ii) Link with the Free State Provincial Spatial Development Framework (2014)

- Ensure compliance with the Land Transport Framework.
- Redevelop or sell unused transport infrastructures, including redundant stations and sidings.
- Define public transport corridors based on passenger volumes.
- Upgrade rest stops along primary roads to cater for trucks and other motor vehicles and consider mandatory guidelines regarding the use of high fuel consumption vehicles.
- Institute overload control measures in order to protect the asset value of existing road infrastructure on the R 30 Transport corridor
- Implement the Free State Railway Projects proposed by the National Transport Master Plan 2050 (2009) in Matjhabeng
- Develop regional airports at major tourism destinations and key development nodes.

13.4 TOURISM

Lejweleputswa's tourism is mainly dominated by business tourism and nature-based tourism. This is followed by a range of historical and cultural tourism products. Another of Lejweleputswa's tourism advantages relates to the district municipality's central location in South Africa. The municipality is well integrated with the rest of South Africa through its road and rail networks and serves as a popular tourist stopover destination. Tourism is considered to be sustainable as a result of the continuous demand and consumption of the product without diminishing natural resources. Other advantages include entrepreneurial opportunities and immediate employment. Tourists need to be offered attractions of a significant calibre to stimulate the industry.

To achieve the true potential of the tourism sector a tourism typology and strategy which uses the comparative economic advantages of the province, and which is efficiently managed and integrated with the other key economic sectors should be used. The ideal type of tourism should create entrepreneurial opportunities for the previously neglected groups, should be kind to the environment, and should contribute towards bringing economic empowerment, prosperity and enjoyment for the people of the province.

According to the FSPSDF tourism types are to be categorized broadly in terms of a consumptive/non-consumptive continuum ranging from the 'least modified' (natural) to the 'most modified' (cultural) (Refer to Composite map)

(a) NATURE TOURISM

Description:

Nature-related experiences in semi-wilderness or extensive natural areas.

- The Sandveld Nature Reserve, situated around the Bloemhof Dam, and the banks of the Vaal and Vet rivers offers the opportunity to develop resorts as a result of its potential to attract many tourists to the municipality.
- Willem Pretorius Nature Reserve is located ideally for tourism attraction, near the N1 route on the eastern side of the district municipality. The nature reserve surrounds the Allemanskraal Dam which boasts a variety of birdlife
- Soetdoring Nature Reserve is located near the Krugersdrift dam which forms the western boundary of the dam. The nature reserve is situated along the R700 route and transverses the southern boundary of the district.
- The Vaal river flows in the western boundary of the district and offers potential for resort like development

(b) SPECIAL INTEREST TOURISM

Description:

Opportunities to use or study aspects that are unique to the Free State.

- Mining tourism forms part of this category and is found in Odendalsrus, Welkom and Virginia

(c) AGRI-TOURISM

Description:

Opportunities to experience and/or study agri-related lifestyles and land-uses unique to the Free State.

- Bothaville hosts the Nampo agricultural festival every year which attract more than 60 000 people to the municipality.

(d) CULTURE TOURISM

Description:

Opportunities to experiencing and/or study local culture and traditions.

- The 80's festival is hosted in Welkom annually
- The Phakisa festival is hosted on the 31st of December in Welkom annually

(e) Tourism Strategies

(i) Link with the Free State Growth and Development Strategy (2012)

Pillar 1: Inclusive economic growth and sustainable job creation

- Driver 5: Harness and increase tourism potential and opportunities
 - Implement a government support programme for tourism development and growth
 - Improve tourism marketing
 - Expand tourism products and product range
 - Increase and build human capacity for tourism development and service excellence

CURRENT STATUS AND TARGETS BY THE FSGDS FOR THE PROVINCE

Indicator	current status	five year plan 2015	ten year plan 2020	fifteen year plan 2025	plan twenty year 2030
GV A Growth per five year cycle	- 1% Per Annum %		3%	5%	7%
Employment in Agriculture	6500	7000	12000	15000	18000

(ii) Link with the Free State Provincial Spatial Development Framework (2014)

- Establish a competent tourism management institution which would, in collaboration with the provincial tourism authority, manage tourism in accordance with the principles of institutional integration, integrated planning, and cooperative governance.
- Prepare a tourism strategy, such as the Karoo Tourism Strategy
- Encourage tourism-related development in the designated tourism regions and adjacent to national parks and nature reserves.
- Develop the required infrastructure
- Develop large-scale and multi-purpose tourist destinations with tourism, potential, with specific reference to the larger dams.
- Develop a large-scale and multi-purpose sports complex at Matjhabeng, Welkom, to serve as a supplementary provincial sports venue.

14. LEJWELEPUTSWA AREAS OF ECONOMIC POTENTIAL AND HUMAN DEVELOPMENT NEEDS

The Final Draft Free State Provincial Spatial Development Framework 2014 supports the NDP strategic priority which states that new large-scale infrastructure should be prioritised in settlements with high economic growth potential. Therefore, as a general principle, fixed investment should be directed towards urban settlements that exhibit high economic growth potential in the first instance and high human need in the second.

Settlements with low human need and low economic growth potential would have a lower fixed investment priority.

It is important to stress that the NDP and the PSDF do not in any way rule out investment in small settlements per se. What matters is whether an area has the potential to grow economically in a sustainable manner, create jobs and alleviate poverty. If a small town, or a currently impoverished area, has such potential there is nothing that precludes investment.

Human development programmes and basic needs programmes are to be delivered where required in terms of the legislation and policy for the provision of basic services. Settlements with high levels of human need are to be prioritised for state funding as it relates to the delivery of human resource development and minimum basic services.

In intersecting of high economic potential with high human needs may be the ideal locality for fixed investment.

Objectives and policy of the FSSDF in this regards are the following:

- Providing a rationale for decisions regarding the location, scale and nature of urban and rural development.
- Guiding prospective private sector investors as it relates to where to focus large-scale monetary investment and infrastructure development
- Assisting national and provincial government departments in allocating their budgets
- Prioritising government spending and public investment to the best benefit of province as a whole.
- Guiding funding and investment in large-scale infrastructural development in accordance empirically-based criteria with due cognisance of the two SPLUM A principles of efficiency and justice

The key objective of the PSDF is thus to serve as a reliable first-cut premise for prioritising and directing state funding and private investment in the province.

The investment curve in large-scale development in industrial amenities and bulk infrastructure is determined by the comparative economic advantages of the various regions of the province vested

in the availability of critical resources (e.g. minerals, energy, agricultural produce, etc.) This trend has largely determined the economic potential and human development needs of the different local municipalities and towns for the Lejweleputswa district.

Table 14.1 and Table 14.2 below respectively categorise the municipalities and settlements in accordance with the criteria of development potential and human development needs. Likewise the attached maps classify municipalities and settlements as follows:

- 'High' and 'Very High': The difference between 'high' and 'very high' status lies in the diversity and intensity of the settlement dynamics. The meaning of 'high' on the development potential scale and on the human needs scale, respectively, should be interpreted in a reciprocal manner. From a growth potential perspective, settlements in this category show on-going growth on the positive side of the provincial average and they have a proven track record as 'growth engines'. Such settlements show the potential to grow at a significant rate in line with the capacity of their resources. From a human needs perspective, settlements in this category have a significant need for support in the form of basic services and associated infrastructure.
- 'Medium': Consistent and moderate growth prevails in settlements in this category and certain sectors of the economy show signs of growth, or have the potential for growth.
- 'Very Low' and 'Low': The difference between 'low' and 'very low' is a degree variation. From a growth potential perspective, settlements in this category possess limited economic and human resources, and lack the potential to stimulate the urban economy to a meaningful extent. From a human needs perspective, settlements in this category are relatively well served with basic services and associated infrastructure.

Table 14.1: Lejweleputswa Local Municipality Economic Potential and Human Development

Local Municipality	Economic Potential Class	Local Municipality	Urban Growth Potential Class	Local Municipality	Human Development Needs Class
Nala	Very High	Matjhabeng	Very High	Matjhabeng	Medium
Matjhabeng	High	Nala	High	Tokolologo	Medium
Tswelopele	Medium	Tswelopele	Medium	Nala	Medium
Masilonyane	Medium	Tokolologo	Medium	Tswelopele	Medium
Tokolologo	Medium	Masilonyane	Low	Masilonyana	Medium

Table 14.2: Lejweleputswa Settlement Economic Potential and Human Development Needs Classes

Town	Economic Potential Class	Town	Urban Growth Potential Class	Town	Human Development Needs Class
Welkom	Very High	Welkom	Very High	Welkom	Very High
Allanridge	High	Bothaville	High	Ventersburg	Medium
Bothaville	High	Wesselsbron	Medium	Odendalsrus	Medium
Wesselsbron	High	Bultfontein	Medium	Bothaville	Medium
Bultfontein	Medium	Virginia	Medium	Dealesville	Medium
Virginia	Medium	Allanridge	Medium	Virginia	Medium
Brandfort	Medium	Odendalsrus	Medium	Bultfontein	Medium
Soutpan	Medium	Henneman	Medium	Verkeerdevlei	Medium
Henneman	Medium	Hertzogville	Medium	Hertzogville	Medium
Hertzogville	Medium	Boshof	Medium	Theunissen	Medium
Boshof	Medium	Brandfort	Medium	Boshof	Medium
Hoopstad	Medium	Dealesville	Medium	Wesselsbron	Medium
Odendalsrus	Medium	Theunissen	Medium	Henneman	Medium
Theunissen	Medium	Verkeerdevlei	Medium	Winburg	Medium
Dealesville	Medium	Soutpan	Medium	Hoopstad	Medium
Verkeerdevlei	Medium	Hoopstad	Medium	Allanridge	Low
Winburg	Medium	Winburg	Low	Brandfort	Low
Ventersburg	Very Low	Ventersburg	Low	Soutpan	Low

The above classification of Lejweleputswa local municipalities and towns must be interpreted as follows:

- The profiles indicate what type of development and investment are required and how the municipal budget should be allocated to eradicate backlogs or weaknesses.
- Municipalities are to use the town profiles as a guideline for determining future development initiatives. In this process individual towns and municipalities may need further investigation and interpretation to unpack the profiles in greater detail to expose specific local situations. In this regard, the profiles thus serve as an empirical premise for a detailed diagnoses and preparation of a development strategy for each municipality.
- The status of settlements may change over time. It is therefore important that the status as indicated be verified and updated as new information becomes available.
- This exercise should highlight the strong and weak points for future economic and social development in the subject municipalities and settlements. Each municipality would benefit from a detailed analysis of their town profiles. Through this analysis all role players would be able to determine what they can do to improve the economic status of their towns. Such detailed analysis has to be undertaken as part of the revision of the SDF of a municipality.

From the above section thus follows that Welkom, Bothaville, and Wesselsbron have been indicated as Economic Nodes on the Composite Lejweleputswa SDF map, based on the correlation of Very High and Medium Human Development Needs with Very High and High Economic Potential ratings for the respective towns.

15. COMPOSITE LEJWELEPUTSWA SDF MAP

Composite Lejweleputswa SDF map was constructed by layering of the spatial plans that have been articulated for the various SPCs.

The spatial plans for the six SPCs that collectively constitute the Composite Spatial Plan are listed below.

The relevant spatial plans are:

- Spatial plan for SPC A and SPC B, i.e. core and buffer nature areas that are essential for
- environmental integrity and human well-being.
- Spatial plan for SPC C, i.e. agricultural land which constitutes the resource base for the agricultural sector.
- Spatial plan for SPC D, i.e. urban areas.
- Spatial plan for SPC E, i.e. industrial areas.
- Spatial plan for SPC F, i.e. bulk services, main access routes, and infrastructure required to sustain the economic sectors.
- Spatial plan for tourism as a key economic sector.

The attached Composite Lejweleputswa SDF map formed the basis for the overlaying of the conceptual proposals, i.e. regions, corridors, nodes.

Below follows conceptual proposals as reflected in the attached Composite Lejweleputswa SDF map relevant in the district.

15.1 Centres

Centres represent a classification of localities according to specific and specialized services of regional or provincial importance. Different types of centres were distinguished:

(a) Administrative centre

- Welkom

(b) Educational centre

- Welkom

Welkom intends the establishment of a Centre of Excellence to serve as a training facility for emerging farmers from all over the Free State, as well as the establishment of a Training and Support Centre for various training needs of the community on NQF levels and through learnerships.

(c) Service centres

Those urban nodes, which have not been identified as economic nodes or specialized type of economic nodes (manufacturing, mining, tourism, agricultural), will continue to exist as services centres to their surroundings.

These towns should be developed with social services in support of those areas where growth will be experience. It is therefore proposed that attention should be paid to education, health and

social infrastructure in these services centres so that the quality of life of people staying there can be improved, and necessary skills be obtained.

15.2 Nodes

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

(a) Economic Nodes

Economic nodes are localities where economic growth will be promoted. A variety of activities will tend to cluster in and around these nodes. The nodes offer development potential and it needs to be stimulated in order to concentrate growth. The potential for growth is informed by the strengths and opportunities presented by each node. These nodes should therefore be developed in order to draw investment to regions.

It is therefore sensible to focus capital investment to favour those nodes where development will more likely be sustained in future. This implies that both public and private initiatives in areas identified as economic nodes should be supported. This will have the effect that a greater need for new residential sites, housing and infrastructure will arise in these areas, thus requiring the allocation of grants for capital investment projects to favour these localities more than those with limited growth potential. Also refer to section 14 LEJWELEPUTSWA AREAS OF ECONOMIC POTENTIAL AND HUMAN DEVELOPMENT NEEDS.

- Welkom

In spite of the decline in the gold mining industry of the Welkom area, it will maintain its economic importance for the region. Mining is no longer seen as the dominant and only growth sector for the region. The town serves as main service centre within the district, providing specialised services such as a hospital, institutions, regional government representation, regional banking institutions, specialised commercial and industries. Various incentives, such as Goldfields Tourism route, upgrading of the R30/R34 route, Jewellery Hub, rail network upgrading, reestablishment of Phakisa as the home of Africa's

MotoGP, and training centres (Centre of Excellence, Training and Support Centre), can stimulate economic growth.

- Wesselsbron

Wesselsbron is one of two towns found in Nala local municipality. The municipality forms part of the region known as the bread and basket of South Africa due to its high agricultural produce. Huge silo complexes are found around Wesselsbron which offer economic spin-offs in terms of agricultural tourism. The town also offers services to the surrounding rural areas.

- Bothaville

Bothaville is the administrative town of Nala local municipality and as a result provides many services for the local municipality. It is characterized by a sturdy agricultural income, supplemented by income generated from agro-processing industries such as mills and abattoirs. The town also hosts the N AMPO agricultural festival which further adds value to the economy. Furthermore Bothaville, is situated along the R 30 primary corridor which results in economic benefits for the town.

(b) Specialized Economic Nodes:

(i) Manufacturing Nodes

- High Value Differentiated Goods

- Welkom has an above-average potential for high value differentiated goods (fuel, rubber, plastics, electronics), but the scale of its contribution is marginal compared to that of Sasolburg and Bloemfontein (PGDS Review, 2006).

- Labour Intensive Mass Produced Goods

- In manufacturing (apart from fuels and electronics) Sasolburg is again the leading contributor by far with 36.6% of the provincial GV A, followed by Bloemfontein, Welkom, Bethlehem, Viljoenskroon, Botshabelo, Kroonstad, Phutaditjhaba, and Harrismith, which (together with Sasolburg), contribute almost 80% of the provincial GV A in this sub-sector. Any further manufacturing developments should preferably be targeted at these places to enhance linkages and contribute to a positive agglomeration effect (FSGDS Final Draft, 2013).

(ii) Mining Nodes (Labour intensive mass produced goods)

- Within the province, the largest gold-mining complex is the Free State Consolidated Goldfields, with a mining area of 32 918 ha. The province has

twelve gold mines, operating mainly in Matjhabeng, from the towns of Welkom, Virginia and Odendaalsrus. Roughly 30% of the country's gold is obtained from this region. Matjhabeng is followed by Masilonyana as the municipality with above average gold production (FSPSDF Final Draft, 2013).

(iii) Agricultural Nodes

- In agriculture, the local municipalities with the highest agricultural GVA per area in Lejweleputswa are, Tswelopele and Nala (Global Insight, 2012). Bultfontein and Bothaville are the respective administrative towns for the two local municipalities which should render most of the services for the local municipalities. All towns for the said two municipal areas are indicated as agricultural nodes.

(iv) Tourism Nodes

Tourism nodes offer leisure and tourism products to the consumer. Tourism nodes will attract tourists to a town or region due to its unique features, historic value, special character or surroundings.

Tourism development potential of these nodes needs to be enhanced in order to improve its attractiveness to tourists visiting these areas. Particular attention should be paid to the marketing of these nodes to tourists and therefore it should be included in the tourism strategy of the regions. Many of these nodes incorporate environmental sensitive areas and thus a cautious approach should be followed not to impact negatively on the environment. Valuable agricultural land should preferably be preserved for agricultural productivity.

Careful consideration should be given to advertising and building design when new developments are established in towns earmarked as tourism nodes, as this can negatively impact on the marketability of such towns as tourist destinations. The existing ambiance of these towns should therefore be enhanced with sensitive development.

- Areas surrounding regional dams are well suited for tourism. Development in these areas should be sensitive towards these natural features.
- Welkom and Virginia (predominantly events, entertainment and mining tourism) are identified as important Tourism Nodes within the Lejweleputswa District. Odendaalsrus is considered a Tourism Node predominantly based on events at Pakisa racetrack and mining tourism.
- Nature Reserves and Conservancies are localities protected by legislation for its environmental quality. The Sandveld Nature Reserve, Erfenis Dam Nature Reserve,

Soetdoring Nature Reserve, and Willem Pretorius Nature Reserve as well as a few conservancies are located in the Lejweleputswa District and indicated as tourism nodes.

- The marshes (wetlands) within the rural hinterland around Wesselsbron in Lejweleputswa District are environmentally sensitive and should be preserved.
- The Bloemhof dam located on the western boundary of the district is identified as a large scale and multipurpose tourist destinations. (Final Draft Provincial Spatial Development Framework 2014)
- A large scale and multipurpose sports complex has been identified around Welkom and Odendaalsrus. (Final Draft Provincial Spatial Development Framework 2014)

(v) Bio-fuel Nodes

- Bothaville is indicated as an ideal locality for bio-fuel production.

(vi) Industrial Development Region (IDZ) nodes

These type of nodes focus on the manufacturing industry and therefore encourage industrial development within the node.

Presently no IDZ node has been identified in the Final Draft Provincial Spatial Development Framework 2014 for the Lejweleputswa District.

(vii) Land Reform nodes

These are concentrated human settlements at a low scale, which are mostly agricultural orientated and most of the economic opportunities lie in the utilization of the natural resource base.

- Land is utilised for communal grazing or other agricultural activities by the community and also supports subsistence farming activities.
- The idea is also not to create dispersed residential settlements throughout the district. concentration of human settlement may only be allowed at locations other than urban areas
- when sustainable economic opportunities and social services can be integrated with the newly planned settlement.
- Preference should be given to self-employment opportunities like small-scale farming or agro-processing within and around the settlement.
- Specific land reform property data would not be released by the Department of Rural Development.
- Rural Nodes

- The potential of rural nodes is derived from the rural economic opportunities that are generated by the location and "attracting force" of the agri-processing industry. It is assumed that these agri-processing facilities could generate economic activity because of the movement of people who regularly visit these facilities.
- This gathering of people and potentially services such as shops and government functions that could be obtained there over time, could be formalised, depending on the need and viability, into rural nodes.
- These nodes should purely deal with farm worker housing and related services and only where there is a proven need. Initially, these nodes, even if they do not have housing at them, can be supported through period markets.
- Currently there are eight nodes conceptualised by respective local sdfs for the district, whereby seven of them are situated in Nala and the remaining one is located in Tokologo. All nodes are located on strategic roads in order to enhance their respective functionalities and economic wellbeing.

15.3 Hubs

These are localities with concentrated development (facilities, services and economic opportunities) of such importance and with a sphere of influence of provincial extent. Specialization of services or products can take place. The larger the influence sphere of a node, the more intense the development associated with the node and the greater the density and area that the node will occupy. The following specialization hub has been identified in terms of the products being offered:

(a) Jewellery Hub

- Virginia

- (b) Solar Energy Hub

- The solar energy projects at Dealesville and Boshof should be promoted to expand into a solar energy hub for the southwestern part of the district. The said towns are also indicated as solar energy nodes on the district sdf map.

A suitable area for a solar and carbon credit area is situated south of Lejweleputswa and continues further into Xhariep. The primary purpose of this strategy is to use the space and natural abundance of sunshine associated with the Free State Province and to capitalise on the carbon credit opportunities to be unlocked by means of planting (Final Draft Free State Provincial Spatial Development Framework 2014).

15.4 Tourism Corridors

Tourism corridors are scenic routes linking tourist destinations. These routes will therefore support development focusing on the hospitality and tourism industry along it. Tourism signage to promote the tourism destinations along routes should get priority.

- The Goldfields Tourism Corridor has been identified along roads in the central area of Lejweleputswa (Final Draft Provincial Spatial Development Framework 2014)

15.5 Transport Corridors

Transport corridors are routes of high mobility (movement) that establish a linking between areas of significance, with an optimal travel time. The potential is provided for development to locate itself in relation to these movement routes.

(a) Provincial Transport Corridors

- The N1 road traversing the eastern part of the district.
- The N5 road linking Winburg (on the N1) with Harrismith via Bethlehem.
- The N8 road transverses the Lejweleputswa on the south western boundary of the district. It is also identified as a Trans-National Development Corridor with Lesotho.
- The R30 road through Lejweleputswa District constitutes a major transport axis, linking Bloemfontein with Klerksdorp in the North West Province. Welkom and Bothaville are located along this route. A well-established road network and the north-south railway (Brandfort/ Theunissen/ Virginia/ Hennenman) occur along this axis. This route carries large volumes of heavy vehicular traffic as a result of service delivery to the mines and associated economic activities in the area.
- The R34 road constitutes a major transport axis, linking Welkom with Kroonstad.

(b) District Transport Corridors

Certain primary and secondary roads in Lejweleputswa district have been prioritized in the respective local sdfs. These roads should be upgraded and maintained to the best of state as they are significant in the economic well-being of the district. These roads have the purpose of promoting and enhancing rural nodes as well as offering support to key agro-industries such as silo complexes. Roads identified are as follows:

- The R719 between Bultfontein and Odendaalsrus via Wesselsbron
- R59 between Bothaville and Hoopstad

- The R34 between Hoopstad and Welkom via Wesselsbron
- R505 between Wesselsbron and R59 route
- R504 leading to Leeudoringstad North West from Bothaville
- R727 and R76 from Bothaville to Kroonstad
- R 700 between Bultfontein and Bloemhof via Hoopstad
- R700 leading to Bloemfontein from Bultfontein via Soutpan
- R703 and R64 between Boshof and Brandfort
- R708 between Hertzogville and Christiana
- R59 between Hertzogville and Dealseville
- R64 between Boshof and Kimberly
- Existing road between Hetzrogville and Boshof

(c) Railway Transport Corridors regeneration of the railway network can establish viable transport corridors, which can promote economic activity at specific locations along these movement routes.

15.6 Development Corridors Development corridors are characterized by higher order ribbon-like development along routes that can be classified as transport (movement) corridors. These corridors promote economic activity at specific locations along these movement routes. It thus not necessarily implies that development will be continuous for the full length of the corridor. It is foreseen that the presence of economic activity along these routes will require special attention in terms of the planning of ingress and exits to and from commercial activities in order not to interfere with the mobility of the corridor itself.

Economic development should thus be promoted along development corridors, but care should be taken not to impact negatively on the mobility of the corridor. The N8 road transverses Lejweleputswa district on the south western boundary of the district. It is also identified as a Trans-National Development Corridor with Lesotho on the Final Draft Provincial Spatial Development Framework 2014.

15.7 Regions

Regions are areas with common identifying characteristics and usually have a homogeneous land use associated with it. It comprises medium to large sections of the spatial environment and may include land uses associated with agricultural or human settlement developments. Different kinds of regions were distinguished:

(a) Environmental Region

II SPC A and B areas in the Lejweleputswa district form a consolidated environmental region on the district sdf. Refer to section 11 LEJWELEPUTSW A ENVIRONMENTAL VISION.

(b) Tourism Region

Tourism regions are areas that have a high environmental quality or cultural/historic heritage and are characterized by tourist destinations. Supporting infrastructure like arts and crafts stalls, bed and breakfasts, restaurants, etc. should be developed at strategic localities within these regions.

- The Tourism Region in Lejweleputswa has been located northwest of Hoopstad on the Vaal River, Bloemhof Dam and Sandveld Nature Reserve.

Potential exists in the tourism industry regarding weekend tourist destinations.

Subsequent exploitation of the tourism potential in the rural areas, including guesthouses on farms, will increase the existing employment rate.

(c) Commercial Agriculture Region

Commercial agriculture regions are the larger agricultural land units that accommodate a diversity of agricultural production for the commercial market. These areas usually surround the urban nodes.

The potential of the land depends on the soil quality and the availability of water. It is recognized that all currently cultivated and grazing land be protected from urban development and that future residential extension should be guided by in-depth analysis that takes into account soil potential, carrying capacity, type of agriculture, availability of water, etc.

Smaller subdivision of agricultural land and change of land use will thus be considered on an individual basis and after proper analysis of the present situation and future impact of the proposed development have been done in consultation with the relevant authorities. Subdivision of farmland will only be approved if proven sustainable. Agro-processing plants

may develop on farms, but only if proven sustainable. Alternative land use practices in particularly different types of products and farming methods should get attention in future.

The agricultural sector of the Lejweleputswa District contributes largely to its GGP, which emphasizes the agricultural significance of this district. The latter also results in agricultural orientated industries.

The farmers that contribute to the agricultural sector of the district currently exclusively act as crop producers and stockbreeders. Future agricultural growth can primarily be created by value-added supplementary agricultural practices. In this regard, small scale processing industries, abattoirs, etc. are considered to add value to the agricultural products before marketing.

More intensive farming activities like feeding paddocks, chicken farming, maize mills and tunnels for vegetable cultivation have the potential to provide additional employment opportunities.

Small-scale farming is relatively latent and potential exists to provide agricultural smallholdings in irrigation areas and adjacent to urban areas.

(d) Expanded Irrigation Region

Irrigation regions are areas with smaller commercial agricultural units with normally a higher production yield per hectare. These units incorporate irrigation schemes and are concentrated along watercourses and dams.

- Irrigation schemes of the Vet and Sand River in Lejweleputswa District have the potential to be extended.
- The Vaal River and Vaal River pose development opportunities in the form of intensive agriculture

(e) Mining Region

- Diamond Kimberlite outcrops are located in the vicinity of Boshof and Theunissen.
- Gold mining is dominant in Matjhabeng. Two considerable gold reserves with an estimated 20 year life span still exist in some parts of Matjhabeng and Nala Local Municipalities.
- There is significant potential for mining of low grade coal in Matjhabeng and Nala.

- Other mineral deposits as per Economic Vision section SPC E

(f) Small Scale Agricultural Schemes Region The Final Draft Free State

Provincial Spatial Development Framework 2014 proposed small scale agricultural schemes on the major dams of the Lejweleputswa district.

ECONOMIC PROFILE OF THE DISTRICT



Source: Local government hand book, 2015.

- Note "Soutpan" in Masilonyana has been demarcated under Mangaung Metro.

<i>Indicators</i>	2005	2014
<i>1. Total population</i>	<i>634 514</i>	<i>630 912</i>
- <i>Population growth rate</i>	<i>-1.1%</i>	<i>-0.1%</i>
- <i>Males</i>	<i>48.20%</i>	<i>50.51%</i>
- <i>Females</i>	<i>51.80%</i>	<i>49.49%</i>
<i>2. Economic Indicators</i>		
• <i>Dominant sector share of regional total (Tertiary)</i>	<i>51%</i>	<i>52%</i>
• <i>GDP-R</i>	<i>4.2%</i>	<i>1.5%</i>
• <i>GDP-R per capita</i>	<i>R49,714</i>	<i>R45,560</i>
• <i>Growth forecast</i>	<i>-1.7%</i>	<i>0.2%</i>
<i>3. Tourism</i>		
• <i>Domestic tourists by bednight</i>	<i>796 784</i>	<i>402 845</i>
• <i>International tourists by bednight</i>	<i>299 321</i>	<i>1 174 754</i>
• <i>Total tourism spending as a % of GDP</i>	<i>3.0%</i>	<i>3.2%</i>
• <i>Growth in total tourism</i>	<i>-0.9%</i>	<i>6.4%</i>
<i>4. Labour</i>		
• <i>Economically active population</i>	<i>40.9%</i>	<i>37.8%</i>
• <i>Unemployment rate</i>	<i>30.3%</i>	<i>40%</i>
• <i>Male unemployment</i>	<i>22%</i>	<i>35.8%</i>
• <i>Female unemployment</i>	<i>41.3%</i>	<i>45.8%</i>

1. Introduction

Lejweleputswa District Municipality is situated in the mid-western part of the Free State province, with an estimated area of about 31930 km² (Local government hand book, 2013). The district borders the North-West province to the north, Fezile Dabi District Municipality to the north east, and Thabo Mofutsanyane District Municipality to the east. It also borders Mangaung Metro and Xhariep District to the south and the Northern Cape Province to the west. It consists of 22.9% of the Free State province's population, down from 26.7 % in 1996 (IHS Global Insight, 2015). The District is made up of five local municipalities, namely; Matjhabeng, Tokologo, Tswelopele, Nala and Masilonyana with about 17 towns².

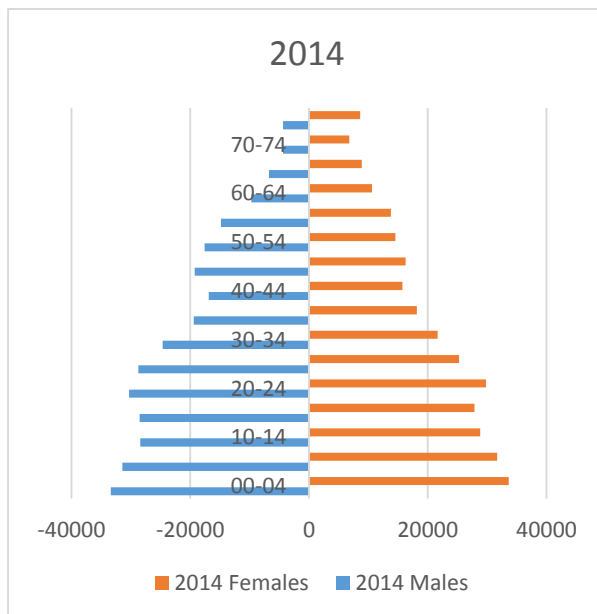
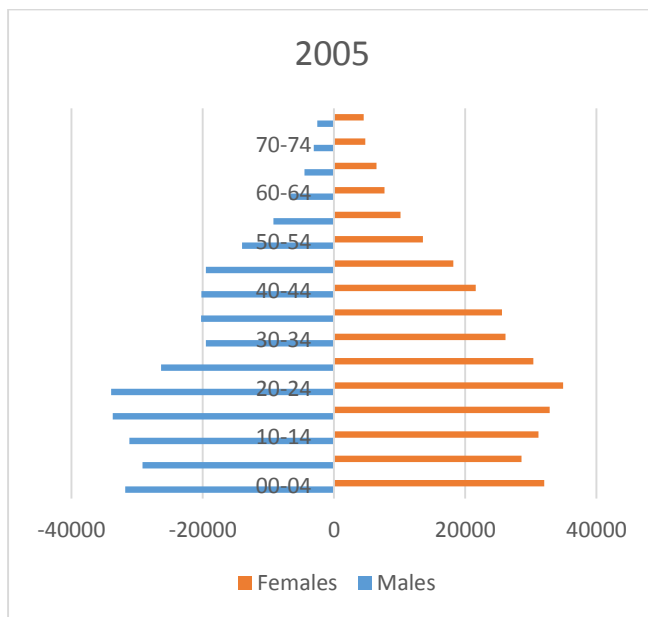
The economy of the District relies heavily on the gold mining sector as the largest sector, dominant in two of the municipalities, Matjhabeng and Masilonyana, whilst the other Municipalities are dominated by agriculture. There is less diversification of the District's economy relying heavily on the mining sector and community service sector as the largest employers in the District. Matjhabeng is the largest municipality in the District and contributes the largest share of GVA-R in the District. The average annual GDP-R growth rate stands at -1.5 percent in 2014 for the District and forecast to decline even further to -2.9 percent in 2016 according to IHS Global Insight, as a result of low international commodity prices and a persistent drought in the agricultural sector. Output in agriculture is forecast downwards and prices in agricultural goods are expected to rise due to low output levels as given by the South African Reserve Bank in their monetary policy statement in September 2015 for the country in general.

2. Demographic profile

Lejweleputswa District had a total population of 630 912 in 2014, broken down into 318 662 males and 312 249 females. The District contributed 22.6 percent to the Free State's population in 2014, down from 23.24 percent in 2005. Most of the inhabitants are Africans, constituting 88.73 percent of the total population, followed by Whites (8.86 percent) and then Coloureds (1.9 percent), with a very small Indian community of 0.45 percent. There are more males (51.0 percent) in Lejweleputswa than females (49.0 percent).

² Soutpan and Glen area and the surrounding farms in Masilonyana have been incorporated into Mangaung Metro in 2015 (Municipal demarcation Board, 2015)

Figure 4.1: Lejweleputswa District population pyramid

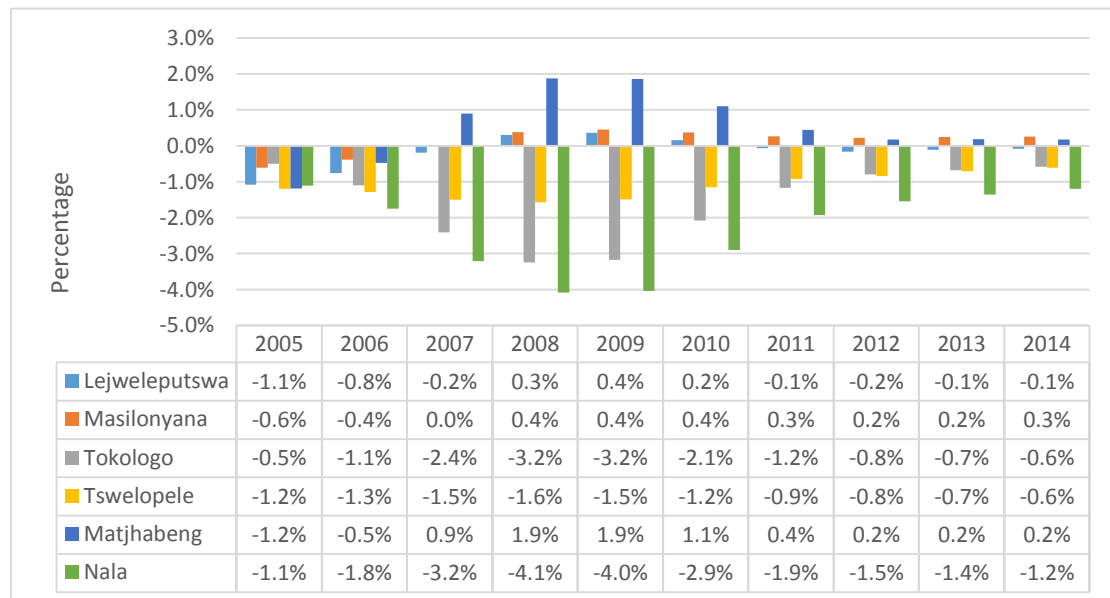


Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.1 above, the population pyramid of Lejweleputswa, for the years 2005 and 2014 has a broad base, indicating a large portion of children and the youth below 25 years of age. In 2005 Lejweleputswa District had a relatively large proportion of middle aged inhabitants, both the males and the females above 15 years of age and below 30 years of age, compared to the year 2014 which has a relatively sliding scale of both males and females in

the same age cohort of 15 years and 30 years. The reflection of the relatively large proportion of the middle aged population in the District in 2005 coincided with a relatively strong mining sector, specifically in Matjhabeng. Whilst a smaller middle age group in 2014 indicates migration away from the District in general terms, probably to other mining related towns in search of better living conditions like platinum sector in the North West, which has a similar kind of operational structures like the gold sector, and therefore uses similar kinds of labour skills. The migration patterns of Lejweleputswa, especially in its smaller municipalities, is as a result of better employment opportunities by the working age groups. From figure 4.1, it is evident that in 2014 women were living longer than men, almost doubling them. In the age group 75+ there are 4 367 males against 8 623 females. This is reflective of a better life expectancy for women than for men, although for both men and women life expectancy has improved between 2005 and 2014.

Figure 4.2: Population growth rates in Lejweleputswa by local municipalities



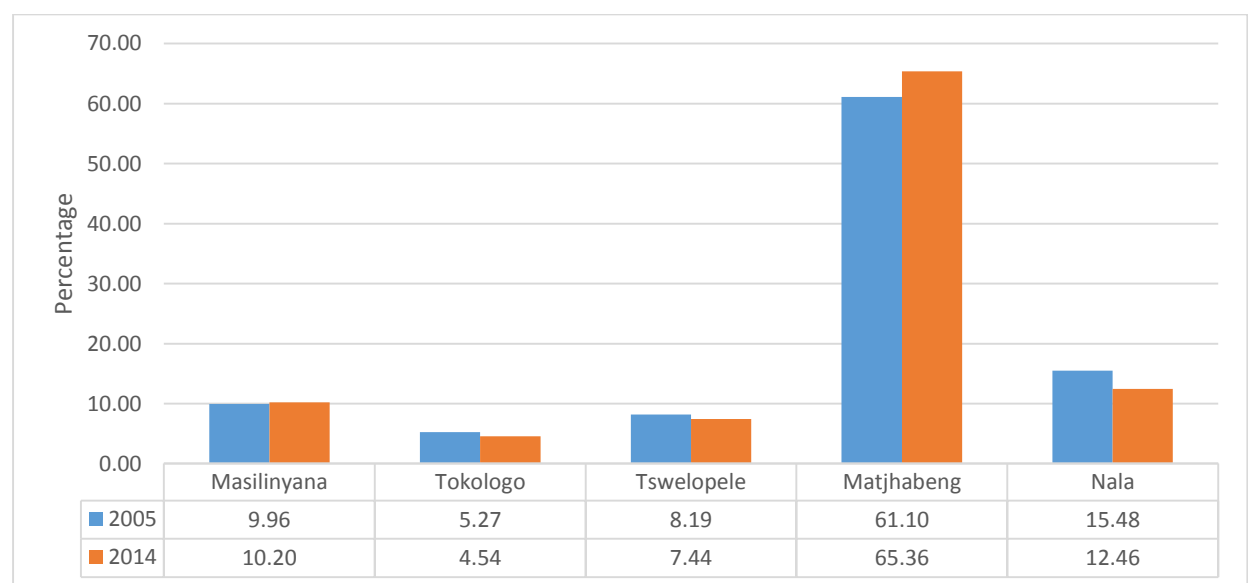
Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.2, indicates that the growth rate in Lejweleputswa's population had been negative for the large part of the review period (2005 – 2014) with the exception of 2008 (0.3%), 2009 (0.4%) and 2010 (0.2%), where it showed some positive recovery. The recovery happened because Matjhabeng, which contributed 25 percent to the population of the District, showed some positive growth rate during the period 2007 to 2011, which had a pulling effect on the District's population growth rate. Nala displayed negative population growth rate reaching -

4.1 percent at its lowest point in 2008, which had a little impact on Lejweleputswa due to its small contribution to the District population. The average growth rate for Lejweleputswa for the period under review is -0.2 percent, indicating a decline in the total population of the District. The decline is due to among others, net out migration and low fertility rates according to Statistics South Africa (2013).

The two most worst performing local municipalities in terms of population growth rate are Nala with a -2.3 percent average population growth rate and Tokologo with -1.6 percent average population growth rate between 2005 and 2014.

Figure 4.3: Population Distribution in Lejweleputswa District as a percentage



Source: IHS Global Insight Regional eXplorer, 2015

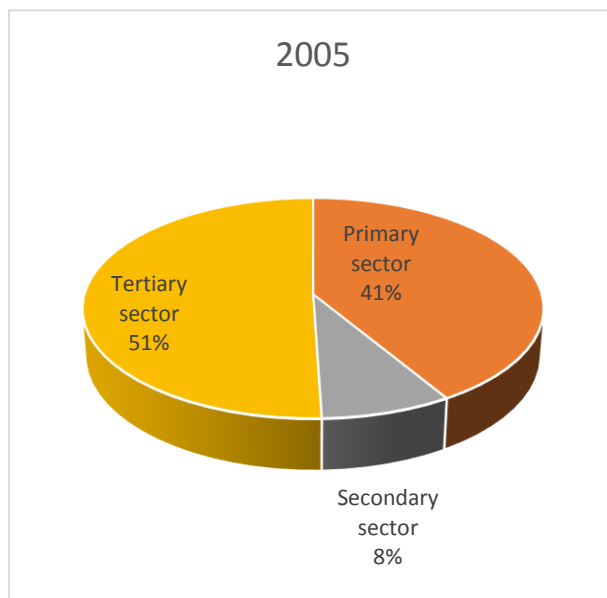
Matjhabeng had the highest share of Lejweleputswa’s population at 65.36 percent in 2014 according to figure 4.3, which is up from 61.10 percent in 2005, followed by Nala with 12.46 percent and Masilonyana with 10.20 percent all in 2014. The total District’s share of the population in the province has declined from 23.24% percent in 2005 to 22.49 percent in 2014, which is a 0.75 percentage point decline. The decline in Lejweleputswa’s share of the population was driven more by smaller municipalities because Matjhabeng increased slightly between 2005 and 2014, as a result of mainly outward migration from the smaller municipalities.

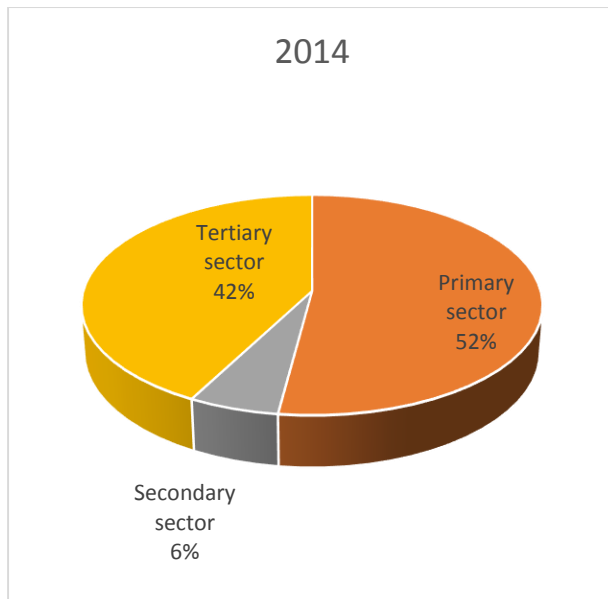
3. Economy structure and performance

The main economic activities in the Lejweleputswa District happened in the primary sector and the tertiary sector. The primary sector in Lejweleputswa is driven by agriculture and mining. Matjhabeng is the largest municipality in the District and it contains most of the mining activities, especially gold mining, followed by Masilonyana with some of the gold mining and diamond mining. Recently the mining sector has been on a downward trend as a result of closure of many of the shafts as a result of high costs of production among others and the need for deep mining. The recent decline in world commodity prices, has aggravated the situation in general with many businesses that have traditionally dependent on the mining sector either have closed down or are in the process of closing down. Other municipalities' primary sector rely heavily on agriculture.

Economic Structure

Figure 4.4: Sectoral composition of Lejweleputswa economy (% , current prices)





Source: IHS Global Insight Regional eXplorer, 2015

The composition of the District's economy is dominated by the primary sector at 52 percent in 2014 as shown by figure 4.4, up from 41 percent in 2005. The tertiary sector contributed 42 percent to the District's economy in 2014, decreasing by 9 percentage points from 51 percent in 2005. The secondary sector's share declined from 8 percent in 2005 to 6 percent in 2014, further indicating the difficulties that the sector is facing. Very little value adding is taking place in the region by using the vast primary products the District has in abundance.

Sectoral composition of the economy

Sectoral composition is the contribution of the different sectors to total GDP of Lejweleputswa's economy. This includes all the nine sectors within an economy of a region as classified by the South African Standard Industrial Classification (SIC) of all economic activities (CSS fifth edition).

Table 4.1: Sectoral composition of Lejweleputswa's economy by local municipalities, 2014.

2014	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala	
1 Agriculture	5.6%	6.2%	24.6%	36.9%	0.8%	17.7%	
2 Mining	46.5%	50.3%	21.6%	1.2%	56.0%	4.7%	
3 Manufacturing	2.5%	2.1%	2.9%	2.2%	2.1%	5.2%	
4 Electricity	1.5%	1.2%	2.9%	2.8%	1.3%	2.3%	

5 Construction	1.7%	2.2%	2.5%	1.8%	1.5%	2.6%	
6 Trade	11.0%	8.3%	12.3%	15.4%	10.0%	17.6%	
7 Transport	6.3%	5.2%	5.0%	7.8%	5.6%	11.8%	
8 Finance	10.8%	8.4%	7.6%	10.6%	10.8%	13.9%	
9 Community services	14.2%	16.2%	20.7%	21.4%	11.9%	24.0%	
Total Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

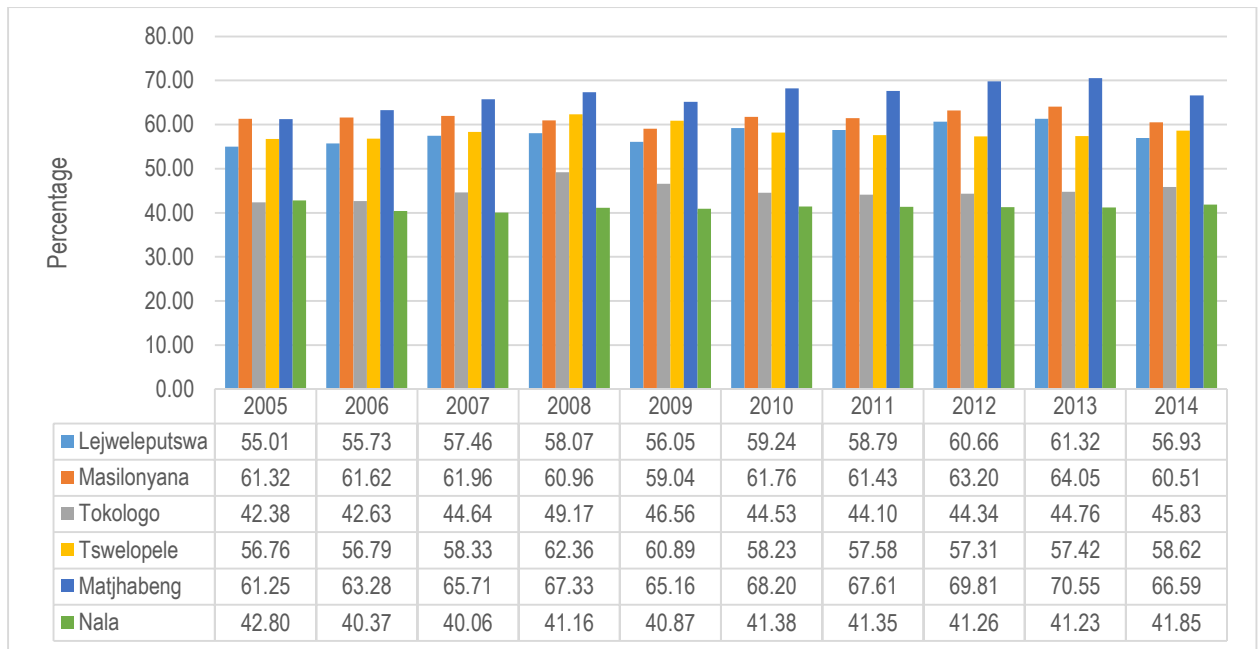
Source: IHS Global Insight Regional eXplorer, 2015

The 2014 sectoral composition of Lejweleputswa as revealed by figure 4.5 points to the dominance of a few sectors in the economy of the District. According to table 3.1, the mining sector is the dominant sector with 46.5 percent of the economic activities of the district, followed by community services sector at 14.2 percent and then trade at 11 percent. The smaller municipalities of Nala, Tswelopele and Tokologo are the municipalities without mining as the dominant sector, instead Tswelopele has agriculture as the dominant sector at 36.9 percent in 2014. Nala had government services as the dominant sector with 24 percent in 2014, whilst Tokologo had agriculture as the dominant sector with 24.6 percent in 2014. In recent years the contribution of mining in Lejweleputswa's economy has been declining due to a number of reasons and recently the effect of lower world commodity prices has fueled the decline of the sector. The share of the primary sector in Lejweleputswa's GVA has also been on a decline, indicating a shift away from the primary sector to the tertiary sector. The community services sector is growing strongly in all of Lejweleputswa's municipalities and is also forecasted to grow further.

Tress Index

The tress index measures the level of diversification or concentration of a region's economy. The index ranges between zero and one. The closer to 0 the index is, the more diversified is the economy. The higher the index or closer to 1, the less diversified the economy, and the more vulnerable the region's economy to exogenous factors that can include things like adverse economic conditions due to natural disasters, like global warming (Wikipedia, 2015).

Figure 4.5: Tress index of Lejweleputswa and the Free State and its Districts



Source: IHS Global Insight Regional eXplorer, 2015

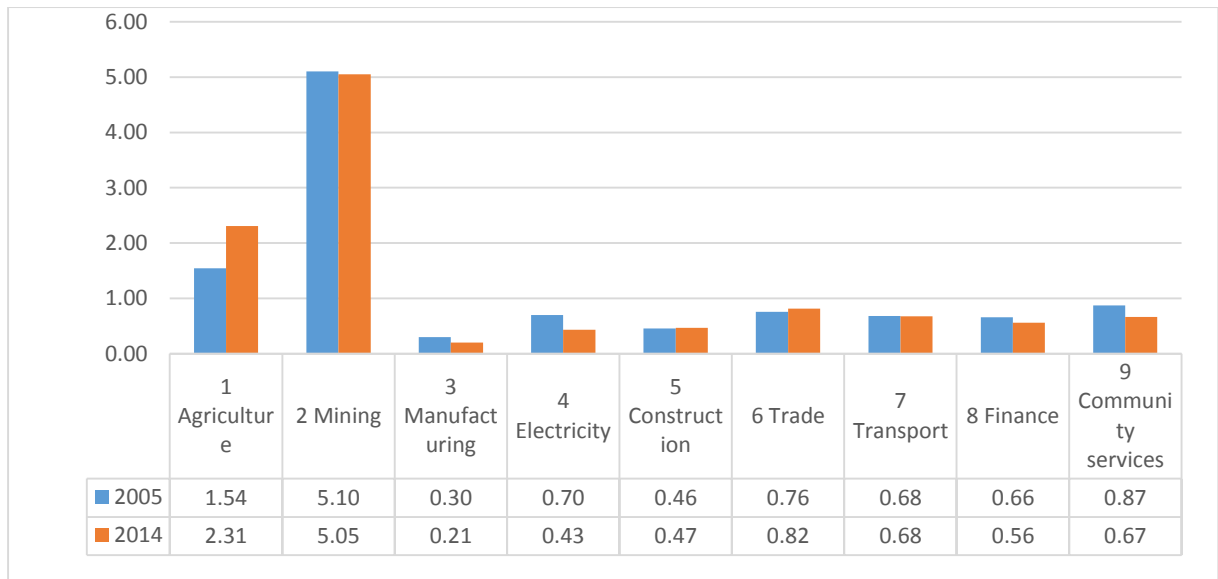
Lejweleputswa’s economy has been leaning more to a less diversified economy due to its increase closer to 1 of its Tress Index over a ten-year period as illustrated by figure 4.5. Even though Lejweleputswa’s Tress Index has improved in 2014 (56.93 percent) as compared to (55.01 percent) 2005, the worst years of its less diversification were 2013 (61.32 percent) and 2012 (60.66percent). This simply indicates fewer industries dominating the region’s economy, thus the vulnerability of the region’s economy to outside shocks becomes very easily.

If compared to the rest of the province, Lejweleputswa is the second less diversified regional economy in the Free State after Mangaung Metro. The most diversified economy is that of Fezile Dabi among the Districts and the province is even better than all the Districts.

Location Quotient

Location quotient reveals what makes a particular region “unique” in comparison to the national or provincial average. It is basically a way of quantifying how concentrated a particular industry or cluster is as compared to the province or nationally (EMSI Resource library, 2015)

Figure 4.6: Lejweleputswa’s Location Quotient



Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.6, above the dominant sector in Lejweleputswa is the mining sector with a location quotient of 5.05 in 2014, which has declined slightly from 5.10 in 2005. By its nature mining is more export orientated and brings into the economy of the region more money than any other sector in the region. Agriculture follows the mining sector though very small as compared to the mining sector with an increase in the location quotient of 2.31 in 2014 as compared to 1.54 location quotient in 2005. The other sectors are less concentrated in the region, all ranging less than 1 location quotient. Trade is one of a few sectors that have shown some positive growth in its location quotient from 0.76 in 2005 to 0.82 in 2014.

Economic Performance

The Gross Value Added by Region (GVA-R) measures the difference between inputs into particular region's economy and the value of outputs (goods and services) in that region or sector.

Table 4.2: GVA-R. Contribution to total economic growth in Lejweleputswa (% point, Constant 2010 prices)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Agriculture	0.1 %	0.4 %	0.0 %	0.9 %	0.1 %	0.0 %	0.5 %	0.1 %	0.0 %	0.2 %
2 Mining	0.8 %	3.8 %	0.7 %	3.0 %	2.0 %	0.9 %	1.3 %	2.2 %	1.9 %	0.3 %
3 Manufacturing	0.2 %	0.4 %	0.1 %	0.2 %	0.2 %	0.0 %	0.4 %	0.5 %	0.1 %	0.1 %

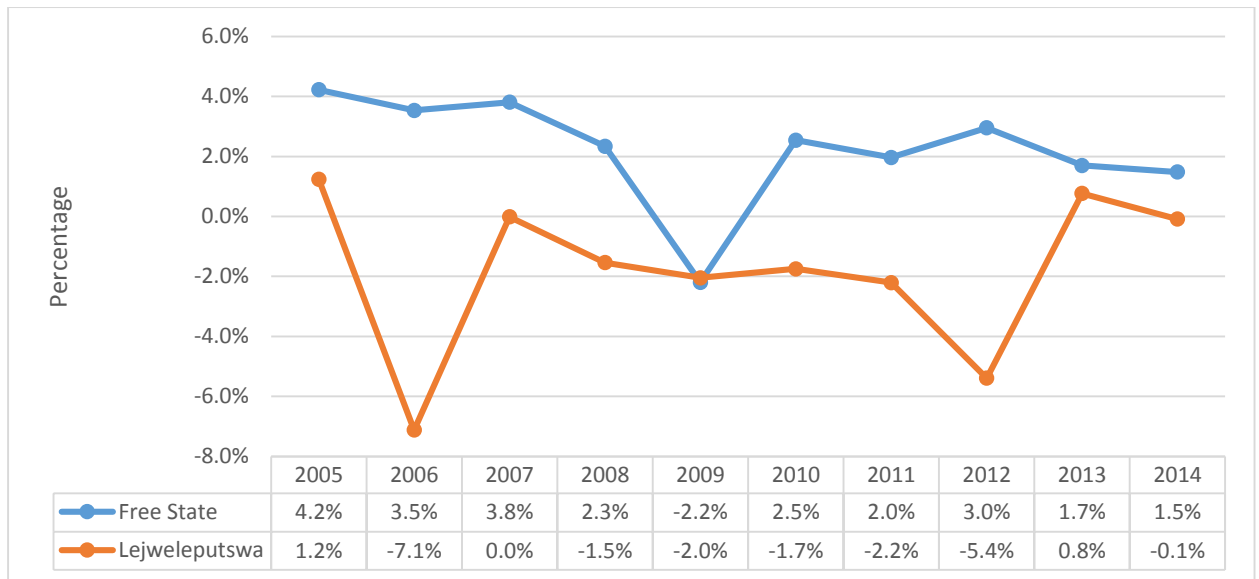
4 Electricity	0.0 %	- 0.2 %	0.0 %	0.0 %	0.0 %	0.1 %	- 0.1 %	- 0.1 %	0.0 %	0.0 %
5 Construction	0.0 %	- 0.1 %	0.2 %	0.1 %	0.2 %	0.2 %	- 0.1 %	- 0.1 %	0.0 %	0.0 %
6 Trade	0.1 %	- 0.4 %	0.2 %	0.1 %	- 0.3 %	- 0.6 %	- 0.2 %	- 0.2 %	- 0.4 %	0.0 %
7 Transport	0.1 %	- 0.2 %	0.2 %	0.1 %	0.0 %	0.3 %	- 0.2 %	- 0.4 %	- 0.2 %	0.0 %
8 Finance	- 0.2 %	- 0.5 %	- 0.3 %	0.1 %	0.2 %	- 0.5 %	- 0.1 %	- 0.4 %	- 0.2 %	0.0 %
9 Community services	0.2 %	- 0.5 %	0.3 %	0.4 %	0.1 %	- 0.6 %	- 0.4 %	- 0.8 %	- 0.2 %	0.1 %
Total Industries	0.9 %	- 6.5 %	- 0.2 %	- 1.1 %	- 2.3 %	- 1.3 %	- 3.2 %	- 4.8 %	- 0.8 %	- 0.0 %
Taxes less Subsidies on products	0.3 %	- 0.6 %	0.2 %	0.4 %	0.3 %	0.4 %	1.0 %	0.6 %	0.0 %	0.1 %
Total (Gross Domestic Product - GDP)	1.2 %	- 7.1 %	0.0 %	- 1.5 %	- 2.0 %	- 1.7 %	- 2.2 %	- 5.4 %	- 0.8 %	- 0.1 %

Source: IHS Global Insight Regional Explorer, 2015

The contribution of mining, which is the dominant sector, in Lejweleputswa district's economic growth has been on a declining trajectory in the review period of 2005 to 2014 according to table 4.1. Table 4.2 above illustrates that although mining has been on a downward trend, 2010 saw a 0.9 percentage point increase in its GVA-R, together with a 1.9 percentage point increase in 2013. Part of the 2013 growth in the mining sector was due to a favourable world commodity prices, which has recently been not very favourable according to the recent world statistics on commodity prices. On average total industries in Lejweleputswa are declining with the 2012 as the worst year with -4.8 percent decrease in total for all the industries. The contribution of community services sector' growth has declined from 0.2 percent in 2005 to 0.1 percent in 2014, indicating a general decline in the activities of the sector. The decline of community services sector could be as a result of recent policy shift to "austerity measures" of trying to reduce government wage bill. The GDP growth in Lejweleputswa is also hovering in recession for most of the review period except for 2013, with a 0.8 percent recovery.

Gross Domestic Product

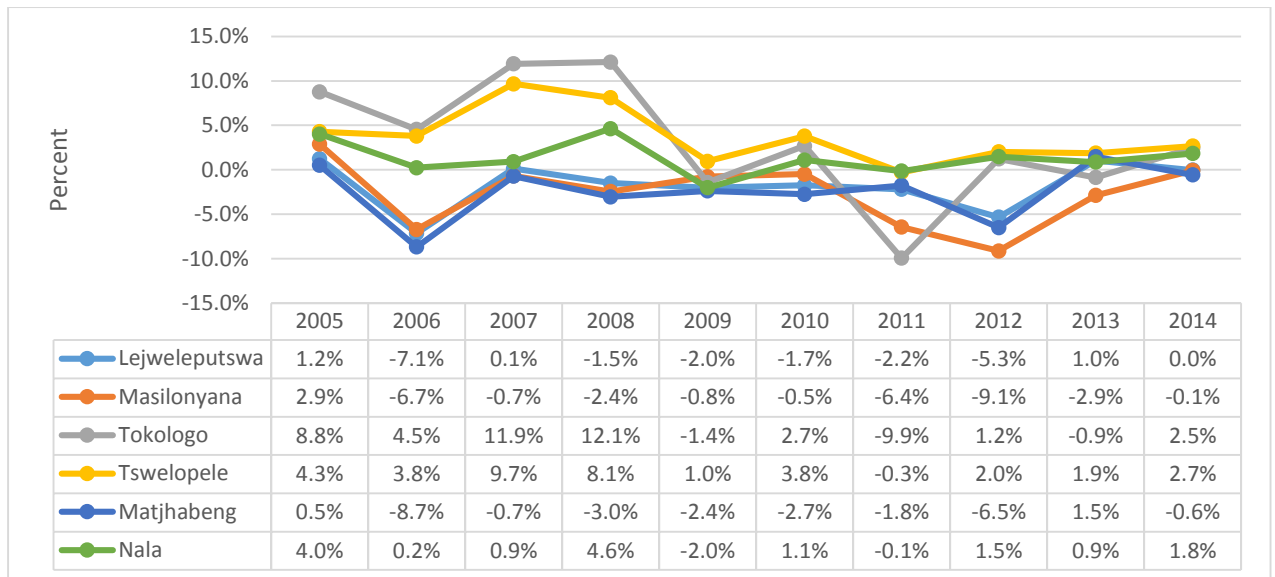
Figure 4.7: GDP-R of Free State and Lejweleputswa District Municipality



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.7 shows that the GDP-R of Lejweleputswa has been on a continuous negative territory for most of the period under review, except for 2005 with 1.2 percent and 2013 where it recovered by 0.8% percentage points on the back of a strong mining sector which was also positive in 2013 by 1.9 percent. However, it declined further again in 2014 to -0.1 percent, and it is also expected to decline further in 2015 on the back of low worldwide commodity prices. The negative growth rate experienced in most years in the District is affecting the District negatively and is one of the factors pushing people away from the District, leading to what can be termed economic migrants. The sustainability of the District's economy is in jeopardy because of a continued negative growth rate in the District driven by a declining mining sector and a shrinking agricultural sector. However, the provincial growth rate has always been positive except for the 2009 recession, where it was below that of the District by -2.2 percentage points. The best growth for the province post the recession was in 2012, with a growth rate of 3 percent, which was also the worst growth rate year for Lejweleputswa at -5.4 percent. The recession in Lejweleputswa in 2012 was driven by the mining sector with -2.2 percent and the community services sector with -0.8 percent and other tertiary sectors relying on the mining sector. The 2014 slump is also as a result of low commodity prices affecting the mining sector and a general decrease in total industries of -4.8 percent.

Figure 4.8: GDP-R of Lejweleputswa and its municipalities



Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.8, the District's GDP-R follows that of Matjhabeng to a large extent as compared to the rest of the municipalities. Lejweleputswa's average growth rate for the period 2005 to 2014 was -1.8 percent, which is a sign for a shrinking economy. The worst average growth rate for the District's local municipalities in the review period was experienced in Masilonyana with a -2.7 percent average growth rate followed by Matjhabeng with a -2.4 percent between 2005 and 2014. In 2008, Tokologo had the highest growth rate of 12.1 percent, which declined during the 2009 recession to -1.4 and further in 2011 to -9.9 percent making it the worst performing local municipality in Lejweleputswa in 2011. This kind of performance can only happen if there are few participants in the economy of the municipality who have a significant share of the economy. However, the average growth rate for Tokologo municipality is 3.2 percent in the review period. Tswelopele has shown the highest average growth rate in the district with a 3.7 percent, followed by Nala with an average growth rate of 1.3 percent in the same period.

GDP-R per capita.

Per capita GDP-R is a measure of the total output of a region that takes into account the gross domestic product and then divides it by the number of the people in the region (World Bank, 2015). It is one of the primary indicators of the region's performance (investorwords.com, 2015). It is calculated by either adding up everyone's income during the period or by adding up the value of final goods and services produced in the region during the year (Investorwords.com, 2015)

1 Agriculture	0.0%	-	-	0.0%	0.2%	-	0.3%	0.1%	0.1%	0.1%
2 Mining	0.9%	1.3%	2.2%	1.9%	0.3%	-	0.1%	1.4%	-	0.8%
3 Manufacturing	0.0%	-	-	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
4 Electricity	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5 Construction	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6 Trade	0.6%	0.2%	0.2%	0.4%	0.0%	-	0.2%	0.0%	0.1%	0.3%
7 Transport	0.3%	0.2%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
8 Finance	0.5%	0.1%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
9 Community services	0.6%	0.4%	0.8%	0.2%	0.1%	0.0%	0.0%	0.0%	0.1%	0.3%
Total Industries	1.3%	3.2%	4.8%	0.8%	0.0%	-	0.7%	1.3%	1.6%	0.6%
Taxes less Subsidies on products	0.4%	1.0%	0.6%	0.0%	0.1%	-	0.1%	0.3%	0.0%	0.0%
Total (Gross Domestic Product - GDP)	1.7%	2.2%	5.4%	0.8%	0.1%	-	0.6%	1.6%	1.6%	0.5%

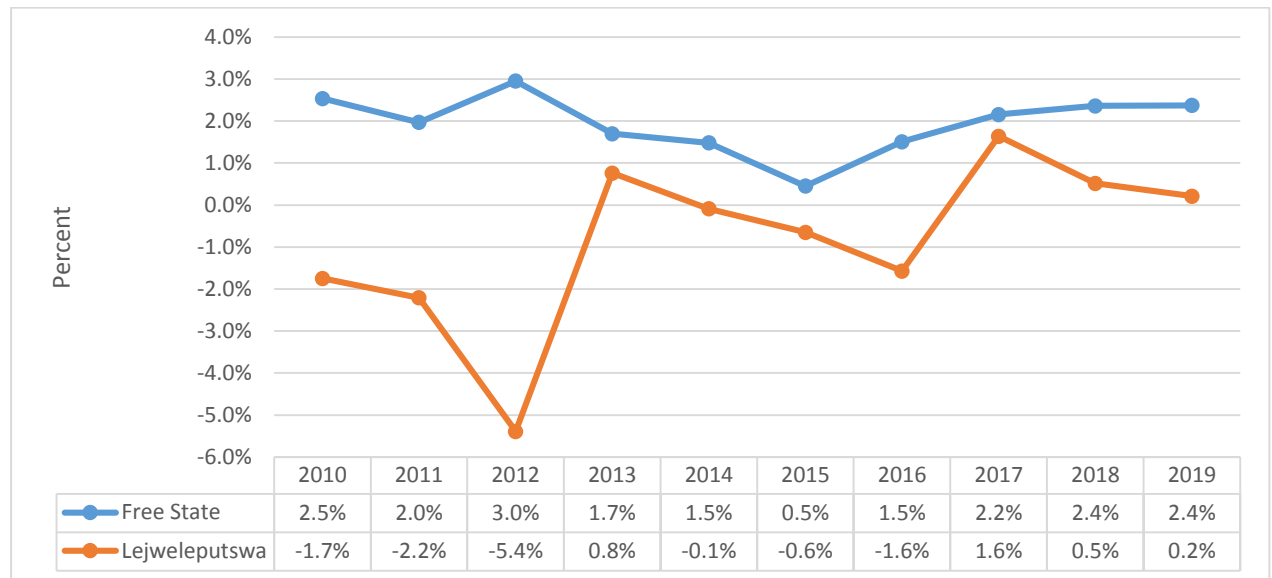
Source: IHS Global Insight Regional eXplorer, 2015

Table 4.3 shows the outlook of total contribution to Lejweleputswa's economy's economic growth per sector, from 2010 to 2019, almost a ten-year period. The most important sector in Lejweleputswa's economy, i.e. mining is expected to decline further in the outlook period from contributing 0.9 percent to the District's economic growth in 2010 to -0.8 percent in 2019. The decline can also be explained by a natural process in the development of any economy, where as the economy modernize the importance of primary sector slow down and that of the tertiary sector increases, this phenomenon is also called structural change to the economy. Furthermore, the decline can be explained by a normal process where most of the mines or mine shafts are reaching the end of their life span. Agriculture in Lejweleputswa is only expected to stabilize around 0.1 percent contribution in the outlook period from 2016 to 2019. The tertiary sector (i.e., the trade industry and community service) is expected to grow positively in the outlook from -0.6 percent contribution in 2010 to 0.3 percent for both in 2019 respectively. However, what is worrying is the slow improvement or slow growth in the secondary and the tertiary sector to counter the dominance of the mining sector in the District. The total outlook for the GDP is also expected to be negative in the forecasted period, as a result of a strong pulling effect of the dominant sector. The resultant negative growth is

at the back of lower world commodity prices also forecasted to be very much subdued in the outlook.

Gross domestic Product at Regional level.

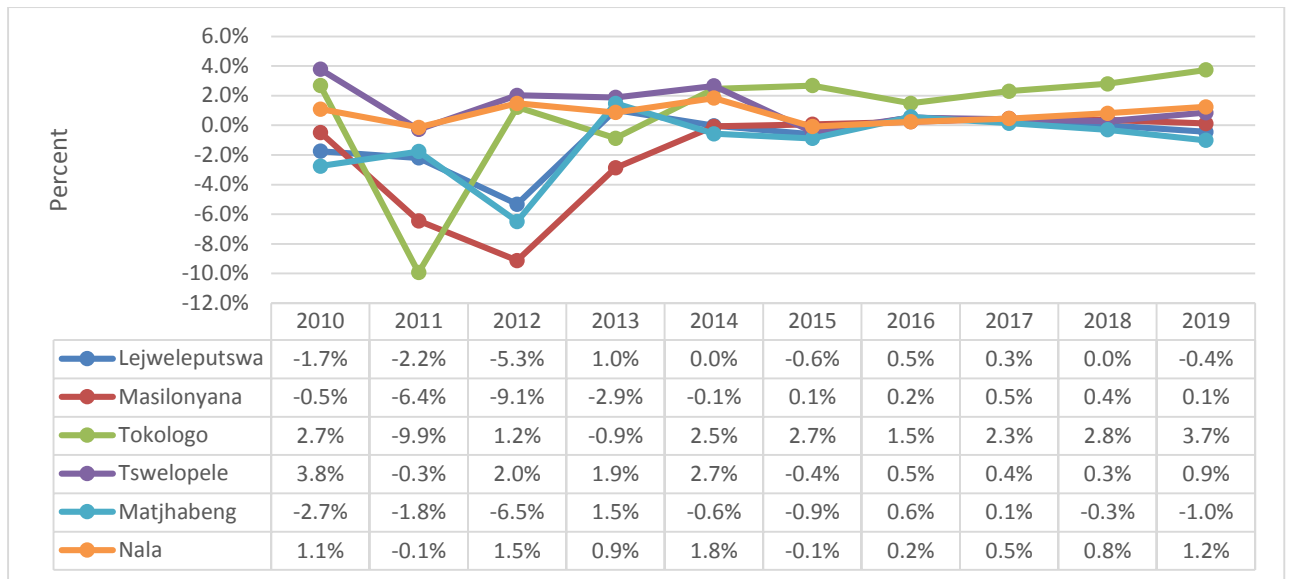
Figure 4.10: GDP-R growth Forecast for Lejweleputswa



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.10 shows that the average growth rate of the Free State is expected to be 1.9 percent between 2010 and 2019, which is the forecasted period. Lejweleputswa is expected to grow sluggishly with projected average of -0.9 percent over the forecasted period. The growth rate of Lejweleputswa is forecasted to be below that of the province for the entire forecast period and that has a dampening effect on the growth rate of the provincial economy. The result is that Lejweleputswa’s economy is dominated by the mining sector which is estimated to contract in the forecasted period. However, this dependence on the mining sector reflects the inability or the slowness of the District economy to diversify to the tertiary sector as the economy modernizes, thus reflecting a structural change or the deficiency thereof. The second dominant sector is agriculture and is also not growing as expected due to in general the consequences of global warming, and it shows that the district economy is more exposed to external shocks.

Figure 4.11: GDP-R Growth forecast of Lejweleputswa and its municipalities, 2010 – 2019



Source: IHS Global Insight Regional eXplorer, 2015

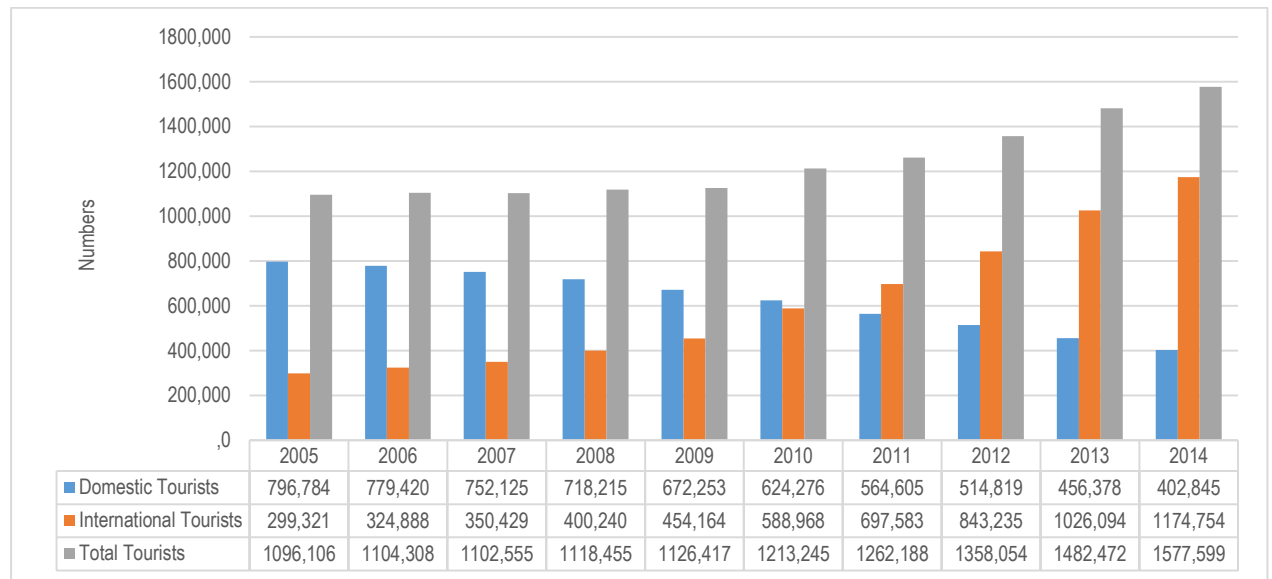
Figure 3.11, illustrates that the forecasted growth rate of Lejweleputswa between 2010 and 2019 mirrors that of Matjhabeng to a certain extent because of its large influence on the District economy. The average forecasted growth rate of -0.8 percent in Lejweleputswa in the forecasted period is influenced by the average forecast of -1.2 percent of Matjhabeng and -1.8 percent of Masilonyana. The influence of the other three municipalities, i.e., Tokologo, Tswelopele and Nala which are expected to grow positively in the forecasted period (0.9%, 1.2% & 0.8%, respectively) have very little impact on the overall outcomes of growth in the District because of their small economic sizes. The expected average growth rate for the three municipalities are Tokologo 0.9 percent, Tswelopele 1.2 percent and Nala 0.8 percent over the forecasted period.

4. Tourism sector

According to United Nations World Tourism Organization (UNWTO) tourism is defined as “comprising the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other

purposes” (2015). In today’s modern world, tourism is a major source of income for many countries, and it affects the economy of both the source and the host and is of vital importance. However tourism in the country is not well defined because it includes a host of other things related to other industries e.g. beverage, bed night and things like food. The importance of tourism is that it creates employment for people with less educational skills. For the purposes of simplicity we will employ bed nights in order to be able to deal with the number of tourists in the province and the District.

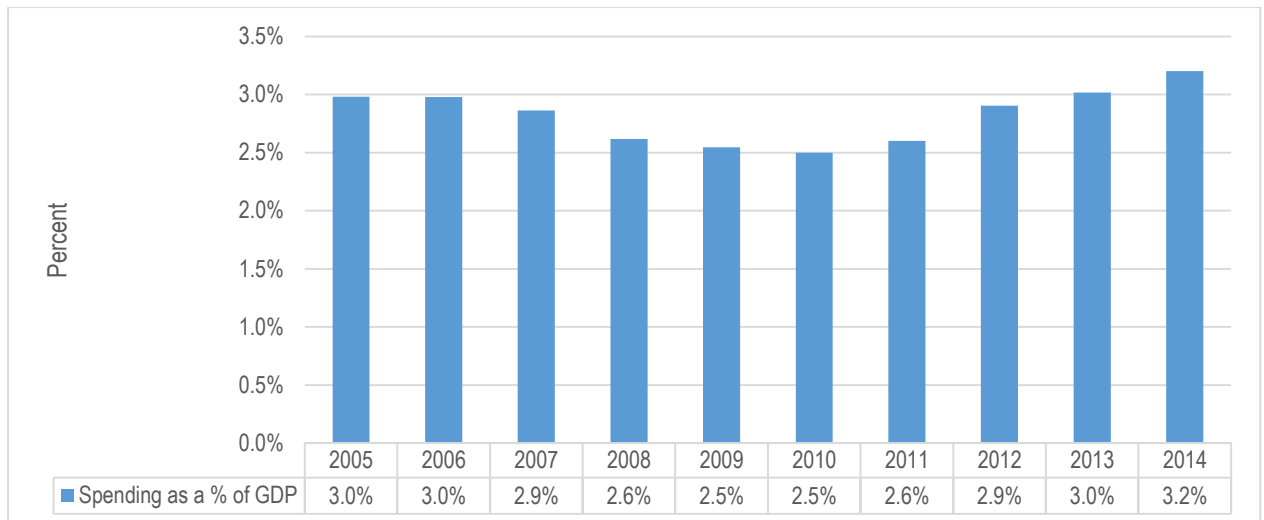
Figure 4.12: Bed nights by origin of tourist



Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.12, the number of tourists in Lejweleputswa in 2005 were more than a million combined that includes the domestic tourists and the international tourists. The domestic tourists have been on a decline from 796 thousand plus in 2005 to just above 402 thousand plus in 2014. The international tourists started picking increasing just around the soccer world cup in 2010 from 588968, and catching up with domestic tourists who have been on a continuous decline at 624276 in 2010. The total number of tourists increased from 1,096106 million bed nights in 2005 to 1,577599 million bed nights in 2014 and a growth rate of 43 percentage points between 2005 and 2014.

Figure 4.13: Total tourism spending as a percentage of GDP (constant prices 2010)



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.13, illustrates that tourism spending as a percentage of GDP was 3 percent in 2005 in the district and started to decrease in 2008 from 2.6 percent, to 2.5 percent in 2010, and then started to increase again to 3.2 in 2014. The resultant decline was due to the economic recession in 2008/09 and only started to recover in 2012 to 2.9 percent. Between 2005 and 2007, total tourism spending as a percentage of GDP was above 2.9 percent and it was very much significant considering the small sector in the district. The average tourism spending for the period under review was 2.8 percentage points.

Figure 4.14: Total tourism spend, (R1000, current prices) in Lejweleputswa.



Source: IHS Global Insight Regional eXplorer, 2015

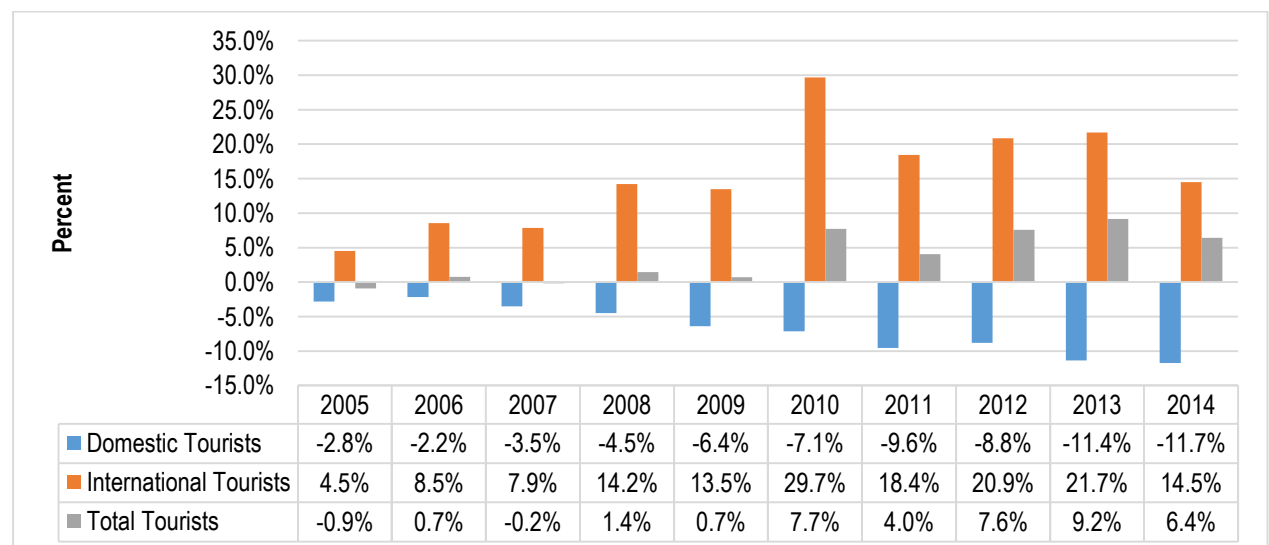
Tourism has many economic benefits which includes the generation of foreign exchange, the creation of new employment especially to those with less skills, stimulation of trade, income and entrepreneurship in the service industry and greater tax revenue to mention some of the few benefits. According to figure 4.14, total tourism spending has generally been increasing

from R546 million to R1, 070 million in current prices. Which shows that the spending by tourists at current prices is increasing and the benefits of tourists in the local economy have a multiplier effect.

Growth in tourism

Tourism is one of the major growing industries internationally and countries are doing everything to promote their own countries. Figure 4.15 illustrates that Domestic tourists are declining to a certain extent between 2005 and 2011, which means that they are not growing positively. However, what is more promising is the growth of international tourists especially after the 2010 soccer world cup, and they have grown from 13.5 percent in 2009 to 14.5 percent in 2014, an average of 15.4 percentage points between 2005 and 2014. What is also significant in the tourism industry, which the whole country can benefit from is the rise in China’s middle class, which is a huge potential for our country in relation to good ties the country has with China as a trading partner. South Africa and the province in particular can use the friendship with China in the BRICS Countries to lure them to our country and that can be a great boost in the local tourism industry.

Figure 4.15: Growth in tourism



Source: IHS Global Insight Regional eXplorer, 2015

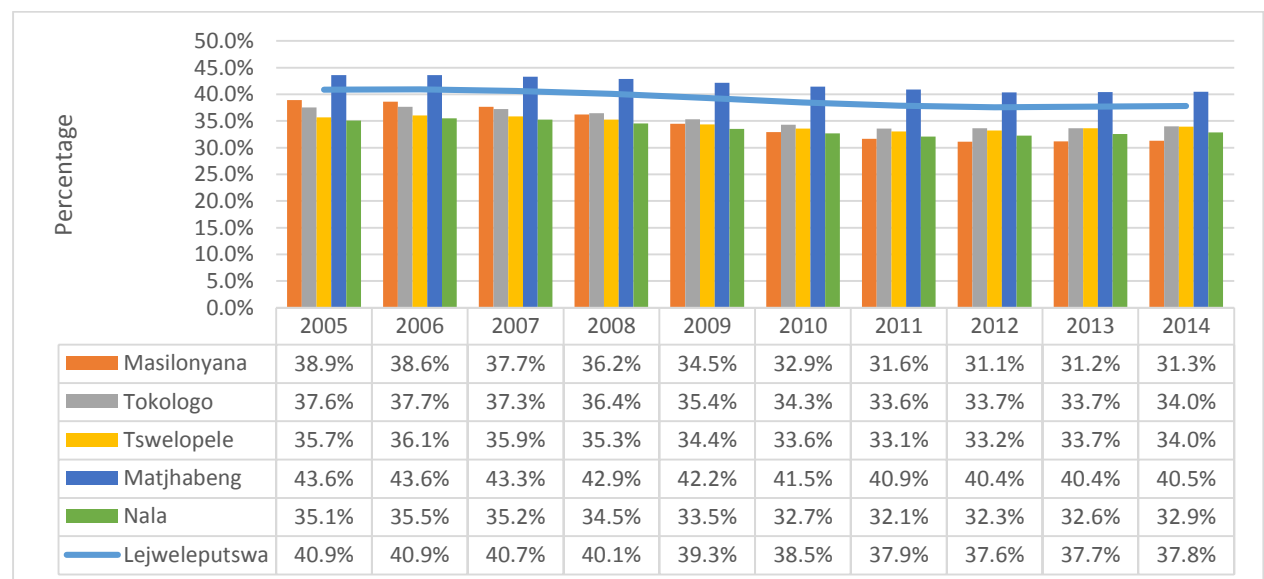
5. Labour market

Employment in Lejweleputswa

Economically active population comprises all persons between the ages of 15 and 64 years of age that are either employed or actively seeking employment (StatsSA, 2015)

Figure 4.16 below illustrates that the economically active population of Lejweleputswa has been declining from 40.9 percent in 2005 to 37.8 percent in 2014, an average decline of -7.6 percentage points with a growth rate -0.87 percentage points over the review period. The highest economically active population in Lejweleputswa’s municipalities is Matjhabeng with an average of 41.9 percent and it has been decreasing from 43.6 percent in 2005 to 40.5 percent in 2014. The lowest economically active population in the district is in Nala with an average of 33.6 percent between 2005 and 2014 and is also declining from 35.1 percent in 2005 to 32.9 percent in 2014. The other municipalities in the District namely; Tswelopele, Tokologo and Masilonyana have an average economically active populations of 35.4 percent and 34.4 percent respectively. A lower economically active population can also indicate a higher dependency ratio.

Figure 4.16: Economically Active population as % of total population in Lejweleputswa’s municipalities (Official Definition)



Source: IHS Global Insight Regional eXplorer, 2015

Table 4.4 below illustrates that Lejweleputswa’s employment is dominated by the community services sector at 20.57 percent followed by trade at 19.35 percent and then mining in third place with a 17.34 percent. The dominance of mining in Lejweleputswa is being eroded slowly as the sector is facing difficult times. However, mining is still dominant in Masilonyana with a 26.87 percent and Matjhabeng with a 21.44 percent, and both are traditional mining towns.

Trade, community services sector and household sector plays a major role in the district as the employer, signifying the growing community service sector. Agriculture is also still very important especially in Tokologo with a 38.90 percent and Tswelopele with a 15.98 percent of the total employment in the district.

Table 4.4: Total formal employment by sector as a percentage, 2014.

	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala
1 Agriculture	7.51	4.69	38.90	15.98	2.62	21.30
2 Mining	17.34	26.87	2.72	0.92	21.44	1.46
3 Manufacturing	5.40	3.62	2.81	3.28	5.08	11.31
4 Electricity	0.48	0.28	0.11	0.71	0.38	1.34
5 Construction	5.64	9.76	2.03	6.30	5.81	2.83
6 Trade	19.35	13.66	8.56	17.66	20.47	22.22
7 Transport	3.91	2.67	0.83	1.20	4.88	1.72
8 Finance	7.89	8.45	2.67	5.36	8.89	4.99
9 Community services	20.57	16.21	13.31	28.12	20.99	19.29
Households	11.91	13.80	28.07	20.48	9.44	13.53

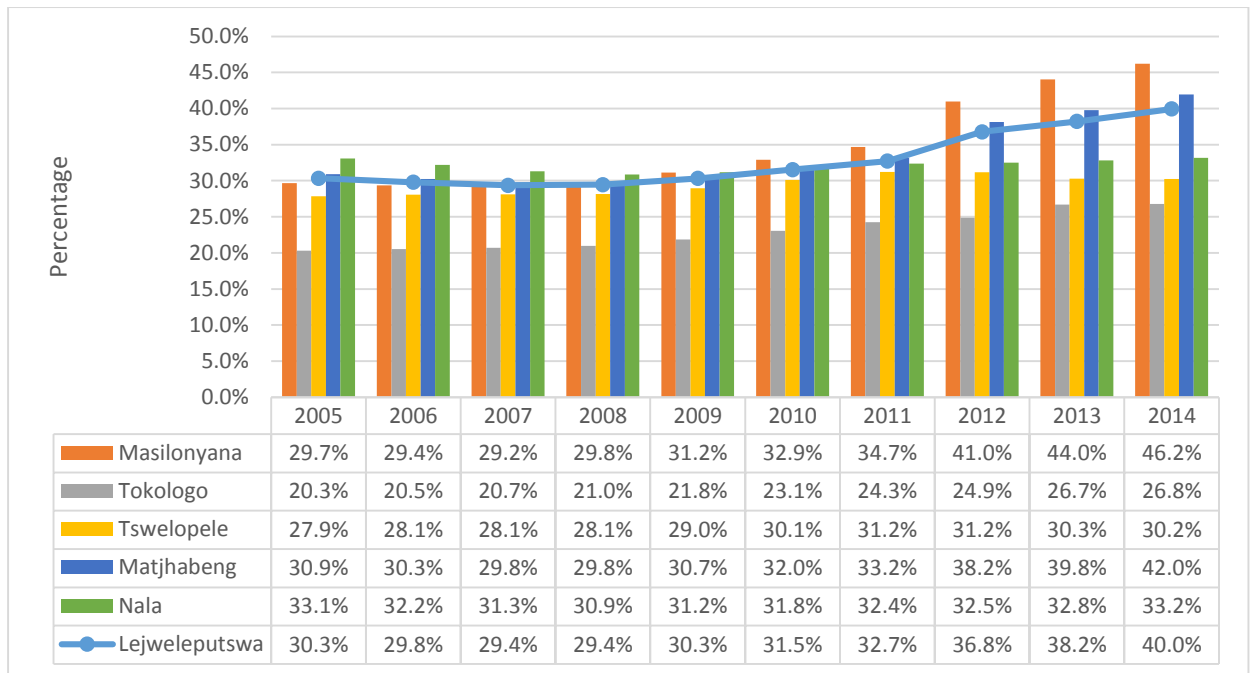
Source: IHS Global Insight Regional eXplorer, 2015

Unemployment rate in Lejweleputswa

Statistics South Africa defines unemployment rate as a measure of the prevalence of unemployment and is calculated as a percentage, by dividing the number of unemployed individuals by all individuals currently in the labour force.

Unemployment rate has increased in Lejweleputswa as illustrated by figure 4.17 below, from 30.3 percent in 2005 to 40 percent in 2014, with an average of 32.8 percent in the review period. The highest rate of the unemployment in the District was recorded in Masilonyana which increased from 29.7 percent in 2005 to 46.2 percent in 2014, an average unemployment rate of 34.8 percent for the municipality. All of Lejweleputswa's municipalities' unemployment rate is increasing, with Matjhabeng recording the second highest unemployment rate after Masilonyana (46.2 percent) of 42 percent in 2014 from 30.9 percent in 2005, with an average of 33.7 percent unemployment rate over the review period. The lowest recorded unemployment rate in the District was Tokologo which also increased from 20.3 percent in 2005 to 26.8 percent in 2014, with an average of 23 percent unemployment rate. Part of the unemployment in the District can be explained by the decline in the mining sector and agricultural sector and the accompanying multiplier effect on other sectors.

Figure 4.17: Total Unemployment rate in Lejweleputswa (Official Definition %)



Source: IHS Global Insight Regional eXplorer, 2015

Male and Female unemployment rate

Male and female unemployment is the share of each sex in the unemployment rate of a country or region. Traditionally unemployment rate for women has always been higher for females than for males. This is because males have always been regarded as the providers and females as the receivers. As a result, men are more likely to be in paid employment than females regardless of race, females are more likely to be doing unpaid economic work.

Figure 4.18: Male and Female Unemployment rate in Lejweleputswa (Official definition %)



Source: IHS Global Insight Regional eXplorer, 2015

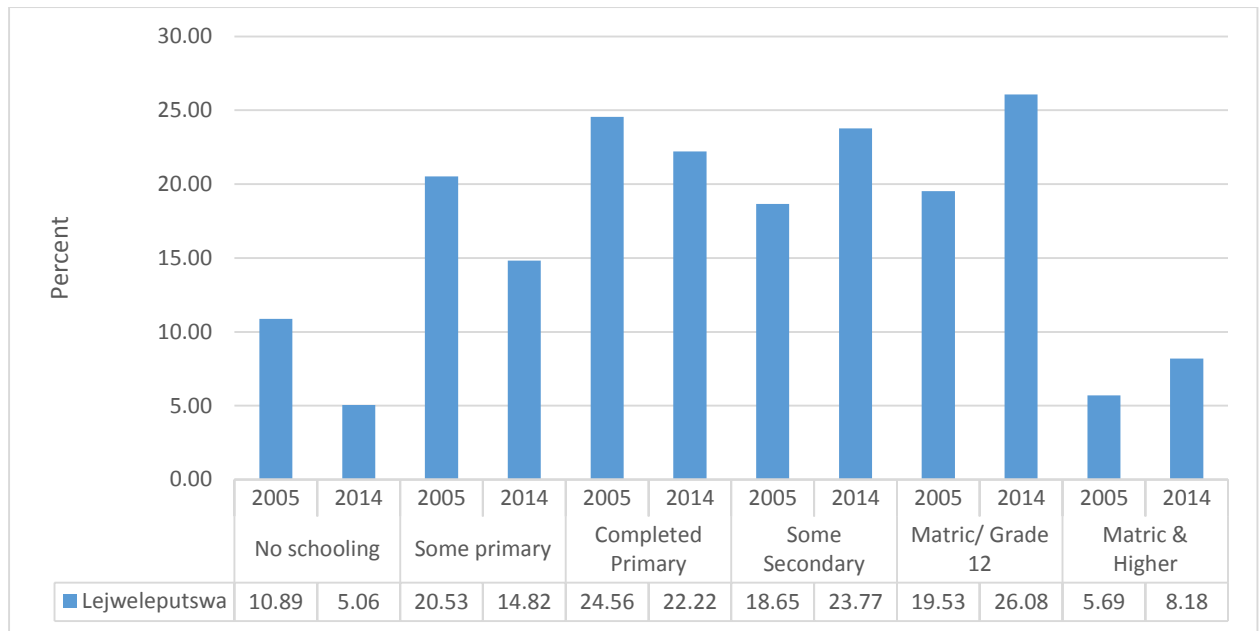
Figure 4.18 depicts a normal historical picture, where unemployment rate for men is lower than that of their female counter parts. The unemployment rate for females has fallen slightly during the 2008/09 recession to 37.7 percent from 41.3 percent in 2005. However, after 2009 the female unemployment increased again to 35.8 percent in 2014. The result could signal that females are easily discouraged during times of recession and after the recession they join the labour market again by seeking employment. Unemployment rate for men has remained lower than that of their female counter part for much of the period under review, starting from 22.0 percent in 2005 increasing to 35.8 percent in 2014. Generally, unemployment rate in Lejweleputswa has increased from 30.3 percent in 2005 to 40 percent in 2014, indicating an average growth of 5.6 percentage points for men and an average growth of 1.24 percentage points for females. The average growth simply indicates that unemployment among males is increasing at a faster pace than for females.

6. Education profile

The education profiles of the economically active population in Lejweleputswa.

Education plays a major role in the employment of the economically active population, because many occupations require a certain level of education in order to be eligible for employment.

Figure 4.19: Highest level of Education attained by persons aged 20+



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.19, illustrates that the majority of the persons aged 20 years and older are concentrated below matric level in Lejweleputswa with positive increases of persons completing matric. The number of persons with some primary 14.82 percent and completed primary 22.22 percent in 2014, far outweigh the number in other categories. The number of persons with some secondary education were 23.77 percent in 2014, an increase of about 5 percentage points and the number of persons with matric also increased from 19.53 percent to 26.08 an increase of more than 6 percentage points. The figures shows that an estimated 65 percent of the population in Lejweleputswa have an average education below matric, which simply means limited skills with limited employment opportunities. However the number of persons with a higher qualification than matric stood only at 8.18 percent in 2014 a slight increase from the 2005 figures of 5.69 percent. The rest of the municipalities in Lejweleputswa follow a more or less similar pattern.

7. Conclusion.

Overall Lejweleputswa continues to play an important role in the economy of the province, though its importance is declining due to a decline in its economic growth rate of -1.4 percent on average in the review period of 2005 to 2014. The resultant decline in the district growth rate is as a result of the decline in the mining sector which is the mainstay of the district economy, which declined by an average of 0.3 percent from 2005 to 2014. Growth in the

district is expected to decline further by an average of -0.9 from 2010 until 2019 in the forecasted period, due to low commodity prices (expected decline in the mining sector).

Employment creation is relatively low as the labour absorptive sectors, mining and agriculture are forecasted to grow negatively over the forecasted period of up to 2019.

Unemployment is relatively high at 40 percent in 2014 in the district and is expected to increase even further as the labour force grows and the economy struggling to recover.

STATUS QUO ASSESSMENT

WASTE MANAGEMENT

The LDM's Integrated Waste Management Plan was developed in 2011 and has not been reviewed however there are plans to review it internal since most of the projects have not been implemented to date

ROADS

There is a draft Integrated Transport Plan which was developed on behalf of the District by the Provincial Department of Transport and the plan still need to be presented to the councillors before it is finally adopted

PUBLIC PARTICIPATION

GOVERNANCE STRUCTURES

Strategic Objective: Promote a culture of participatory and good governance

Intended outcome: Entrenched culture of accountability and clean governance

Internal audit Function

The District Municipality has an internal auditor and two audit officers approved positions reflected in the municipal organogram performing the audit function for the municipality.

Audit Committee

The audit committee is in place and constituted by five members sourced externally for a period of three financial years. It 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 (**see the table below**).

The municipal public accounts committee is chaired by Cllr Ntombizodwa Veronica Ntakumbana, established in a council meeting of the 27th October 2016, appointed

WARD COMMITTEES

There are 70 wards in the District and all have ward committees, have been established with the exception of Tokologo local municipality

COUNCIL COMMITTEES

The municipality also has Seven (7) section 80 committees established as portfolio committees and they are Finance portfolio committee; IDP, PMS, Policy Development and Monitoring portfolio committee, Corporate Services portfolio committee, LED, Tourism,

Agriculture, Youth and SMME portfolio; Social Services and Environmental Health portfolio committee; Municipal Support and Infrastructure portfolio committee and Special Programmes. 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.

SUPPLY CHAIN COMMITTEES

1. Bid Specification Committee
2. Evaluation Committee
3. Adjudication Committee

MANAGEMENT AND OPERATIONAL SYSTEMS

1. COMPLAINTS MANAGEMENT SYSTEM

The Lejweleputswa District municipality has the system which is called Reward and Complaints management system and is operational.

2. FRAUD PREVENTION PLAN

The municipality has the plan and was adopted by council in

3. COMMUNICATION STRATEGY

The strategy is in place and was adopted by council

4. PUBLIC PARTICIPATION

The municipality has a draft public participation policy which still has to serve before the council for final adoption

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objectives: Improve organizational cohesion and effectiveness

Intended outcome: Improved organizational stability and sustainability

INFORMATION TECHNOLOGY (IT)

The municipality has IT staff and there is ITC draft plan to be adopted by council

AVAILABILITY OF SKILLED STAFF

The municipality is capacitated with highly skilled, disciplined and professional staff in order to fulfill its mandate

ORGANISATIONAL STRUCTURE

The organizational structure is in place and was adopted by council in 2016/17 financial year

VACANCY RATE

Only two senior positions are vacant

SKILLS DEVELOPMENT PLAN

The municipality has the plan in place and is reviewed every financial year

HUMAN RESOURCE MANAGEMENT STRATEGY OR PLAN

The municipality has Human Resource Development Plan in place and has been reviewed to adapt to unfolding circumstances

INDIVIDUAL PERFORMANCE AND ORGANISATIONAL MANAGEMENT SYSTEMS

The municipality has the system in place but only caters for HOD's and plans are afoot to cascade it to junior levels of the organisation

MONITORING, EVALUATION AND REPORTING PROCESSES AND SYSTEMS

FINANCIAL VIABILITY

Strategic Objective: To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems

Intended Outcome: Improved financial management and accountability

SCM POLICY- STAFFING

The municipality has an SCM policy in place which has been reviewed and vibrant SCM unit that is properly staffed

PAYMENT OF CREDITORS

The payment of creditors is made within the prescribed 30 days' timeframes

AUDITOR- GENERAL FINDINGS

FINANCIAL MANAGEMENT SYSTEMS

LOCAL ECONOMIC DEVELOPMENT

Strategic Objective: Create an environment that promotes development of the local economy and facilitate job creation

Intended Outcomes:

Improved municipality economic viability

The District municipality has in place LED strategy that was adopted in 2015

UNEMPLOYMENT RATE

MUNICIPALITY	EMPLOYED	UNEMPLOYED	TOTAL	EMPLOYMENT RATE
MATJHABENG	99650	58524	158174	37%
TOKOLOGO	6618	2504	9122	27,45%
MASILONYANA	11406	7227	18633	38,79%
TSWELOPELE	9694	5174	14868	34,80%
NALA	15786	8825	24611	35,86%

2011 Census

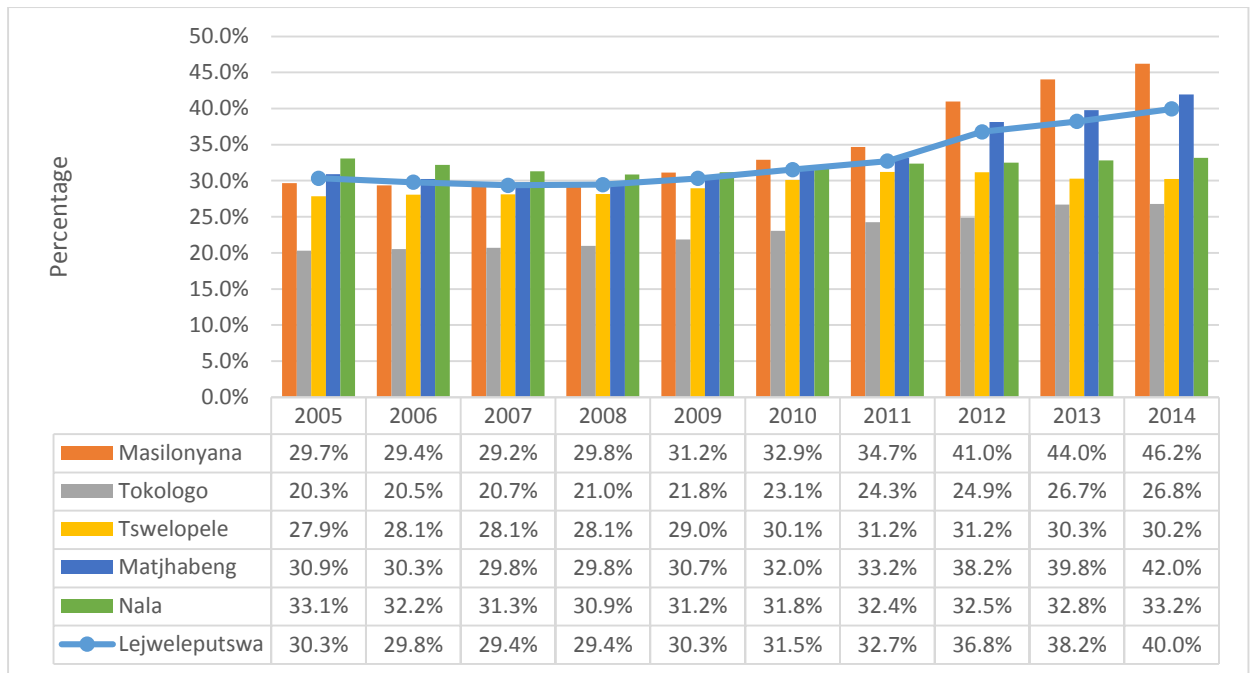
DISAGREGATE IN TERMS OF GENDER, AGE

Unemployment rate in Lejweleputswa

Statistics South Africa defines unemployment rate as a measure of the prevalence of unemployment and is calculated as a percentage, by dividing the number of unemployed individuals by all individuals currently in the labour force.

Unemployment rate has increased in Lejweleputswa as illustrated by figure 4.17 below, from 30.3 percent in 2005 to 40 percent in 2014, with an average of 32.8 percent in the review period. The highest rate of the unemployment in the District was recorded in Masilonyana which increased from 29.7 percent in 2005 to 46.2 percent in 2014, an average unemployment rate of 34.8 percent for the municipality. All of Lejweleputswa's municipalities' unemployment rate is increasing, with Matjhabeng recording the second highest unemployment rate after Masilonyana (46.2 percent) of 42 percent in 2014 from 30.9 percent in 2005, with an average of 33.7 percent unemployment rate over the review period. The lowest recorded unemployment rate in the District was Tokologo which also increased from 20.3 percent in 2005 to 26.8 percent in 2014, with an average of 23 percent unemployment rate. Part of the unemployment in the District can be explained by the decline in the mining sector and agricultural sector and the accompanying multiplier effect on other sectors.

Figure 4.17: Total Unemployment rate in Lejweleputswa (Official Definition %)

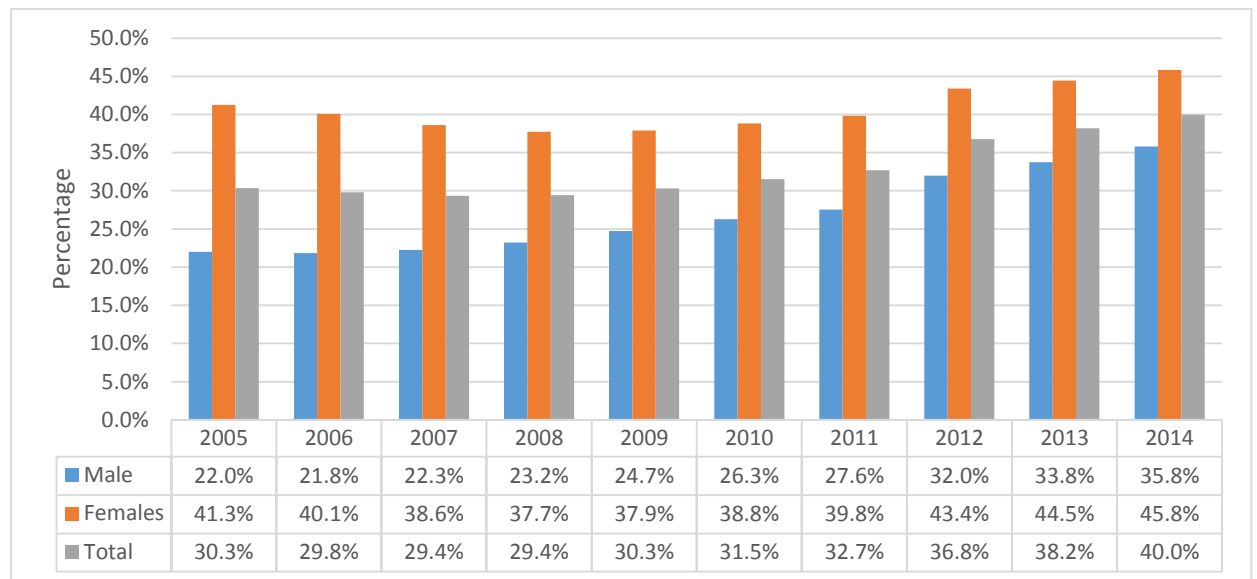


Source: IHS Global Insight Regional Explorer, 2015

Male and Female unemployment rate

Male and female unemployment is the share of each sex in the unemployment rate of a country or region. Traditionally unemployment rate for women has always been higher for females than for males. This is because males have always been regarded as the providers and females as the receivers. As a result, men are more likely to be in paid employment than females regardless of race, females are more likely to be doing unpaid economic work.

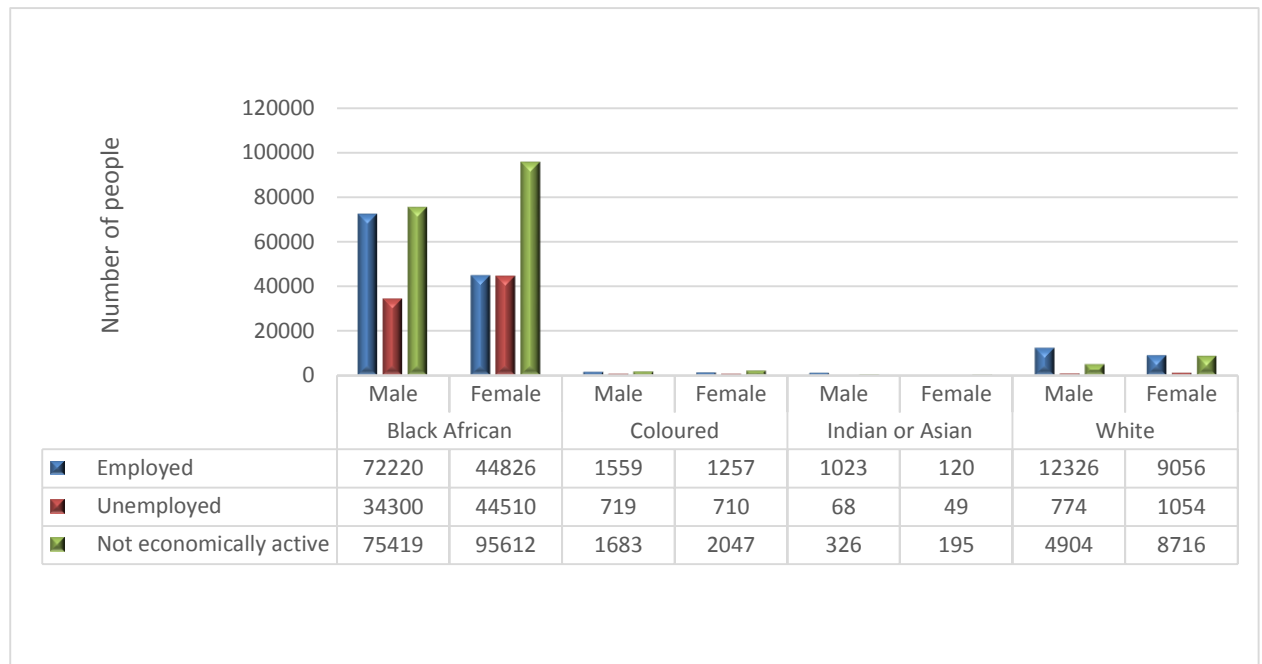
Figure 4.18: Male and Female Unemployment rate in Lejweleputswa (Official definition %)



Source: IHS Global Insight Regional Explorer, 2015

Figure 4.18 depicts a normal historical picture, where unemployment rate for men is lower than that of their female counter parts. The unemployment rate for females has fallen slightly during the 2008/09 recession to 37.7 percent from 41.3 percent in 2005. However, after 2009 the female unemployment increased again to 35.8 percent in 2014. The result could signal that females are easily discouraged during times of recession and after the recession they join the labour market again by seeking employment. Unemployment rate for men has remained lower than that of their female counter part for much of the period under review, starting from 22.0 percent in 2005 increasing to 35.8 percent in 2014. Generally, unemployment rate in Lejweleputswa has increased from 30.3 percent in 2005 to 40 percent in 2014, indicating an average growth of 5.6 percentage points for men and an average growth of 1.24 percentage points for females. The average growth simply indicates that unemployment among males is increasing at a faster pace than for females.

EMPLOYMENT STATUS BY POPULATION AND SEX OFFICIAL EMPLOYMENT STATUS BY POPULATION GROUP AND GENDER IN LEJWELEPUTSWA



Statssa: Census, 2011

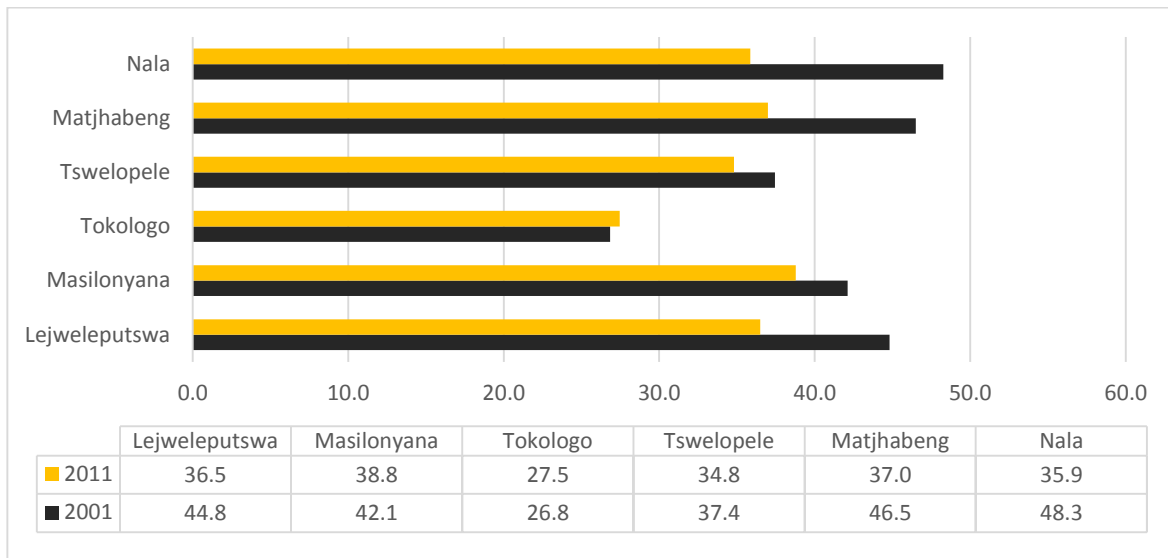
The table above depicts the official employment status by population group and gender in the Lejweleputswa District, with black African male being the highest with **72220** employed followed by African female at **44826**, and white males with **12326** employed, and white females at

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 prioritize youth and women when embarking on EPWP projects and SMME's development in an attempt to address youth and women unemployment.

Economic Performance

The Gross Value Added by Region (GVA-R) measures the difference between inputs into particular region's economy and the value of outputs (goods and services) in that region or sector.

Table 4.2: GVA-R. Contribution to total economic growth in Lejweleputswa (% point, Constant 2010 prices)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Agriculture	0.1%	-0.4%	0.0%	0.9%	-0.1%	0.0%	-0.5%	-0.1%	0.0%	0.2%
2 Mining	0.8%	-3.8%	-0.7%	-3.0%	-2.0%	0.9%	-1.3%	-2.2%	1.9%	-0.3%
3 Manufacturing	-0.2%	-0.4%	-0.1%	0.2%	-0.2%	0.0%	-0.4%	-0.5%	-0.1%	-0.1%
4 Electricity	0.0%	-0.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.0%
5 Construction	0.0%	-0.1%	0.2%	0.1%	0.2%	-0.2%	-0.1%	-0.1%	0.0%	0.0%
6 Trade	0.1%	-0.4%	0.2%	0.1%	-0.3%	-0.6%	-0.2%	-0.2%	-0.4%	0.0%
7 Transport	0.1%	-0.2%	0.2%	0.1%	0.0%	-0.3%	-0.2%	-0.4%	-0.2%	0.0%
8 Finance	-0.2%	-0.5%	-0.3%	0.1%	0.2%	-0.5%	-0.1%	-0.4%	-0.2%	0.0%
9 Community services	0.2%	-0.5%	0.3%	0.4%	0.1%	-0.6%	-0.4%	-0.8%	-0.2%	0.1%
Total Industries	0.9%	-6.5%	-0.2%	-1.1%	-2.3%	-1.3%	-3.2%	-4.8%	0.8%	0.0%

Taxes less Subsidies on products	0.3%	-0.6%	0.2%	-0.4%	0.3%	-0.4%	1.0%	-0.6%	0.0%	-0.1%
Total (Gross Domestic Product - GDP)	1.2%	-7.1%	0.0%	-1.5%	-2.0%	-1.7%	-2.2%	-5.4%	0.8%	-0.1%

Source: IHS Global Insight Regional eXplorer, 2015

The contribution of mining, which is the dominant sector, in Lejweleputswa district's economic growth has been on a declining trajectory in the review period of 2005 to 2014 according to table 4.1. Table 4.2 above illustrates that although mining has been on a downward trend, 2010 saw a 0.9 percentage point increase in its GVA-R, together with a 1.9 percentage point increase in 2013. Part of the 2013 growth in the mining sector was due to a favourable world commodity prices, which has recently been not very favourable according to the recent world statistics on commodity prices. On average total industries in Lejweleputswa are declining with the 2012 as the worst year with -4.8 percent decrease in total for all the industries. The contribution of community services sector' growth has declined from 0.2 percent in 2005 to 0.1 percent in 2014, indicating a general decline in the activities of the sector. The decline of community services sector could be as a result of recent policy shift to "austerity measures" of trying to reduce government wage bill. The GDP growth in Lejweleputswa is also hovering in recession for most of the review period except for 2013, with a 0.8 percent recovery.

THE “DISTRICT RURAL DEVELOPMENT PLAN” and the “DISTRICT RURAL DEVELOPMENT IMPLEMENTATION PLAN” as developed by the DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM AND THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT HAS BEEN CONSIDERED AND SERVES THIS IDP AS A SEPARATE RURAL DEVELOPMENT SECTOR PLAN FOR OUR MUNICIPALITY.

OBJECTIVES, STRATEGIES AND PROJECTS

Key Performance Area 1 :Municipal Transformation and Organizational Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Year Plan	Year 2 2018 – 19	Department
1.1	Portfolio committee meetings	To adhere to all administrative responsibilities	Develop and distribute 4 signed portfolio committee agendas and minutes	4 Portfolio committee meetings by 30 June 2019.	1.1.a. Number of signed portfolio committee agendas and minutes developed and distributed by 30 June 2019.	Portfolio committee meetings		20 Portfolio committee meetings by 30 June 2022.	4	
1.2	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit		8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2	

		of MFMA & other relevant legislation in order to achieve a clean audit.	regulations and prescribed accounting norms and standards							
1.3	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers	4 quarterly risk assessment performed by 30 June 2019	Number of quarterly risk assessment performed by 30 June 2019	Risk Management		16 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4	
1.4	MAYCO meetings	To adhere to all administrative responsibilities	Develop and distribute all signed MAYCO agendas and minutes	4 MAYCO meetings by 30 June 2019.	Number signed MAYCO agendas and minutes by 30 June 2019.	MAYCO meetings		20 MAYCO meetings by 30 June 2022.	4	
1.5	Council meetings	To adhere to all administrative responsibilities	Develop and distribute signed council agendas and minutes	4 Council meetings by 30 June 2019.	Number of signed council agendas and minutes by 30 June 2019.	Council meetings		20 Council meetings by 30 June 2022.	4	
1.6	Local Labour Forum	To ensure functional LLF in order to promote sound labour relations in the workplace	Ensure compliance with Collective Agreements, Basic Conditions of Employment Act, Labour Relations and & institutional policies pertaining to labour relations.	Convene 4 quarterly LLF meetings by 30 June 2019 for the promotion of sound labour relations in the workplace.	Number of LFF meetings convened towards the promotion of sound labour relations in the workplace by 30 June 2019.	LLF meetings		20 Quarterly LLF meetings by 30 June 2022 for the promotion of sound labour relations in the workplace.	4	
1.7	External student assistance programme	Roll out support to indigent students with bursaries to register and attend tertiary	Allocate bursaries to deserving students in the district	Provided bursary opportunities to 10 deserving students in the district by 31 January 2019.	Number of deserving students provided with bursary opportunities by 31 January 2019.	Student Bursaries	1 50 0000	Provided bursary opportunities to 50 deserving students in the district by 31 January 2022.	10	

		institutions in pursuit of post matric qualifications								
1.8	Experiential training	To give experiential training to students at tertiary institutions to complete their qualifications.	Intake of students within the district for experiential training.	Register 10 students within the district for experiential training by 31 January 2019	Number of student's successfully enrolled for experiential training by 30 June 2019.	Experiential training	250 000	Register 50 students within the district for experiential training by 31 January 2022.	10	
1.9	Workplace Skills Plan (WSP) And Annual Training Report (ATR)	To upgrade the skills of the staff members	Compile a WSP and ATR for submission to LG SETA	Submit Workplace Skills Plan (WSP), Annual Training Report (ATR), and Professional, Vocational, Technical & Academic Learning (PIVOTAL) Report for 2017/18 financial years to LGSETA by 30 April 2019.		WSP and ATR		Prepare & submit 5 Workplace Skills Plan (WSP), Annual Training Report (ATR), and Professional, Vocational, Technical & Academic Learning (PIVOTAL) Report for 2017/18 to 2022 financial years to LGSETA by 30 April 2022.	1	
1.10	Workplace Skills Plan (WSP)	To upgrade the skills of the staff members	Enroll employees of the municipality with accredited institutions of higher learning to improve their skills in a form of short courses	10 employees enrolled with accredited institution	Number of employees enrolled with accredited institutions	Short Courses for the employees of the municipality (WSP)	100 000	Upgrading of skills of 50 employees on short courses during 2017/18 to 2022 financial year.	10	
1.11	Study Assistance for employees	To roll out support to staff members to further their qualifications.	Provide financial assistance to deserving staff members of the LDM	Provide financial assistance to at least 5 employees in a form of internal bursary to	Number of LDM employees provided with internal bursaries to further their studies.	Financial assistance for furthering educational studies.	300 000	Provide financial assistance to at least 25 employees in a form of internal bursary to deserving	5	

			to further their studies	deserving employees of the LDM by 31 March 2019.				employees of the LDM by 31 March 2022.		
1.12	Employee Wellness Programme Employee Assistance Programme	Conduct employee wellness programs	Facilitate employee's wellness programs for the LDM.	Prepare an annual employee-wellness programme for 2018/19 financial years by 1 July 2019, prepare and present 4 quarterly reports in relation thereto to senior management meeting by 30 June 2019	An annual employee-wellness programme and number of quarterly report in relation thereto prepared and presented to senior management meeting by 30 June 2019.	Employee wellness	100 000	Prepare an annual employee-wellness programme for 2017/18 to 2022 financial years by 1 July 2022, prepare and present 20 quarterly reports in relation thereto to senior management meeting by 30 June 2022	4	
1.13	Employment Equity	To ensure that the municipality achieves reasonable progress towards employment equity in the workplace, develop and submit Employment Equity report to the Department of Labour	Develop Yearly Employment Equity Plan for LDM and submit reports to the Department of Labour.	Develop Yearly Employment Equity Plan for the LDM and submit reports to the Department of Labour by 30 June 2019.	A. Date of submission of the Yearly Employment Equity Plan for the LDM and B. Number of employment equity reports submitted to the Department of Labour by 30 June 2019.	Employment Equity Report		Develop and review 1 Five Year Employment Equity Plan for the LDM by 30 June 2022 and	1	
								submit 5 reports to the Department of Labour by 30 June 2022.	1	

1.14	Security Management	Create an environment to improve safety of public members, councillors, staff and assets including Disaster Management Centre	Prepare consolidated security access reports of all municipal entrances and develop security management plan for the LDM	Prepare 12 monthly security assessment and / or incidents reports regarding potential security threats to the municipality, employees, information and other interest of the municipality and develop Security Management Plan for the LDM by 30 June 2019.	Number of monthly security assessment and / or incidents reports regarding potential security threats to the municipality, employees, information and other interest of the municipality and Develop Security Management Plan for the LDM by 30 June 2019.	Security Management		Prepare 60 monthly security assessment and / or incidents reports regarding potential security threats to the municipality, employees, information and other interest of the municipality and develop Security Management Plan for the LDM by 30 June 2022.	12	
1.15	Policy Development	To ensure compliance to legislation and municipal systems	Development and review of institutional policies	Develop and review 8 institutional policies for Council approval by 30 June 2019.	Number of Institutional policies approved by Council by 30 June 2019.	Institutional policies		Prepare Institutional policies and reviewed approved by Council by 30 June 2022.	8	
1.16	Improve administrative and financial capability of the municipality	To ensure inclusive and continuous strategic alignment of departmental plans and goals	Convene 12 departmental meeting by the 30 June 2019	12 reports and attendance registers	12 departmental meetings convened by 30 June 2019	Administrative and financial capability		Convene 48 departmental meeting by the 30 June 2022	12	
1.17	Improve employee workshops as municipal stakeholders	To ensure employees are kept informed about institutional policies, legislation and systems affecting the workplace for compliance thereto	Convene 4 employee workshops by 30 June 2019	4 reports and attendance registers of the workshops conducted	Convene 4 employee workshops by 30 June 2019	Employee workshops		Convene 20 employee workshops by 30 June 2022	4	

1.18	Occupational health and safety (OHS)	To ensure that all employee related accidents are reported and inspections conducted within the workplace	Submit 4 quarterly reports on any incidents and inspections	4 quarterly reports on incidents and inspections by 30 June 2019	Number of reports on incidents and inspections	Occupational health and safety (OHS)		16 Reports of Occupational health and safety incidents of employees within the workplace as well as inspections by June 2022	4	
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Key Performance Area 2: Basic Service Delivery And Infrastructure Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Year Planq	Year 2 2018 - 19
2.1	Portfolio committee meetings	To ensure that Basic Service Delivery Portfolio management meetings are held.	Development of items and submit to cooperate services for consideration.	4 Portfolio committee meetings by 30 June 2019.	Number of signed portfolio committee agendas and minutes developed by 30 June 2019.	Portfolio committee meetings		20 Portfolio committee meetings by 30 June 2022.	4
2.2	Refurbishment of municipal Building	To ensure that Municipal Building is refurbished	Refurbishment of Municipal Building	Refurbished Municipal Building by 30 June 2019	Number of Municipal Building refurbished by 30 June 2019	Municipal Building Refurbishment		1 Municipal Building refurbished by 30 June 2022	1
2.3	Paving of Roads	To ensure that Local Municipality' s roads are Upgraded	Paving of Roads in Local Municipalities A.VerkeerdeVlei B.Tokologo	Paving of Roads in two local municipalities by 30 June 2019	Number of roads Paved by 30 June 2019	Paving of Roads A.VerkeerdeVlei B.Tokologo	1500 000 1000 000	5 Roads paved by 30 June 2022	2
	Reduction of water loss	To ensure reduction of water losses in Tswelopele local municipality	Reduction of water loss in Tswelopele Local municipality	Reduction of water loss in local municipality by 30 June 2019	Number of water loss reduction by30 June 2019	Reduction of Water losses in Tswelopele Local Municipality	1000 000	1 Reduction of water loss in Local Municipality by 30 June 2022	1

2.4	Infrastructure Development	To assessment of road infrastructure in the District	By conducting road infrastructure assessments	Roads infrastructure reports by 30 June 2019.	Number of roads assessments reports by 30 June 2019.	Road infrastructure Assessment	2 281 000	1 District Road infrastructure assessment report by 30 June 2022.	1	
2.5	EPWP	To facilitate the creation of temporary jobs for disadvantaged youth, women and people with disabilities	Create temporary jobs for 80 unemployed youth, women and people with disability	Employ 80 (youth, women and people with disability) on a temporary basis by 30 June 2019.	Number of jobs created by June 2019.	EPWP	1 000 000	Employ 80 (youth, women and people with disability) by 30 June 2022.	80	
2.6	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit		8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2	
2.7	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk treatment plans by departments	4 quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Number of quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Risk Management		20 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	12	

2.8	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the district so as to ensure fair and equitable health services within the district.	4 quarterly Water Quality reports indicating the status of water in various towns across the 5 local municipalities in the district by 30 June 2019.	Number of quarterly Water Quality reports indicating the status of water in various towns across the 5 local municipalities in the district by 30 June 2019.	Water quality monitoring	100 000	20 quarterly Water Quality reports indicating the status of water in various towns across the 5 local municipalities in the district by 30 June 2022.	4	
2.8	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the district so as to ensure fair and equitable health services within the district.	4 quarterly reports indicating number of food selling outlets complying with relevant legislation by 30 June 2019.	Number of quarterly reports indicating the status of food selling outlets in compliance with relevant legislation by 30 June 2019.	Food quality monitoring	100 000	20 quarterly reports indicating number of food selling outlets complying with relevant legislation by 30 June 2022.	4	
2.10	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the district so as to ensure fair and equitable health services within the district.	4 quarterly reports indicating the status of food samples taken in various towns across the 5 Local Municipalities in the district by 30 June 2019.	Number of quarterly reports indicating thereof samples taken in various towns across the 5 Local Municipalities in the district by 30 June 2019.	Food sampling		20 quarterly reports indicating the status of food samples taken in various towns across the 5 Local Municipalities in the district by 30 June 2022.	4	
2.11	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources	4 Quarterly reports indicating awareness campaigns conducted in	Number of awareness campaigns conducted in respect of	Environmental health awareness campaign	15 000	20 Quarterly reports indicating awareness campaigns	4	

			across the district so as to ensure fair and equitable health services within the district.	respect of Municipal Health Services across 5 Local Municipalities in the district by 30 June 2019.	Municipal Health Services across 5 Local Municipalities in the district by 30 June 2019.			conducted in respect of Municipal Health Services across 5 Local Municipalities in the district by 30 June 2022.		
2.12	Environmental Management Service	To provide Municipal Environmental Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Air Quality Management resources across the district so as to ensure fair and equitable air quality management services within the district.	4 quarterly Air Quality Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2019.	Number of quarterly Air Quality Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2019.	Licenses issued and audited	90 000	20 quarterly Air Quality Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2022.	4	
2.13	Environmental Management Service	To provide Municipal Environmental Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the district so as to ensure fair and equitable health services within the district.	4 quarterly environmental services reports with specific focus on waste management activities performed in various areas across the 5 local municipalities in the district by 30 June 2019.	Number of quarterly environmental reports with specific focus on waste management activities performed in various areas across the 5 local municipalities in the district by 30 June 2019.	Waste management monitoring		20 quarterly environmental services reports with specific focus on waste management activities performed in various areas across the 5 local municipalities in the district by 30 June 2022.	4	

2.14	Environmental Management Service	To provide Municipal Environmental Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the district so as to ensure fair and equitable health services within the district.	4 quarterly reports on waste management awareness campaigns conducted in various areas across the 5 local municipalities in the district by 30 June 2019	Number of quarterly reports on waste management awareness campaigns conducted in various areas across the 5 local municipalities in the district by 30 June 2019.	Waste management campaigns		20 quarterly reports on waste management awareness campaigns conducted in various areas across the 5 local municipalities in the district by 30 June 2022.	4	
2.15	Exhumation	Ensure that exhumation processes are followed as per legislation	By conducting exhumation as per legislation	Reports on n Exhumation	No of reports by 30 June 2019	Exhumation		Reports on exhumation performed by 30 June 2022	0	

Disaster Management

2.16	Disaster Management	To ensure effective & efficient disaster management services in the district.	Ensure equitable allocation and distribution of Disaster Management resources across the district so as to ensure fair and equitable provision of services within the district.	4 quarterly Disaster Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2019.	Number of quarterly Disaster Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2019.	Disaster Management reports		20 quarterly Disaster Management reports indicating services rendered in various towns across the 5 local municipalities in the district by 30 June 2022.	4	
	Disaster Management Forum meetings	To promote and facilitate Intergovernmental	Facilitate compliance with the principles of co-operative	4 Disaster Management Forum meetings	Number of Disaster Management	Disaster Management Forum meetings		20 Disaster Management Forum meetings	4	

2.17		Relations amongst stakeholders in the district.	government and intergovernmental relations within the district.	held by 30 June 2019.	Forum meetings held by 30 June 2019.			held by 30 June 2022.		
2.18	Disaster Management	To ensure effective & efficient disaster management services in the district.	Ensure equitable allocation and distribution of Disaster Management resources across the district so as to ensure fair and equitable provision of services within the district.	Develop, review and implement disaster mitigation strategies; Contingency Plans; Evacuation Plans; and Draft a Relief Assistance Policy for Incidents by 30 June 2019.	Number of disaster mitigation strategies, contingency plans, and evacuation plan and relief assistance policy developed, reviewed and implemented by 30 June 2019.	Disaster Relief	60 000	Develop, review and implement disaster mitigation strategies; Contingency Plans; Evacuation Plans; and Draft a Relief Assistance Policy for Incidents by 30 June 2022.	1	
2.19	Disaster Management	To ensure effective & efficient disaster management services in the district.	Ensure equitable allocation and distribution of Disaster Management resources across the district so as to ensure fair and equitable provision of services within the district.	Conduct 12 monthly disaster awareness campaigns in schools and communities in conjunction with the 5 local municipalities in the district by 30 June 2019.	Number of monthly disaster awareness campaigns in schools and communities conducted in conjunction with the 5 local municipalities in the district by 30 June 2019.	Disaster awareness campaigns	10 000	Conduct 60 monthly disaster awareness campaigns in schools and communities in conjunction with the 5 local municipalities in the district by 30 June 2022.	12	
2.20	Disaster Management	To ensure effective & efficient disaster management services in the district.	Ensure equitable allocation and distribution of Disaster Management resources across the district so as to ensure fair and	Conduct 1 Disaster Management workshops for Councillors and Officials in conjunction with	Number of disaster management workshops for councillors and officials in conjunction with	Disaster awareness campaigns		Conduct 5 Disaster Management workshops for Councillors and Officials in conjunction with	1	

			equitable provision of services within the district.	SALGA and the Provincial Disaster Management Centre by 30 June 2019.	SALGA and Provincial Disaster Management Centre conducted by 30 June 2019.			SALGA and the Provincial Disaster Management Centre by 30 June 2022.		
2.21	Disaster Management	Ensure Attendance of Provincial Advisory Forum meetings.	Ensure Attendance of 4 Provincial Advisory forum Meetings	Attend 4 Provincial Advisory Forum meetings by 30 June 2019.	Number of Provincial Disaster Management Meetings attended by 30 June 2019	Advisory Forum meetings		20 Number of Provincial Disaster Management Meetings attended by 30 June 2022	4	
2.22	Disaster Management	Ensure an integrated, and multi-sectoral approach to Disaster Management in the District	Participate in Sector Departments' public awareness campaigns.	1 Disaster Relief Awareness by 30 June 2019.	Number of sector departments' public awareness campaigns attended by 30 June 2019.	Disaster Relief Awareness	23 050	5 Disaster Relief Awareness by 30 June 2022.	1	
2.23	Fire services	To ensure effective & efficient disaster management services in the district.	Ensure coordination of fire services throughout the District.	Conduct 4 quarterly fire safety awareness campaigns across 5 local municipalities in the district by 30 June 2019.	Number of quarterly fire safety awareness campaigns conducted across 5 local municipalities in the district by 30 June 2019.	Fire Safety awareness Campaigns.		Conduct 20 quarterly fire safety awareness campaigns across 5 local municipalities in the district by 30 June 2022.	4	
2.24	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk	4 quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans	Number of quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans	Risk Management		20 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans	12	

			treatment plans by departments	subsequently updated.	subsequently updated.			subsequently updated.		
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Key Performance Area 3: Local Economic Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Year Plan	Year 2 2018 – 19
3.1	Portfolio committee meetings	To ensure that LED Portfolio management meetings are held.	Development of items and submit to cooperate services for consideration.	4 Portfolio committee meetings by 30 June 2019.	Number of signed portfolio committee agendas and minutes developed by 30 June 2019.	Portfolio committee meetings		20 Portfolio committee meetings by 30 June 2022.	4
3.2	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit		8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2
3.3	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk treatment plans by departments	4 quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Number of quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Risk Management		20 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	

3.4	Local Economic Development	Facilitate Economic Development and business support	Strengthen agricultural knowledge and skills	2 Entrepreneurial focused training and development by 30 June 2019.	Number of capacity entrepreneurial training and development by 30 June 2019.	Entrepreneurial training and development	100 000	5 Entrepreneurial focused training and development by 30 June 2022.	2	
3.5	Local Economic Development	Facilitate Economic Development and business support	Support Cooperative Enterprise Development	2 Cooperative Enterprise Development by June 2019.	Number of Cooperatives supported by 30 June 2019.	Cooperative Enterprise Development	200 000	10 Cooperative Enterprise Development by June 2022.	2	
3.6	Local Economic Development	Facilitate Economic Development and business support	Youth Development Support	1 Youth Enterprise Development by 30 June 2019.	Number of Youth enterprise Development Projects by June 2019.	Youth enterprise Development	100 000	5 Youth Enterprise Development by 30 June 2022.	1	
3.7	Local Economic Development	Facilitate Economic Development and business support	Develop the LDM SDBIP Implementation Plan	LED SDBIP Implementation Plan by 30 June 2019.	Number of Developed LED SDBIP plan by 30 June 2019.	LED SDBIP Implementation Plan		5 LED SDBIP Implementation Plan by 30 June 2022.	1	
3.8	Local Economic Development	Facilitate Economic Development and business support	Strengthen LED Stakeholder Collaboration	2 LED Business Forum by 30 June 2019.	Number of LED Business Forum by 30 June 2019.	LED Business Forum	50 000	10 LED Business Forum by 30 June 2022.	2	
3.9	Local Economic Development	Facilitate Economic Development and business support	SMME Development on BID	1 SMME Workshop On BID by 30 June 2019.	Number of SMME Bid Workshop by 30 June 2019.	SMME Bid Workshop	50 000	5 SMME Workshop On BID by 30 June 2022.	1	

	Local Economic Development	Facilitation SMME Exhibitions	SMME Development and support	3 SMME exhibitions facilitated	No of SMME exhibition reports	SMME Exhibition	100 000	12 SMME by 30 June 2022	3	
3.10	Local Economic Development	Facilitate Economic Development and business support	LED Database	1 Database updated by 30 June 2019.	Number of LDM LED Database updated by 30 June 2019.	LDM LED Database		5 Database updated by 30 June 2022.	1	
3.11	Tourism Development and Support	Support tourism development and growth	Develop District Tourism Strategy	1 Tourism Strategy by 30 June 2019.	Number of District Tourism strategy developed and adopted by 30 June 2019.	Tourism Strategy		5 Tourism Strategy by 30 June 2022.	1	
3.12	Tourism Development and Support	Support programme for tourism development and growth	Enhance Government capacity for tourism development	2 Tourism Awareness campaigns by 30 June 2019.	Number of tourism awareness campaigns undertaken 30 June 2019.	Tourism Awareness campaigns		10 Tourism Awareness campaigns by 30 June 2022.	2	
3.13	Tourism Development and Support	Support programme for tourism development and growth	Strengthen District tourism Forum	2 Districts tourism Forum by 30 June 2019.	Number of District Tourism Forum Meetings convened by 30 June 2019.	Districts tourism Forum		8 Districts Tourism Forum in the District by 30 June 2022.	2	
3.14	Tourism Development and Support	Support programme for tourism development and growth	Improve tourism marketing	1 Update tourism database by 30 June 2019.	Number of tourism database updated by 30 June 2019.	Tourism database updated		20 Update tourism database by 30 June 2022.	8	
3.15	Tourism Development and Support	Support programme for tourism development and growth	Improve tourism marketing	1 Phakisa Flower Tourism Festival event by 30 June 2019.	Number of Phakisa Tourism Events supported by 30 June 2019.	Phakisa Flower Tourism Events	51 000	5 Phakisa Tourism event by 30 June 2022.	1	

3.16	Tourism Development and Support	Support programme for tourism development and growth	Improve tourism marketing	1 Tourism Accommodation Brochures by 30 June 2019.	Number of Tourism Accommodation Brochures by 30 June 2019.	Tourism Accommodation Brochures		5 Tourism Accommodation Brochures by 30 June 2022.	1	
3.17	Tourism Development and Support	Support programme for tourism development and growth	Improve tourism marketing	1 Tourism Promotion by 30 June 2019.	Number of Durban Indaba Tourism Show Products assisted by 30 June 2019.	Durban Indaba Tourism Show		5 Tourism Promotion by 30 June 2022.	1	
3.18	Tourism Development and Support	Support programme for tourism development and growth	Improve tourism marketing	1 Tourism Promotion by 30 June 2019	Winnie Mandela House Project by 30 June 2019	Winnie Mandela House Project		1 Winnie Mandela House Project by 30 June 2022	1	

Key Performance Area 4: Financial Management and Viability

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Year Plan	Year 2 2018 - 19
4.1	Portfolio committee meetings	To ensure that Finance Portfolio management meetings are held.	Development of items and submit to cooperate services for consideration.	4 Portfolio committee meetings by 30 June 2019.	Number of signed portfolio committee agendas and minutes developed by 30 June 2019.	Portfolio committee meetings		20 Portfolio committee meetings by 30 June 2022.	4
4.2	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk treatment plans by departments	4 quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Number of quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Risk Management		20 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4
4.3	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit		8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2
4.4	Submission Performance Management reports	To ensure Performance Management Practice that reports timeously and	Development and submission of departmental Performance Reports Monthly.	12 Monthly Performance management Reports submitted	Number of Reports Developed and submitted on Time by 30 June	Performance reports		48 Performance Management reports submitted on time by 30 June 2022	12

4.5		Accurately on Municipal Objectives		on time by 30 June 2019						
4.6	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	100% cash-backed approved budget for 2018/19 financial year.	100% cash-backed approved budget for 2018/19 financial year	Funded Annual Budget		20 cash-backed approved budget for 2017/18 to 2022 financial year.	4	
4.7	Municipal Investments	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	12 Return on Investment report Submitted by 30 June 2019	Number of Investments reports developed and submitted on time	Investments reports		48 Investments reports developed and submitted by 30 June 2022	12	
4.8	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	4 Budget related policies reviewed, updated and approved by Council by 30 June 2019.	Number of Budget related policies reviewed, updated and approved by Council by 30 June 2019.	Funded Annual Budget		20 Budget related policies reviewed, updated and approved by Council by 30 June 2022.	4	
4.9	Implement financial control	To ensure financial management practices that enhances viability &	Plan, implement, monitor and report financial management activities in accordance with MFMA, its	4 quarterly reviews and updating of financial management related	Number of quarterly reviews and updating of financial management related	Internal Controls		20 quarterly reviews and updating of financial management related internal	4	

		compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	associated regulations and prescribed accounting norms and standards	internal controls based on the quarterly Internal Audit reports by 30 June 2019.	internal controls based on the quarterly Internal Audit reports by 30 June 2019.			controls based on the quarterly Internal Audit reports by 30 June 2022.		
4.10	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Suppliers and service providers paid within 30 days of receipt of valid invoice, with no disputed delivery of goods / services throughout 2018/19.	Number of days it takes to pay suppliers and service providers after receipt of valid invoice, with no disputed delivery of goods / services throughout 2018/19.	Internal Controls		Suppliers and service providers paid within 30 days of receipt of valid invoice, with no disputed delivery of goods / services throughout 2017/18 to 2022.	4	
4.11	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Prepare 4 reports on payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody Quarterly throughout 2018/19 financial years.	Number of reports on payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody Quarterly throughout 2018/19 financial year.	Internal Controls		Prepare 20 reports on payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody Quarterly throughout 2017/18 to 2022 financial years.	4	
4.12	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Prepare 4 reports on contracted services creditors on the system reconciled to supporting documentation Quarterly throughout 2018/19 financial years.	Number of reports on contracted services creditors on the system reconciled to supporting documentation quarterly throughout 2018/19 financial years.	Internal Controls		Prepare 20 reports on contracted services creditors on the system reconciled to supporting documentation Quarterly throughout 2017/18 to 2022 financial years.	4	

4.13	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June 2019.	Number of biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June 2019.	Internal Controls		10 biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June 2022.	2	
4.14	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Review and sign-off one (1) Audit File and Audit File schedule respectively for 2017/18 financial year that is compliant with Annexure A of MFMA Circular 50	Number of reviewed and signed-off audit file schedule and the actual Audit file for 2017/18 financial year that is compliant with Annexure A of MFMA Circular 50	Internal Controls		Review and sign-off five (5) Audit File and Audit File schedule respectively for 2016/17 to 2022 financial year that is compliant with Annexure A of MFMA Circular 50	1	
4.15	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2018/19 signed-off Annual Financial Statements prepared in accordance with the South African Standards of Generally Recognized Accounting Practices (GRAP) and section 122 of MFMA by 31 August 2019.	Auditor-General's Report on the 2017/18 Annual Financial Statements (AFS) with no paragraph relating to AFS not being compiled in accordance with GRAP and section 122 of MFMA.	Internal Controls		2016/17 to 2022 signed-off Annual Financial Statements prepared in accordance with the South African Standards of Generally Recognized Accounting Practices (GRAP) and section 122 of MFMA by 31 August 2022.	1	
4.16	Implement financial control	To ensure financial management practices that enhances viability & compliance with the	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and	Nil / Zero amount of unauthorized, irregular and fruitless & wasteful expenditure incurred	Amount of unauthorized, irregular and fruitless & wasteful expenditure incurred	Internal Controls		Nil / Zero amount of unauthorized, irregular and fruitless & wasteful expenditure incurred	4	

		requirements of MFMA & other relevant legislation in order to achieve a clean audit.	prescribed accounting norms and standards	due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2019.	due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2019.			due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2022.		
4.17	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	A) 12 signed-off monthly budget statement reports (Section 71 of MFMA), 4 quarterly financial reports B) (Section 52 (d) of the MFAMA) for 2018/19 produced and submitted to the Executive Mayor by 30 June 2019.	A) Number of signed-off monthly budget statement reports (Section 71 of MFMA), quarterly financial reports B) (Section 52 (d) of the MFAMA), for 2018/19 produced and submitted to the Executive by 30 June 2019.	Internal Controls		A) 60 signed-off monthly budget statement reports (Section 71 of MFMA), 20 quarterly financial reports B) (Section 52 (d) of the MFAMA) for 2017/18 to 2022 produced and submitted to the Executive Mayor by 30 June 2022.	12	4

4.18	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	12 signed-off monthly bank reconciliation statements of all bank accounts by 30 June 2019.	Number of signed-off monthly bank reconciliation statement of all bank accounts by 30 June 2019.	Internal Controls		60 signed-off monthly bank reconciliation statements of all bank accounts by 30 June 2022.	12	
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Information Technology

4.19	Render effective and efficient ICT services	To provide information through the available ICT platforms to the municipality and to improve the corporate image of the municipality	Ensure that the municipality's information is regularly updated on the municipality's website and other digital communication platforms of the municipality.	12 updates (i.e. 1 per month) of the municipality's website performed by 30 June 2019.	Number of updates of the municipality's website performed by 30 June 2019.	ICT Service		60 updates (i.e. 1 per month) of the municipality's website performed by 30 June 2022.	12
4.20	ICT Shared services	Make ICT accessible of to all residents of the District in an affordable manner	Provide ICT services throughout the District	Facilitate the development and upgrading of ICT services in local municipalities in the District by 30 June 2019.	Number of local municipalities assisted with the development and upgrading of ICT services by 30 June 2019.	ICT Shared services	External Funding	5 ICT reports from local municipalities to the District	1
4.21	Establishment of District Datacentre	Make ICT accessible of to all residents of the District in an affordable manner	Provide ICT services throughout the District	1 Establishment of ICT Datacentre for Lejweleputswa District by 30 June 2019.	Number of established ICT Center by 30 June 2019.	Establishment of District Datacentre	External Funding	1 Established Datacentre	1

Key performance Area 5: Good Governance and Public Participation

Municipal Manager's Office

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Years Plan	Year 2 2018 – 19	
5.1	Portfolio committee meetings	To ensure that IDP, Performance Portfolio management meetings are held.	Development of items and submit to cooperate services for consideration.	4 Portfolio committee meetings by 30 June 2019.	Number of signed portfolio committee agendas and minutes developed by 30 June 2019.	Portfolio committee meetings		20 Portfolio committee meetings by 30 June 2022.	4	
5.2	District IDP Managers Forums	To ensure development of legally compliant and credible IDPs in the district & local municipalities within the district	Ensure that the municipality's IDP is aligned with the IDPs of local municipalities within the district, and that all IDPs incorporate communities and stakeholders views and inputs and that they are prepared in accordance with the prescribed framework.	3 District IDP Managers Forums Meetings held by 30 June 2019.	Number of District IDP Managers Forums Meetings held by 30 June 2019.	District IDP Managers Forums		15 District IDP Managers Forums Meetings held by 30 June 2022.	3	
5.3	IDP Steering committee	To ensure development of legally compliant and credible IDPs in the district & local	Ensure that the municipality's IDP is aligned with the IDPs of local municipalities within the district, and that all IDPs incorporate	4 IDP Steering committee Meetings held by 30 June 2019.	Number of IDP Steering committee Meetings held by 30 June 2019.	IDP Steering committee		20 IDP Steering committee Meetings held by 30 June 2022.	4	

		municipalities within the district	communities and stakeholders views and inputs and that they are prepared in accordance with the prescribed framework.							
5.4	IDP Rep Forum	To ensure development of legally compliant and credible IDPs in the district & local municipalities within the district	Ensure that the municipality's IDP is aligned with the IDPs of local municipalities within the district, and that all IDPs incorporate communities and stakeholders views and inputs and that they are prepared in accordance with the prescribed framework.	2 IDP Rep Forum Meeting by 30 June 2019.	Number of IDP Rep Forum Meeting by 30 June 2019.	IDP Rep Forum		10 IDP Rep Forum Meeting by 30 June 2022.	2	
5.5	District IDP framework plan.	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 by 30 June 2019.	Number of framework plans reviewed by 30 June 2019	District IDP framework plan.		District IDP framework plan by 2022.	1	
5.6	District IDP process plan.	Ensure implementation of a District wide integrated planning process	Review and approve a district IDP process plan	1 District IDP process plan by 30 June 2018.	Number of process plans reviewed by 30 June 2019.	District IDP process plan.		30 District IDP process plan by 30 June 2022.	6	
5.7	Performance Management	To ensure Good Governance practices to ensure effective,	Fully comply with the provisions of the municipality's Performance Management System	Submit 1 SDBIP for the 2018/19 budget year and 5 Annual performance agreements for	A. Number of SDBIP submitted for the 2018/19 budget years and	Performance Management	100 000	A. Submit 5 SDBIP for the 2017/18 to 2022 budget year and	1	

		functioning municipality	from planning to reporting,	signature approval by council by 14 July 2019.					B. Number of annual performance agreements signed and approved by council by 14 July 2019.			B. 30 Signed Annual performance agreements approved by council by 14 July 2022.	5	
5.8	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit						8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2	
5.9	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers	4 quarterly risk assessment performed by 30 June 2019	Number of quarterly risk assessment performed by 30 June 2019	Risk Management						16 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4	

	Performance Management	To ensure Good Governance practices to ensure effective, functioning municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting,	4 quarterly performance assessment reports for 5 senior managers (including the Municipal Manager) concluded and signed-off not later than 30 days after the end of each quarter during 2018/19 and 1 annual performance report for 2017/18 signed-off and submitted to the Auditor-General by 31 August 2019.	<p>A. Number of quarterly performance assessment reports not later than 30 days after the end of each quarter and</p> <p>B. Number of annual performance reports by 31 August 2019 for 2017/18.</p>	Performance Management		<p>A. 20 quarterly performance assessment reports for 6 senior managers (including the Municipal Manager) concluded and signed-off not later than 30 days after the end of each quarter during 2017/18 to 2022 and</p> <p>B. 5 annual performance report for 2016/17 to 2022 signed-off and submitted to the Auditor-General by 31 August 2022.</p>	4	
5.10	Performance Management	To ensure good Governance practices and effective functional municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting	Signed-off Mid-term performance report approved by council for 2018/19	Number of Signed-off Mid-term performance report approved by council for 2018/19	Performance Management		Signed-off Mid-term performance report approved by council for 2018/19	1	

5.11	Performance Management	To ensure Good Governance practices to ensure effective, functioning municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting,	Submit 1 audited annual report for 2017/18 to Provincial Treasury, CoGTA and National Treasury by 31 January 2019.	Number of audited annual report for 2017/18 to submitted to Provincial Treasury, CoGTA and National Treasury by the end of 31 January 2019.	Performance Management		Submit 5 audited annual report for 2017/18 to 2021/22 to Provincial Treasury, CoGTA and National Treasury by 31 January 2022.	1	
5.12	Monitoring and evaluation	Ensure implementation of a single window of coordination in the district.	Conduct M & E site visits per year.	Conduct 2 M & E site visits per year by 30 June 2019.	Number of monitoring and evaluation site visits conducted per year by 30 June 2019.	Monitoring and evaluation		Conduct 10 M & E site visits per year by 30 June 2022.	2	
5.13	IGR Meetings	To promote and facilitate Intergovernmental Relations amongst stakeholders in the district.	Facilitate compliance with the principles of co-operative government and intergovernmental relations within the district.	IGR Meetings (Political, Technical, CFO, DCF, CSF) convened by 30 June 2019	Number of IGR meetings held by 30 June 2019.	IGR		10 Technical IGR meetings held by 30 June 2022.	2	
5.14	Internal Audit	To ensure oversight over the affairs of the municipality	Provide reasonable assurance as to the effectiveness of internal controls of the municipality through Internal Audit service	4 quarterly Internal Audit reports on the performance assessment of the effectiveness of the controls within the municipality submitted to the Audit –	Number of quarterly Internal Audit reports on the performance assessment of the effectiveness of the controls within the municipality submitted	Internal Audit		20 quarterly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality	4	

				Committee by 30 June 2019.	to the Audit –Committee by 30 June 2019.			submitted to the Audit – Committee by 30 June 2022.		
5.15	Internal Audit	To ensure oversight over the affairs of the municipality	Submit the quarterly internally audited performance reports and the annual report to the audit Committee & MPAC	4 quarterly performance reports and a draft annual report for 2018/19 internally audited and submitted to the Audit Committee & MPAC by 30 June 2019.	A. Number of quarterly performance report internally audited	Internal Audit		A. 20 quarterly performance reports and	4	
					B. and annual report submitted to the Audit Committee & MPAC by 30 June 2019.			B. 5 draft annual report for 2017/18 to 2022 internally audited and submitted to the Audit Committee & MPAC by 30 June 2022.		
5.16	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk treatment plans by departments	4 quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Number of quarterly risk assessment performed by 30 June 2019 and risk register and risk mitigation plans subsequently updated.	Risk Management		20 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4	
5.17	Internal audit	Facilitate achievement of a clean audit of	Conduct quarterly internal audits to	4 quarterly Internal Audit Reports and related Management	Number of quarterly Internal Audit Reports and related	Internal audit		20 quarterly Internal Audit Reports and	4	

		the municipality and its entity	ensure improvement of service delivery.	Action Plans with specific focus on Risk Management, Internal Controls, and Performance Management by 30 June 2019.	Management Action Plans with specific focus on Risk Management, Internal Controls, and Performance Management by 30 June 2019.			related Management Action Plans with specific focus on Risk Management, Internal Controls, and Performance Management by 30 June 2022.		
5.18	Internal audit	Improve administrative and financial capability of the municipality.	Establish and implement good governance practices in line with Treasury Regulations to ensure proper risk management, adequate internal controls for improved financial management, and improved overall organisational performance.	Post Audit Action Plan matters for 2017/18 relating to leadership, predetermined objectives and other matters addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/19 relating to leadership, predetermined objectives and other matters addressed by 30 June 2019.			5 Post Audit Action Plan matters for 2016/17 to 2022 relating to leadership, predetermined objectives and other matters addressed by 30 June 2022.	1	
5.19	Municipal signage and banners	Ensure effective branding of LDM activities	Procure signage and banners for a municipality	Municipal signage and banners procured by 30 June 2019.	Number of municipal signage and banners procured by 30 June 2019.	Municipal signage and banners	170 000	5 Municipal signage and banners procured by 30 June 2022.	1	
5.20		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 by 30 June 2019.	Number of Adverts in the Media by 30 June 2019.	Adverts in the Media	51 000	50 Adverts in various media sources by 30 June 2022.	10	

Office of the Speaker

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Years Plan	Year 2 2018 – 19	
5.21	Men's Forum	To enhance moral regeneration	Develop and implement annual community participation, and interaction program aimed at enhancing moral regeneration.	4 men's forum sessions convened by 30 June 2019.	Number of men's forum sessions convened by 30 June 2019.	Men's Forum	350 000	20 men's forum sessions convened by 30 June 2022.	4	
5.22	Ward competitions	To strengthen a meaningful community participation and interaction program.	Reward best performing ward committees in the district	Convene 1 ward committee award ceremony by 30 June 2019.	Number of ward committee competitions awards ceremony convened by 30 June 2019.	Ward competitions		5 ward committee competitions awards ceremonies convened by 30 June 2022.	1	
5.23	Councillor training programme	To upgrade the skills of councillors	Enroll LDM councillors with accredited institutions of higher learning for short courses to improve their skills.	Enroll 2 LDM councillors with accredited institutions of higher learning for a short course by 30 June 2019.	Number of LDM councillors enrolled with accredited institutions of higher learning for short courses by 30 June 2019.	Councillor training programme		Enroll 10 LDM councillors with accredited institutions of higher learning for a short course by 30 June 2022.	2	
5.24	Councillor training programme	To upgrade the skills of councilors	In-house short course training for LDM councillors	Train 36 LDM councillors by 30 June 2019	Number of LDM councillors trained in-house	Councillor training programme		8 Councillor training	2	

								programme by 30 June 2019		
5.25	Outreach programs	To facilitate the registration of citizens in conjunction with the department of Home Affairs	By convening unregistered citizens to outreach programmes in 5 local municipality.	5 Outreach programs by 30 June 2019.	Number of outreach programme coordinated by 30 June 2019.	Outreach programs		10 Outreach programs by 30 June 2022.	2	
5.26	Public Participation	Provide a platform for the promotion of stakeholder participation in municipal matters affecting community members	Convene 3 public participation meetings.	3 Public Participation meetings by 30 June 2019.	Number of Public participation meetings convened by 30 June 2019.	Public Participation		15 Public Participation meetings by 30 June 2022.	3	
5.27	MPAC Meetings	Provide a platform for the promotion of stakeholder participation	Convene 1 MPAC meetings per Local Municipality	5 MPAC Meetings convened by 30 June 2019.	Number of MPAC Meetings Convened by 30 June 2019.	MPAC meetings		25 Mpac Meetings Convened by 30 June 2022	5	
5.28	Speakers Forum	Provide platform of participation by all Speakers in the District.	Convene 4 Speakers forum a year	4 Speakers Forums Convened by 30 June 2019.	Number of Speakers Forums Convened by 30 June 2019.	Speakers Forums		20 Speakers Forum Convened by 30 June 2022	4	
5.29	Women caucus	Create a platform for women in local government	By convening women councillors in the District	4 women councillors meeting convened by 30 June 2019	Number of Women caucus meetings convened by 30 June 2019	Women Caucus		16 women caucus meetings convened by 30 June 2022	4	
5.30	Obtain clean audit	To ensure financial management	Plan, implement, monitor and report financial management	2 Post Audit Action Plan matters for	Post Audit Action Plan matters for 2017/18	Clean audit		8 Post Audit Action Plan matters for	2	

		practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2017/18 addressed by 30 June 2019.	addressed by 30 June 2019.			2017/18 to 2022 addressed by 30 June 2022.		
5.31	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers	4 quarterly risk assessment performed by 30 June 2019	Number of quarterly risk assessment performed by 30 June 2019	Risk Management		16 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4	

Office of the Executive Mayor

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	Key Performance Indicator	Unit of Measurement	Project Name	Budget	5 Year Plan	Year 2 2018 – 19	
5.32	Obtain clean audit	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Post Audit Action Plan matters for 2017/18 addressed by 30 June 2019.	Clean audit		8 Post Audit Action Plan matters for 2017/18 to 2022 addressed by 30 June 2022.	2	
5.33	Risk Management	To build a risk conscious culture within the organisation.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers	4 quarterly risk assessment performed by 30 June 2019	Number of quarterly risk assessment performed by 30 June 2019	Risk Management		16 quarterly risk assessment performed by 30 June 2022 and risk register and risk mitigation plans subsequently updated.	4	
5.34	Moral regeneration	To promote ethical behaviour & social values & principles enshrined in the	Engage communities through various special programs of the municipality in pursuance of	4 moral regeneration awareness campaigns in the district targeting, gangsterism and drug	Number of moral regeneration awareness campaigns in the district targeting learners, gangsterism and drug	Moral regeneration	225 000	20 moral regeneration awareness campaigns in the district	4	

		country's constitution among the communities within the district	promotion of ethical behaviour and values.	abuse learners by 30 June 2019.	abuse held by 30 June 2019.			targeting learners, gangsterism and drug abuse held by 30 June 2022.		
5.35	Gender, Disability, Elderly and Children's Programme	To strengthen a meaningful community participation and interaction program.	Develop and implement annual community participation and interaction program aimed at interacting with the community regarding various matters of local governance including public awareness campaigns, civic education about various programs that are initiated at other spheres of government.	Community awareness campaigns in the district targeting the interest of designated groups i.e. elderly, women, and people living with disabilities and children by 30 June 2019.	Number of community awareness campaigns in the district targeting the interest of designated groups i.e.	Targeted Campaign	39 000	Community awareness campaigns in the district targeting the interest of designated groups i.e. 5 elderly, 5 women, and 5 people living with disabilities and 5 children by 30 June 2022.	1	
					A. elderly,		50 000			
					B. Women,					
					C. People living with disabilities and					
				D. Children by 30 June 2019.		50 000		1		
5.36	Mandela day	To participate in the 67 minutes Mandela day in July.	Celebrate Mandela day	1 Mandela Day held by 30 June 2019	Number of Mandela day held by 30 June 2019	Mandela day	100 000	5 Mandela Day held by 30 June 2022.	1	

5.37	HIV & AIDS	To raise awareness towards the reduction in the prevalence of HIV/AIDS in the district	In collaboration with the District Department of Health profile HIV/AIDS awareness campaigns and promote regular HIV testing & disclosure amongst communities within the District.	4 HIV/AIDS awareness campaigns in the district targeting youth, men and women schools held by 30 June 2019.	Number of HIV/AIDS awareness campaigns in the district targeting youth, men, women and schools held by 30 June 2019.	HIV and AIDS awareness campaigns	25 000	20 HIV/AIDS awareness campaigns in the district targeting youth, men and women schools held by 30 June 2022.	4	
5.38	Functional District AIDS council	To promote functionality of DAC	Coordinate District Aids Council meetings	Coordinate 4 District Aids Council meetings by 30 June 2019	Number of DAC meetings coordinated by 30 June 2019	DAC	25 000	Coordinate 20 District Aids Council meetings by 30 June 2022.	4	
5.39	OR TAMBO GAMES	To plan, coordinate & support sports amongst the youth	Ensure exposure of youth to new opportunities in sports.	Host 1 annual OR Tambo Games by 30 June 2019.	Number of annual OR Tambo Games hosted by 30 June 2019.	OR TAMBO GAMES	633 810	Host 5 annual OR Tambo Games by 30 June 2022.	1	
5.40	Youth development	To ensure that the needs of young people are catered for	Organize youth activities in the District	Youth activities organized 30 June 2019	Number of youth development activities organized by June 2019	Youth development	254 736	5 Youth activities organized 30 June 2022.	1	
5.41	Grant -in -Aid	Create a conducive environment for the provision of aid during times of need to destitute families	Donate money to members of the communities during times of need to destitute families.	Assisting communities in times of need by 30 June 2019	Number of members given donation by 30 June 2019	Grant -in -Aid	189 000	Assisting 50 communities in times of need by 30 June 2022.	10	
5.42	National Campaign	Ensure coordination of all national and provincial	Organize freedom day celebration activity	Convene 1 freedom day celebration activity 30 June 2019	Number of freedom day celebration activity	Freedom day celebration	875 000	Convene 5 freedom day celebration	1	

		campaigns in the district.			convened by 30 June 2019			activity 30 June 2022.		
5.43	16 Days of activism in line with National Campaign	Ensure coordination of 16 days of activism against women and children abuse in the district	Raise awareness of 16 days of activism against women and children abuse	Convene one 16 days of activism against women and children abuse by 30 June 2019	Number of 16 days activism against women and children launched 30 June 2019	16 Days of activism		Convene five 16 days of activism against women and children abuse by 30 June 2022.	1	
5.44	Matric student motivation programme	To motivate matriculates to stay focused and study smart in order to pass with better symbols	Conduct motivational talk	Motivational talk by 30 June 2019	Number of motivational talks conducted by 30 June 2019	Matric student motivation	240 000	5 Motivational talk by 30 June 2022.	1	
5.45	Poverty Alleviation	To Address the plight of indigent households in our District	Coordinate two food Gardens in 2 Local Municipalities	2 Food Gardens Coordinated in 2 Local Municipalities by 30 June 2019.	Number of Food Gardens Coordinated in 2 Local Municipalities by 30 June 2019.	Poverty Alleviation	150 000	10 Food Gardens Coordinated in 5 Local Municipalities by 30 June 2022.	2	

EXPAND AND DIVERSIFY MANUFACTURING OPPORTUNITIES					
Competitively priced and widely available broadband	Establishing a national, regional and municipal fibre-optic network to provide the backbone for broadband access; driven by private investment, complemented by public funds required to meet social objectives	Invest in the growing petro-chemical industry and other knowledge-intensive manufacturing industries	Identify and research potential of downstream activities.	Develop new policy framework / strategy / plan for ICT, including an assessment of the role of state ICT infrastructure agencies and interventions	To improve access to telecommunication services within the district by 2018
CAPITALIZE ON TRANSPORT AND DISTRIBUTION OPPORTUNITIES					
The proportion of people who use public transport for regular commutes will expand significantly. By 2030, public transport will be user friendly, less environmentally damaging, cheaper and integrated or seamless.	Consolidate and selectively expand transport and logistics infrastructure, with key focus areas being:	Develop and maintain an efficient road, rail and public transport network.	Develop a provincial road network plan which defines an inter-regional strategic public transport network indicating primary and/or feeder/district routes.	Improve national transport planning to develop long-term plans for transport that synchronize with spatial planning and align infrastructure investment activities of provincial and local government and clearly communicates the state's transport vision to the private sector	To provide road infrastructure for the community of the LDM

SECTOR PROJECTS**DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM**

DISTRICT MUNICIPALITY	TOWN	PROJECT DESCRIPTION	DEPARTMENT	BUDGET
LEJWELEPUTSWA	Hennenman	Mohlomi Farming	REID	R740 000
	Bothaville	Mabaso Trust	REID	R669 300
	Bultfontein	Jika Project	REID	R400 000
	Bothaville	Tsoene D Project	REID	R1 110 200
	Odendaalsrus	Mechanization Project	REID	R1 000 000
	Bultfontein	Bityi Project	REID	R6 000 000
	Brandfort	Moderina RE/1116	RESTITUTION	R1 978 600
	Brandfort	Zoar No.1236	RESTITUTION	R1 026 204
	Odendaalsrus	Rothenburg No. 290	RESTITUTION	R1 910 955
	Wesselsbron	Construction of Wesselsbron Agri-hub Bulk Services ,Feed Mill/Pack house/Fodder Facility within Lejweleputswa	RID	R15 000 000
	Odendaalsrus	Construction of Odendaalsrus FPSU Bulk Services & Logistics centre & Fencing	RID	R1 539 855
	Odendaalsrus	PSP for the design & Construction monitoring of Odendaalsrus FPSU Bulk Services & Logistics centre	RID	R11 000 000
	Odendaalsrus	Melkkraal 458	SLA	R17 000 000

	Brandfort	Haagen' Stad: 665 ptn 0 & Langkuil:483	SLA	R 16 500 000
	Brandfort	Mooifontein:158 PTN3	SLA	R 11 000 000
	Bultfontein	Klipkuil No.374 ptn 0	SLA	R4 200 000
	Odendaalsrus	Rietspruit Portion 0	SLA	R 5 900 000
	Wesselsbron	Landdrost Robertson: 1170 Ptn 0	SLA	R 11 000 000
	Wesselsbron	Stillewoning No 259	SLA	R 18 000 000
	Winburg	Altena	SLA	R 4 000 000
	Odendaalsrus	Welkom Piggery	SLA	R 8 000 000
	Brandfort	Energy No.68, Annas Gift No.681, Bluegumvlei No.2248, Mielieland No.167, Dorasdeel No.375, Uitkyk No.1204, Schaapvlie No. 365 & PTN 1 of the Farm Graspan No. 553.(Going Concern)	SLA	R 48 000 000
	Dealesville	DWAALHOEK No.97	RECAP	R 2 218 750
	Verkeerdevlei	PANORAMA No.2038	RECAP	R 2 218 750
	Verkeerdevlei	Casino No.518/R	RECAP	R 2 218 750
	Theunissen	Dayton No. 560	Property Management	R 3 240 000
	Theunissen	Dayton No. 560	Property Management	R 3 240 000

DISTRICT MUNICIPALITY	TOWN	PROJECT DESCRIPTION	DEPARTMENT	BUDGET
Lejweleputswa	Odendaalsrus		DARD	R 550 000
	Welkom		DARD	R 82 500
	Welkom		DARD	R 110 000
	Wesselsbron		DARD	R 960 000
	Bothaville		DARD	R 960 000
	Odendaalsrus		DARD	R 570 000
	Wesselsbron		DARD	R 570 000
	Welkom		DARD	R 570 000
	Wesselsbron		DARD	R 570 000
	Wesselsbron		DARD	R 580 000
	Wesselsbron		DARD	R 580 000
	Hertzogville		DARD	R 580 000
	Brandfort		DARD	R 1 000 000
	Welkom		DARD	R 1 250 000
	Welkom		DARD	R 500 000
	Odendaalsrus		DARD	R 100 000
	Welkom		DARD	R 800 000
	Hertzogville		DARD	R 400 000
	Verkeerdevlei		DARD	R 1 600 000
	Welkom		DARD	R 500 000
	Welkom		DARD	R 100 000
	Welkom		DARD	R 100 000
	Dealesville		DARD	R 800 000

DISTRICT MUNICIPALITY	TOWN	PROJECT DESCRIPTION	DEPARTMENT	BUDGET
Lejweleputswa	Odendaalsrus	DEE-Y Dairy	CASP	R 550 000
	Welkom	Mohodung Corner	CASP	R 82 500
	Welkom	Bereng Agro- Processing	CASP	R 110 000
	Wesselsbron	Mphohadi	ILIMA	R 960 000
	Theunissen	Setshego	ILIMA	R 960 000
	Bothaville	Phuthumani	ILIMA	R 960 000
	Hennenman	Nakhooda	ILIMA	R 580 000
	Wesselsbron	Mokhachane CPA	ILIMA	R 580 000
	Welkom	Zeebruggie	ILIMA	R 580 000
	Wesselsbron	Moloi Trust	ILIMA	R 580 000
	Wesselsbron	Basotho Lechabile	ILIMA	R 580 000
	Wesselsbron	Mashiya	ILIMA	R 580 000
	Hertzogville	Rudie Job	ILIMA	R 580 000
	Soutpan	Moalusi	ILIMA	R 960 000
	Hoopstad	Pecan Nuts	ILIMA	R 1 000 000
	Welkom	Sandvet irrigation	ILIMA	R 1 250 000
	Welkom	Bereng Agro Processing	ILIMA	R 500 000
	Welkom	Brodie	ILIMA	R 800 000
	Hertzogville	Mothabane (Hertzogville)	ILIMA	R 400 000
	Verkeerdevelei	Balemi Cooperative	ILIMA	R 1 600 000
	Welkom	Thuswa/Machakela Feed grower Enterprise	ILIMA	R 500 000
	Welkom	Mohodu Mobile Butchery	ILIMA	R 100 000
	Odendaalsrus	Tsa Kasi Nursery	ILIMA	R 100 000
	Odendaalsrus/Welkom	Matjhabeng Commonage	ILIMA	R 100 000
	Dealesville	Masemola	ILIMA	R 800 000

WATER AND SANITATION INFRASTRUCTURE PROJECTS IN LEJWELEPUTSWA DISTRICT	
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG) 2018/19	
PROJECT NAME	LOCAL MUNICIPALITY
Tokoloko BWS Phase 2 of 2	Tokoloko
Tswelopele Bulk Water Supply Phase 2 of 2	Tswelopele
Masilonyana Bulk Water Supply Phase 2 of 2	Masilonyana
Matjhabeng WWTW	Matjhabeng
BUCKET ERADICATION	
Dealesville	Tokoloko
WATER SERVICES INFRASTRUCTURE GRANT	
<i>Theronia WWTW</i>	Matjhabeng
<i>Refurbishment of sewer pump station and placement of outfall sewer line in Winburg</i>	Masilonyana
<i>Upgrading of Internal Bulk Water Supply</i>	Tokoloko

2018/19									
No	Project Name	Start Date	End Date	Total Budget	Budget	30% Subcontracting	Jobs to be created	Current Status	Comments
2. EPWP									
1	Dealesville Transport Route	01-Apr-18	30-Sept-18	30000000	10000000	N/A	106	Design Stage	Massification
2018/19									
NO	PROJECT NAME	START DATE	END DATE	TOTAL BUDGET	BUDGET	30% Subcontracting	Jobs to be created	Current Status	Comments
No.2	Phakisa Race track	01-Apr-18	31-March	13000000	3248000	N/A	0	Design Stage	Massification
MAINTANANCE									
6	P62/1 Bultfontein- Wesselsbron	15-Oct-19	31-Mar-19	10 1000000	50000000	10949	177	Ongoing	Contractor on site
7	P39/1 Bultfontein-Welkom	01-Apr-17	30-Oct-18	97 000000	50 000 000	10 949	177	Ongoing	Contractor on site
8	P33/2 Bothaville- Viljoenskroon	01-Sept-17	30-Oct-19	169 000 000	70 000 000	15 328	248	Ongoing	Contractor on site
9	P14/2 Wesselsbron- Hoopstad	01-July-17	31-Aug-19	198 000 000	70 018 000	15 332	248	Ongoing	Contractor on site
10	Re-Gravelling Lejweleputswa	01-Apr-16	31-Mar-19	162 000 000	20 000 000	N/A	10	Ongoing	Contractor on site

POLICE, ROADS AND TRANSPORT PROJECTS FOR 2018/19

DEPARTMENT OF HEALTH PROJECTS									
Province	Facility name	District name	Project name	Delivery mechanism (procurement strategy: individual or packaged project)	Projects activities (all activities to be performed under this project should be listed)	No. of beds	Funding source	Construction start- date	Construction end-date
5. Free State	Rheederspark Clinic	Lejweleputswa (Welkom)	Construction of RheedersparkClinic	Individual Project	Construction of Rheederspark Clinic		HFRG	01 April 2017	31 March 2020
6. Free State	Riebeeckstad/Thandanani Clinic	Lejweleputswa (Welkom)	Construction of Riebeeckstad/Thandanani Clinic	Individual Project	Construction of Riebeeckstad/Thandanani Clinic		HFRG	01 April 2016	31 March 2019
8. Free State	Welkom EMS Station	Lejweleputswa (Welkom)	Construction of EMS Station: Welkom	Individual Project	Construction of EMS Station: Welkom		HFRG	01 April 2017	31 March 2018
16. Free State	Welkom Mortuary	Lejweleputswa (Welkom)	Construction of Welkom Mortuary	Individual Project	Construction of Welkom Mortuary		HFRG	01 April 2017	31 March 2020
Free State	Various Facilities Refurbishment of Clinics:	Lejweleputswa		Packaged Program	Refurbishment of Clinics: Lejweleputswa		HFRG	01 April 2018	31 March 2019
Free State	Thabong Clinic	Refurbishment of Thabong Clinic	Refurbishment of the entire clinic	Packaged Program	1. Treatment room, Multipurpose meeting room , Staff tea room with kitchenette, Medicine collection kiosk (CCMDD), Laundry, Dirty utility room , b. Disabled parking, a.		HFRG		

					Domestic/general waste area, b. Medical/bio-hazardous waste area, Garden store room , Drying area (for mops etc.), 2. Refurbishment of the entire clinic				
30. Free State	Winburg Clinic		Refurbishment of Winburg Clinic	Packaged Program	Medicine collection kiosk (CCMDD),		HFRG		
Free State	Various Facilities		Refurbishment of Clinics: Lejweleputswa	Packaged Program	Refurbishment of Clinics: Lejweleputswa		HFRG	01 April 2018	31 March 2019
31. Free State	Tshepong (Verkeerdevlei) Clinic		Refurbishment of Tshepong Clinic in Verkeerdevlei	Packaged Program	a. staff parking, b. Disabled parking, c. Ambulance parking, b. Medical/bio-hazardous waste area,		HFRG		
33. Free State	Tshepong (Welkom) Clinic		Refurbishment of Tshepong Clinic	Packaged Program	Main waiting area, Help desk/ Reception/ patient registration, Toilets, a. staff parking, b. Disabled parking, c. Ambulance parking, a. Domestic/general waste area, b. Medical/bio-hazardous waste area, Garden store room , Drying area (for mops etc.), 2. Refurbishment of entire clinic		HFRG		
90. Free State	Bongani Hospital		Refurbishment of Bongani Dr's Residence	Individual Project	Refurbishment Bongani Dr's Res		HFRG	01 March 2018	30 August 2019

Free State	Various Facilities		Maintenance District Hospitals Lejweleputswa District	Packaged Program			HFRG		
102. Free State	Bongani Hospital		Maintenance of Bongani Hospital	Individual Project	Maintenance of Bongani Hospital		HFRG		

In-House Projects Implemented by Education			
Name of school	Project type	District	Town
Tshedisehang	Nutrition Centre	Lejweleputswa	Bothaville
Icoseng E50	Nutrition Centre	Lejweleputswa	Odendaalsrus
Ikaheng E50	Nutrition Centre	Lejweleputswa	Virginia
Qwabi E 49	Nutrition Centre	Lejweleputswa	Hennenman
TS Matlaletsa E50	Nutrition Centre	Lejweleputswa	Odendaalsrus
Theunissen	Refurbishment/Renovation of hostel	Lejweleputswa	Theunissen

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

Project/Programme	Description of the Projects	R'000	Town	District	Jobs anticipated to be created	F	Y	D	Township economy	RET
Sandveld Resort	Upgrade to sewerage system	R3m	Hoopstad	Lejweleputswa	5	F60%	Y50%	1%	Y	Y
Sandveld Resort	Upgrade to existing water reticulation system	R3m	Hoopstad	Lejweleputswa	5	F60%	Y50%	1%	Y	Y
Sandveld Resort	Construction of swimming pools and children's play park	R2m	Hoopstad	Lejweleputswa	5	F60%	Y50%	1%	Y	Y
Sandveld Resort	Refurbishment of Chalets, Hall and Caravan park	R1m	Hoopstad	Lejweleputswa	5	F60%	Y50%	1%	Y	Y
All Resorts	Upgrade, refurbishment and construction of staff housing	R4M	Various towns	Various Districts	10	F60%	Y50%	1%	Y	Y

Project/Programme	Description of the Projects	R'000	Town	District	Jobs anticipated to be created	F	Y	D	Township economy	RET
Radical Economic Transformation	Opportunities created for small business to benefit in the mainstream economy	R16,068	Various towns	Various Districts	100	F60%	Y50%	1%	Y	Y
Free State Black Business Chamber	Support of different business chambers in the Province	R2,000	Various towns	Various Districts	10	F60%	Y50%	1%	Y	Y
Cleaning of Dams and rivers	Cleaning of dams	R6m	Around the Province	Various Districts	10	F60%	Y50%	1%	Y	Y
Fences	Upgrading of fences and holding pens	R3M	Around the Province	Various Districts	15	F60%	Y50%	1%	Y	Y
General maintenance	General maintenance, refurbishments and upgrades of resorts/reserves	R3.8M	Around the Province	Various Districts	15	F60%	Y50%	1%	Y	Y

Small Business Development	Enterprises support	R12,779	Various towns	Various Districts	110	F60%	Y50%	1%	Y	Y
Review of Free State Province Environment outlook report	Assessment of Ecosystem for informed developments and decision making	R0,400	Various towns	Various Districts	5	F60%	Y50%	1%	Y	Y

FINANCIAL PLAN

What is a financial plan and what information must be contained in such a plan? Is this an action plan?

A financial plan is the organisation of financial data for the purpose of developing a strategic plan to constructively manage revenue, expenditure, assets, liabilities to meet short, medium and long term goals and objectives. It's essentially a tool used by municipalities to influence the contents of the IDP.

It consists of three areas:

- Projects to be undertaken
- Time frames for which the projects must be implemented
- Sources of funding for the projects

1. Auditor General Findings, issues raised in the report if any. Is this the Auditor Action Plan?

- For the audit period of 2016/2017 the Auditor General raised the following matters to be address through the Audit Action Plan
 - Implementation Plan of the HR Plan
 - Financial and Performance management: delegation of powers according to the approved organisational structure
 - Misstatements in the Annual Financial Statement
 - Irregular Expenditure as a result of SCM Procedures

2. Financial Management systems. Provide a summary of all financial management systems, including billing systems etc.

- Lejweleputswa District Municipality currently uses a system called SAMRAS provided by Bytes Universal Systems for all its transactions: HR, payments and issuing of orders etc. which is also mSCOA compliant

3. To develop and implement appropriate financial management policies, procedures and systems

Finance currently has the following policies adopted and implemented

- Supply Chain Management Standard Operating Procedure
- Credit Control and Debt Collection Policy
- Cash Management and Investment policy
- Budget Policy

- Asset Management Policy
- 4. Revenue Collection and expenditure
 - Unlike local municipalities the District does not have any revenue collection, the institution receives grants from treasury.

Lejweleputswa District Municipality MTREF Budget 2018/2019 to 2020/2021 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

31 May 2018

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Annexure 2	Budget Item
Annexure 3	Budget Policy
Annexure 4	Cash Management and Investment Policy
Annexure 5	Credit Control and Debt Collection Policy
Annexure 6	Supply Chain Management Policy
Annexure 7	MFMA Circular no. 89
Annexure 8	MFMA Circular no. 91

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 Recognized 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 31st May 2018 the Council of Lejweleputswa District Municipality had a meeting to approve the annual budget for the year 2018/2019. The following resolutions are contained in item to the agenda of the Council meeting held on 31st May 2018:

- (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 2018/19 and indicative outer years 2019/20 and 2020/21 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 2018/19 – 2020/21 as outlined in the budget regulations be submitted to National and Provincial government or organ of state after approval by Council.

1.3 Budget 2017/18 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2017/18.

	Original Budget 2017/18	Revised Budget 2017/18	Difference
Operating Expenditure	122,597,500	125,075,929	2,478,429
Capital Expenditure	3,250,000	4,745,000	1,497,000
Total Income	125,847,500	123,932,000	3,973,429

The 2017/18 adjustment budget was taken into account in the preparation of the 2018/19 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;
- Weaker outlook as a result of lower commodity prices, higher borrowings costs, drought and diminished business and consumer confidence;
- Persistent high unemployment remains one of our most pressing challenges;
- 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;

These circumstances make it essential for the municipality to reprioritize expenditure and implement stringent cost-containment measures.

MFMA Circulars

National Treasury sent out MFMA Circular No. 89 on 08 December 2017 and was followed by Circular No. 91 on 07 March 2018 providing guidance to municipalities on their 2018/19 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular No. 89 and 91 remind us of the key focus areas for the 2018/2019 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 67, 67, 70, 72,74 and 75. 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.

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 and to ensure that the budget is funded.

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 2018/19 MTREF

This section provides an overview of the Lejweleputswa District Municipality’s 2018/19 to 2020/21 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. 91, the following headline macro-economic forecasts must be taken into consideration when preparing 2018/19 MTREF municipal budgets:

Fiscal Year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast	Forecast	Forecast
CPI Inflation	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

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Source: Budget Review 2018

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 31 August 2017.

A budget Committee was established to examine, review and prioritize budget proposals from departments.

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 Overview of the 2018/2019 MTREF

AGGREGATE TOTAL		
DETAILS	REVISED BUDGET 2017/18	FINAL BUDGET 2018/19
TOTAL OPERATING INCOME	123,932,000	128,610,000
TOTAL OPERATING EXPENDITURE	125,075,929	136,743,250
CAPITAL EXPENDITURE	3,250,000	4,745,000
SURPLUS/(DEFICIT)	(5,888,929)	(12,878,250)

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. 89 & 91

Table 2 Summary of Revenue Classes by Main Revenues Sources

DETAILS	REVISED BUDGET 2017/18	FINAL BUDGET 2018/19
INTEREST EARNED	3,434,000	3,015,000
OPERATING GRANTS & SUBSIDIES	119,998,000	125,445,000
OTHER INCOME	500,000	250,000
TOTAL INCOME	123,932,000	128,710,000

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			
	2018/19	2019/20	2020/21	
	R'000	R'000	R'000	
Equitable Share	33,706	37,423	40,343	
Transitional Grant	87,458	90,029	92,463	
Local Government Financial Management Grant	1,000	1,000	1,000	
Municipal Systems Improvement Grant	0	0	0	
Rural Roads Asset Management Systems Grant	2,281	2,415	2,556	
Expanded Public Works Programme Integrated Grant	1,000	0	0	
TOTAL INCOME	125,445	130,867	136,362	

1.7 – Operating Expenditure Framework

The expenditure framework for the 2018/19 budget and MTREF is informed by the National Treasury's guidelines and the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- Strict adherences to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The operating expenditure increased from R129.8 million (2017/18) to 141,488,250 in (2018/19).

The following table is a summary of the 2018/19 MTREF (classified by main expenditure by category):

Table 13: Summary of operating expenditure by category

EXPENDITURE ALLOCATION BY CATEGORY 2018/2019		
DETAILS	Revised Budget 2017/2018	FINAL Budget 2018/2019
Contracted Services	10,852,413	9,566,577
Employee Related Cost	73,687,782	83,176,738

Interest, Dividends and Rent o	998,952	762,707
Inventory Consumed	140,940	141,043
Remuneration of Councillors	8,199,627	8,608,642
Operating Leases	811,569	1,523,941
Operational Cost	15,587,482	14,494,209
Acquisitions	4,745,000	4,745,000
Depreciation	7,521,164	5,201,088
Transfers and Subsidies	7,276,000	13,131,697
Total Amount	129,820,929	141,351,643

- Provision for depreciation and asset impairment is informed by the municipality's asset management policy.
- The provision of debt impairment was determined based on the debt-write off policy of the municipality.
- General expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. This makes up 10% of operating expenditure.

The following pie chart gives a breakdown of the main expenditure categories for the 2018/19 financial year.

OPERATING EXPENDITURE 2018/2019

**Operating Expenditure by Department
SUMMARY OF EXPENDITURE BY DEPARTMENT 2018/19**

DEPARTMENT	ORIGINAL BUDGET 2017/2018	REVISED BUDGET 2017/2018	BUDGET 2018/2019
EXECUTIVE MAYOR	10,792,274	10,845,155	10,992,247
SPEAKER	4,101,798	4,528,910	4,108,033
MAYORAL COMMITTEE	6,274,533	6,485,457	6,776,180
COUNCIL GENERAL	18,572,566	20,908,325	22,642,698
MUNICIPAL MANAGER	13,692,597	15,044,950	12,951,367
CORPORATE SERVICES	16,977,861	16,594,091	19,071,603
PROPERTY	6,137,356	7,138,856	8,656,635
DISASTER MANAGEMENT	10,783,332	10,739,944	12,050,772
ENVIRONMENTAL HEALTH	12,072,726	11,706,693	13,603,244
LED & PLANNING	6,542,330	6,199,362	9,242,782
TOURISM	1,001,000	801,000	801,000
FINANCE SERVICES	18,899,129	19,537,258	20,591,692
TOTAL	125,847,502	130,530,002	141,488,250

Table 14: Repairs and maintenance per asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Other Expenditure		465	540	726	726	726	726	726	573	591	608
Total Repairs and Maintenance Expenditure	9	465	540	726	726	726	726	726	573	591	608

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures.

Repairs and maintenance do not have the same impact as in the case of local municipalities. It is our submission that 0.6% of the budgeted amount is sufficient to cover repairs and maintenance.

1.8 – Capital Budget

The capital budget of R 4,745,000 for 2018/19. 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

Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor	23	18	35	50	50	50	50	50	50	50	50
Vote 2 - Speaker	15	–	22	50	50	50	50	50	50	50	50
Vote 3 - Mayoral Committee	21	–	91	50	50	50	50	50	50	50	50
Vote 4 - Council General	242	26	337	2,100	3,500	3,500	3,500	745	–	–	–
Vote 5 - Municipal Manager	170	130	42	100	175	175	175	150	100	100	100
Vote 6 - Budget & Treasury	374	360	704	500	520	520	520	500	500	500	500
Vote 7 - Corporate Services	26	73	65	50	50	50	50	50	50	50	50
Vote 8 - Human Resources	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Information Technology	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Property	7	58	–	200	200	200	200	3,000	50	50	50
Vote 11 - Municipal Support	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Planning & Development	44	56	20	50	50	50	50	50	50	50	50
Vote 13 - Community & Social Services	9	–	–	50	50	50	50	50	50	50	50
Vote 14 - Environmental Health Services	–	36	55	50	50	50	50	50	50	50	50
Vote 15 - Tourism	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Total Capital Expenditure - Vote		930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000

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

Capital Expenditure - Functional											
Governance and administration		877	665	1,296	3,100	4,595	4,595	4,595	4,595	850	850
Executive and council		470	174	527	2,350	3,825	3,825	3,825	1,045	250	250
Finance and administration		407	491	769	750	770	770	770	3,550	600	600
Community and public safety		9	36	55	100	100	100	100	100	100	100
Community and social services		9	-	-	50	50	50	50	50	50	50
Health		-	36	55	50	50	50	50	50	50	50
Economic and environmental services		44	56	20	50	50	50	50	50	50	50
Planning and development		44	56	20	50	50	50	50	50	50	50
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources											
Other											
Total Capital Expenditure - Functional	3	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Funded by:											
Internally generated funds		930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Total Capital Funding	7	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000

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 Consolidated Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	3,742	5,176	6,240	2,300	2,560	2,560	3,270	2,850	2,800	2,800
Transfers recognised - operational	108,518	115,631	116,328	119,998	119,998	119,998	119,998	125,445	130,867	136,362
Other own revenue	965	1,588	2,074	300	1,374	1,374	828	415	365	375
Total Revenue (excluding capital transfers and contributions)	113,226	122,395	124,642	122,598	123,932	123,932	124,096	128,710	134,032	139,537
Employee costs	62,538	66,030	65,750	74,925	73,688	73,688	73,688	83,176	85,672	86,504
Remuneration of councillors	9,294	9,042	8,008	7,915	8,200	8,200	8,200	8,609	8,867	8,953
Depreciation & asset impairment	6,505	4,395	3,433	7,521	7,521	7,521	7,521	5,201	5,713	6,950
Finance charges	2,321	3,552	1,266	999	999	999	999	763	471	145
Materials and bulk purchases	-	-	-	141	141	141	141	141	145	147
Transfers and grants	3,549	4,474	4,027	7,014	7,276	7,276	7,276	13,132	9,090	9,121
Other expenditure	25,515	33,120	22,092	24,083	27,252	27,252	27,252	25,722	25,328	23,116
Total Expenditure	109,720	120,613	104,576	122,598	125,076	125,076	125,076	136,743	135,287	134,936
Surplus/(Deficit)	3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Capital expenditure & funds sources										
Capital expenditure	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Total sources of capital funds	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000

Financial position										
Total current assets	59,312	70,018	89,129	23,916	89,129	89,129	89,129	36,963	38,071	39,214
Total non current assets	66,820	63,022	60,749	89,548	60,749	60,749	60,749	60,366	62,168	64,024
Total current liabilities	15,101	13,258	11,782	8,651	11,782	11,782	11,782	10,944	11,273	11,611
Total non current liabilities	20,049	24,818	23,377	17,656	23,377	23,377	23,377	18,068	18,610	19,168
Community wealth/Equity	90,983	94,964	114,719	87,157	114,720	114,720	114,720	79,611	81,999	82,795
Cash flows										
Net cash from (used) operating	13,339	14,589	23,044	7,522	6,292	6,292	6,292	(2,312)	6,243	9,192
Net cash from (used) investing	(10,013)	(289)	(1,923)	(3,250)	(4,745)	(4,745)	(4,745)	(4,745)	(1,000)	(1,000)
Net cash from (used) financing	(1,847)	(2,542)	(2,876)	(2,489)	(2,489)	(2,489)	(2,489)	(2,725)	(3,016)	(3,342)
Cash/cash equivalents at the year end	19,943	29,827	48,072	31,609	28,885	28,885	28,885	20,045	22,271	27,121
Cash backing/surplus reconciliation										
Cash and investments available	58,436	69,835	88,642	23,916	88,642	88,642	88,642	36,500	37,595	38,723
Application of cash and investments	8,711	9,104	8,961	7,652	8,119	8,119	8,002	7,645	7,874	8,111
Balance - surplus (shortfall)	49,725	60,731	79,681	16,264	80,523	80,523	80,640	28,855	29,721	30,612
Asset management										
Asset register summary (WDV)	66,820	63,022	60,749	89,548	62,480	62,480		60,366	62,168	64,024
Depreciation	6,505	4,395	3,183	7,521	7,521	7,521		5,201	5,713	5,878
Renewal of Existing Assets	–	–	–	–	–	–		–	–	–
Repairs and Maintenance	465	540	726	726	726	726		573	591	608

- 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.
- Total revenue is R128.7 million in 2018/19 and escalates to R139.5 million by 2020/21.

Table 18 – A2: Budgeted Financial Performance by standard classification

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
Governance and administration		113,226	122,395	124,641	122,598	123,932	123,932	128,710	134,032	139,537
Executive and council		107,268	114,381	115,078	118,748	118,748	118,748	124,445	129,867	135,362
Finance and administration		5,957	8,015	9,564	3,850	5,184	5,184	4,265	4,165	4,175
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	113,226	122,395	124,641	122,598	123,932	123,932	128,710	134,032	139,537

Expenditure - Functional										
Governance and administration		83,451	93,682	79,331	92,348	95,779	95,779	101,195	98,697	97,999
Executive and council		51,188	56,807	42,081	51,084	53,329	53,329	56,426	52,584	51,438
Finance and administration		32,263	36,875	37,250	41,264	42,450	42,450	44,770	46,113	46,561
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		8,691	7,512	7,326	10,733	10,690	10,690	25,554	26,321	26,576
Community and social services		8,691	7,512	7,326	10,733	10,690	10,690	12,001	12,361	12,481
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	13,553	13,960	14,095
Economic and environmental services		16,699	17,101	16,920	18,515	17,806	17,806	9,193	9,469	9,560
Planning and development		6,945	6,864	7,158	6,492	6,150	6,150	9,193	9,469	9,560
Road transport		9,753	10,237	9,762	12,023	11,657	11,657	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	880	2,319	1,000	1,001	801	801	801	801	801
Total Expenditure - Functional	3	109,720	120,613	104,576	122,598	125,076	125,076	136,743	135,287	134,936
Surplus/(Deficit) for the year		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(8,033)	(1,255)	4,601

- 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 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive Mayor		-	-	-	-	-	-	-	-	-
Vote 2 - Speaker		-	-	-	-	-	-	-	-	-
Vote 3 - Mayoral Committee		-	-	-	-	-	-	-	-	-
Vote 4 - Council General		106,334	113,451	115,078	118,748	118,748	118,748	124,445	129,867	135,362
Vote 5 - Municipal Manager		934	930	-	-	-	-	-	-	-
Vote 6 - Budget & Treasury		5,957	8,014	9,564	3,850	5,184	5,184	4,265	4,165	4,175
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	2	113,226	122,395	124,642	122,598	123,932	123,932	128,710	134,032	139,537
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Mayor		6,330	13,008	10,174	10,742	10,795	10,795	10,942	11,271	11,380
Vote 2 - Speaker		3,336	3,078	3,724	4,052	4,479	4,479	4,058	4,180	4,220
Vote 3 - Mayoral Committee		5,916	6,065	5,701	6,225	6,435	6,435	6,726	6,928	6,995
Vote 4 - Council General		21,191	25,243	13,083	16,473	17,409	17,409	21,898	17,020	15,529
Vote 5 - Municipal Manager		14,415	9,413	9,400	13,593	14,211	14,211	12,801	13,185	13,313
Vote 6 - Budget & Treasury		15,803	16,530	16,479	18,399	18,967	18,967	20,092	20,694	20,895
Vote 7 - Corporate Services		12,031	14,283	15,044	16,928	16,544	16,544	19,022	19,592	19,782
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-
Vote 10 - Property		4,429	6,062	5,727	5,937	6,939	6,939	5,657	5,826	5,883
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		6,945	6,864	7,158	6,492	6,150	6,150	9,193	9,469	9,560
Vote 13 - Community & Social Services		8,691	7,512	7,326	10,733	10,690	10,690	12,001	12,361	12,481
Vote 14 - Environmental Health Services		9,753	10,237	9,762	12,023	11,657	11,657	13,553	13,960	14,095
Vote 15 - Tourism		880	2,319	1,000	1,001	801	801	801	801	801
Total Expenditure by Vote	2	109,720	120,613	104,576	122,598	125,076	125,076	136,743	135,287	134,936
Surplus/(Deficit) for the year	2	3,505	1,782	20,066	(0)	(1,144)	(1,144)	(8,033)	(1,255)	4,601

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	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
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		3,742	5,733	7,209	2,300	3,270	3,270	3,270	2,850	2,800	2,800
Interest earned - outstanding debtors		734	697	293	164	164	164	164	165	165	165
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services											
Transfers and subsidies		108,518	115,631	116,328	119,998	119,998	119,998	119,998	125,445	130,867	136,362
Other revenue	2	231	307	811	136	500	500	500	250	200	210
Gains on disposal of PPE			27								
Total Revenue (excluding capital transfers and contributions)		113,226	122,395	124,641	122,598	123,932	123,932	123,932	128,710	134,032	139,537

Expenditure By Type											
Employee related costs	2	62,538	66,030	65,750	74,925	73,688	73,688	73,688	83,176	85,672	86,504
Remuneration of councillors		9,294	9,042	8,008	7,915	8,200	8,200	8,200	8,609	8,867	8,953
Debt impairment	3	1,067	4,665	1,676							
Depreciation & asset impairment	2	6,505	4,395	3,433	7,521	7,521	7,521	7,521	5,201	5,713	6,950
Finance charges		2,321	3,552	1,266	999	999	999	999	763	471	145
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8				141	141	141	141	141	145	147
Contracted services		2,581	3,530	3,775	9,076	10,852	10,852	10,852	9,567	8,618	8,695
Transfers and subsidies		3,549	4,474	4,027	7,014	7,276	7,276	7,276	13,132	9,090	9,121
Other expenditure	4, 5	21,630	24,925	16,641	15,007	16,400	16,400	16,400	16,155	16,711	14,421
Loss on disposal of PPE		237									
Total Expenditure		109,720	120,613	104,576	122,598	125,076	125,076	125,076	136,743	135,287	134,936
Surplus/(Deficit)		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Taxation											
Surplus/(Deficit) after taxation		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		3,505	1,782	20,066	(0)	(1,144)	(1,144)	(980)	(8,033)	(1,255)	4,601

- 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, functional classification and funding											
Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 medium term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		23	18	35	50	50	50	50	50	50	50
Vote 2 - Speaker		15	-	22	50	50	50	50	50	50	50
Vote 3 - Mayoral Committee		21	-	91	50	50	50	50	50	50	50
Vote 4 - Council General		242	26	337	2,100	3,500	3,500	3,500	745	-	-
Vote 5 - Municipal Manager		170	130	42	100	175	175	175	150	100	100
Vote 6 - Budget & Treasury		374	360	704	500	520	520	520	500	500	500
Vote 7 - Corporate Services		26	73	65	50	50	50	50	50	50	50
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-	-
Vote 10 - Property		7	58	-	200	200	200	200	3,000	50	50
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		44	56	20	50	50	50	50	50	50	50
Vote 13 - Community & Social Services		9	-	-	50	50	50	50	50	50	50
Vote 14 - Environmental Health Services		-	36	55	50	50	50	50	50	50	50
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Total Capital Expenditure - Vote		930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000
Total Capital Funding	7	930	757	1,371	3,250	4,745	4,745	4,745	4,745	1,000	1,000

- 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 Consolidated Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		18,069	29,827	48,072	3,916	48,072	48,072	48,072	15,000	15,450	15,914
Call investment deposits	1	40,367	40,009	40,570	20,000	40,570	40,570	40,570	21,500	22,145	22,809
Consumer debtors	1	–	–	–	–	–	–	–	–	–	–
Other debtors		876	45	55		55	55	55	50	52	53
Current portion of long-term receivables			138	433		433	433	433	413	425	438
Inventory	2										
Total current assets		59,312	70,018	89,129	23,916	89,129	89,129	89,129	36,963	38,071	39,214
Non current assets											
Long-term receivables											
Investments											
Investment property		0	0	0	0	0	0	0	0	0	0
Investment in Associate											
Property, plant and equipment	3	66,468	62,627	59,898	89,248	59,898	59,898	59,898	60,066	61,868	63,724
Agricultural											
Biological											
Intangible		352	394	851	300	851	851	851	300	300	300
Other non-current assets											
Total non current assets		66,820	63,021	60,749	89,548	60,749	60,749	60,749	60,366	62,168	64,024
TOTAL ASSETS		126,133	133,040	149,878	113,464	149,878	149,878	149,878	97,329	100,239	103,238
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	2,146	2,609	2,772	999	2,772	2,772	2,772	2,514	2,589	2,667
Consumer deposits											
Trade and other payables	4	8,921	8,766	8,296	7,652	8,296	8,296	8,296	7,695	7,926	8,164
Provisions		4,034	1,883	714		714	714	714	735	757	780
Total current liabilities		15,101	13,258	11,782	8,651	11,782	11,782	11,782	10,944	11,273	11,611
Non current liabilities											
Borrowing		10,967	11,169	8,785	9,059	8,785	8,785	8,785	9,835	10,130	10,434
Provisions		9,082	13,649	14,592	8,597	14,592	14,592	14,592	8,233	8,480	8,734
Total non current liabilities		20,049	24,818	23,377	17,656	23,377	23,377	23,377	18,068	18,610	19,168
TOTAL LIABILITIES		35,150	38,076	35,159	26,307	35,159	35,159	35,159	29,012	29,883	30,779
NET ASSETS	5	90,983	94,963	114,719	87,157	114,720	114,720	114,720	68,316	70,357	72,458
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		90,983	94,963	114,719	87,157	114,720	114,720	114,720	79,611	81,999	82,795
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	90,983	94,963	114,719	87,157	114,720	114,720	114,720	79,611	81,999	82,795

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors 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.
- Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position.

Table 23 – A7: Budgeted Cash Flow

DC18 Lejweleputswa - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges									-	-	-
Other revenue		231	(2,886)	(2,830)	136	500	500	500	415	365	375
Government - operating	1	108,706	115,675	116,096	119,998	119,653	119,653	119,653	125,445	130,867	136,362
Government - capital	1								-	-	-
Interest		4,476	6,430	7,502	2,464	3,434	3,434	3,434	2,850	2,800	2,800
Dividends									-	-	-
Payments											
Suppliers and employees		(97,753)	(101,078)	(96,458)	(110,325)	(109,279)	(109,279)	(109,279)	(116,997)	(118,093)	(120,942)
Finance charges		(2,321)	(3,552)	(1,266)	(999)	(999)	(999)	(999)	(763)	(471)	(145)
Transfers and Grants	1				(3,752)	(7,017)	(7,017)	(7,017)	(13,263)	(9,225)	(9,258)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13,339	14,589	23,044	7,522	6,292	6,292	6,292	(2,312)	6,243	9,192
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(9,083)	468	9					-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables				(561)					-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(930)	(757)	(1,371)	(3,250)	(4,745)	(4,745)	(4,745)	(4,745)	(1,000)	(1,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,013)	(289)	(1,923)	(3,250)	(4,745)	(4,745)	(4,745)	(4,745)	(1,000)	(1,000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(1,847)	(2,542)	(2,876)	(2,489)	(2,489)	(2,489)	(2,489)	(2,725)	(3,016)	(3,342)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,847)	(2,542)	(2,876)	(2,489)	(2,489)	(2,489)	(2,489)	(2,725)	(3,016)	(3,342)
NET INCREASE/ (DECREASE) IN CASH HELD		1,479	11,758	18,245	1,783	(942)	(942)	(942)	(9,782)	2,227	4,850
Cash/cash equivalents at the year begin:	2	18,464	18,069	29,827	29,827	29,827	29,827	29,827	29,827	20,045	22,271
Cash/cash equivalents at the year end:	2	19,943	29,827	48,072	31,609	28,885	28,885	28,885	20,045	22,271	27,121

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).

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

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	19,943	29,827	48,072	31,609	28,885	28,885	28,885	20,045	22,271	27,121
Other current investments > 90 days		38,493	40,008	40,570	(7,693)	59,757	59,757	59,757	16,455	15,324	11,602
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		58,436	69,835	88,642	23,916	88,642	88,642	88,642	36,500	37,595	38,723
Application of cash and investments											
Unspent conditional transfers		188	232	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	8,524	8,664	8,436	7,652	8,255	8,255	8,255	7,645	7,874	8,111
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		8,711	8,896	8,436	7,652	8,255	8,255	8,255	7,645	7,874	8,111
Surplus(shortfall)		49,725	60,939	80,206	16,264	80,387	80,387	80,387	28,855	29,721	30,612

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 2018/19 budget is showing a positive outcome.

From the above table it can be seen that the cash and investments available total R7.6 million in the 2018/19 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 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	930	757	1,371	3,250	4,745	4,745	1,745	1,000	1,000
Operational Buildings		5	9	138	-	150	150	3,000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		5	9	138	-	150	150	3,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		353	257	704	1,050	2,250	2,250	300	300	300
Intangible Assets		353	257	704	1,050	2,250	2,250	300	300	300
Computer Equipment		170	51	-	-	-	-	345	-	-
Furniture and Office Equipment		160	440	529	600	745	745	700	700	700
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		242	-	-	1,600	1,600	1,600	400	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		930	757	1,371	3,250	4,745	4,745	4,745	1,000	1,000

Table 26 – A10: Basic Service delivery measurement

DC18 Lejweleputswa - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
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	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure	0	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure	0	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure	0	-	-	-	-	-	-	-	-	-

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 conditions of service.

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 – A10: Schedule of key Deadlines

LEJWELEPUTSWA DISTRICT MUNICIPALITY

IDP PROCESS PLAN AND BUDGET PROCESS

TIME-FRAMES FOR 2018-2019

	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>IDP to be reviewed</i>	Final IDP 2018-2019	<i>MM and Executive Mayor</i>	August 2017 to 31 May 2018
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plan	<i>Municipal Manager</i>	August 2017
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>Municipal Manager</i>	August 2017
4.	<i>Undertake District-wide Research analysis to assess level of existing development</i>	Updated Situational Analysis	<i>Municipal Manager</i>	Sept 2017 to November 2017
5.	<i>Review key objectives, strategies and projects</i>	Reviewed key Objectives, strategies, projects & programmes	<i>IDP Steering Com & Representative forum</i>	September 2017 to November 2017
6.	<i>Submit budget instructions to all relevant persons</i>		<i>CFO</i>	30 Nov 2017
7.	<i>Submit 2018/2019 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>	Budget Framework	<i>CFO</i>	30 Nov 2017

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</i>	30 Nov 2017
9.	<i>Prioritize Projects for implementation</i>	Project list	<i>IDP Steering Committee & Rep forum</i>	31 March 2018
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	01 Dec 2017
11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>IDP Steering Committee</i>	31Jan 2018
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO</i>	31 Jan 2018
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2018
14.	<i>Meeting with relevant officials (Third draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2018
15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		<i>CFO</i>	28 Feb 2018
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	<i>CFO</i>	28 Feb 2018
17.	<i>Table a draft</i>	Mayoral committee Budget & IDP item	<i>MM and Executive Mayor</i>	28 Feb 2018

	<i>IDP to MAYCO for consideration.</i>			
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	<i>Executive Mayor</i>	30 March 2018
19	<i>Table draft 5 year IDP to council for approval</i>	Draft IDP item to Council	<i>Executive Mayor</i>	30 March 2018
20.	<i>Discussing the draft with the public</i>	Public participation	<i>IDP Rep forum</i>	30 March 2018
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		<i>MM and CFO</i>	2 Apr 2018
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		<i>MM and CFO</i>	02 April 2018
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 Manager</i>	02 April 2018
24.	<i>Mayoral Committee finalizes the draft IDP and budget</i>		<i>MM and CFO</i>	31 May 2018
25.	<i>Submission of Draft IDP and budget for approval by council</i>	Approved IDP and Budget by Council	<i>MM and CFO</i>	31 May 2018
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	<i>MM, Executive Mayor & IDP Rep forum</i>	31 May 2018
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		<i>CFO and Budget Control Officer</i>	12 June 2018

28.	<i>Submit the approved IDP to provincial departments</i>		<i>MM</i>	12 June 2018
29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	<i>MM</i>	12 June 2018
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		<i>MM</i>	31 July 2018
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget</i>		<i>CFO</i>	31 July 2018

2.2.3 – Tabling of the budget

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget will be tabled before Council on 31st May 2018.

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 consultation with National and Provincial Treasuries regarding the MTREF is set to take place during April and May 2018.

An extensive public participation process will be conducted as part of the IDP and Budget Road shows and will commence during April 2018. The overall objective of this road show is to ensure an authentic and inclusive public participation process for the IDP and budget. The planning of these road shows will be driven by a steering committee constituted by politicians and officials from all Directorates.

A complete report regarding the feedback on the public participation process will be included in the Final IDP document.

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.

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 2018/19 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Source funding for operation and support service	Service delivery (interest from Bank & Investment) Other Grants			113,226	122,395	124,641	122,598	123,932	123,932	128,710	134,032	139,537
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	113,226	122,395	124,641	122,598	123,932	123,932	128,710	134,032	139,537

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Local Economic Development	Economic			1,058	1,577	1,180	701	701	701	701	722	744
Municipal Transformation and	Skills Development,			2,149	2,377	240	340	340	340	340	350	361
Municipal Financial Viability and	Clean Audit			1,089	1,194	1,250	1,250	1,250	1,250	1,250	1,288	1,326
Good Governance and Public	District Aids council and HIV &					90	115	115	115	115	118	122
	Gender Disability , Elderly				30	90	40	40	40	40	41	42
	Moral Regeneration			130	194	150	141	141	141	141	145	150
	National Campaign			1,227	2,849	450	675	675	675	675	695	716
	Mandela Day			99		100	100	100	100	100	103	106
	Educational Programme			371	452	300	300	300	300	300	309	318
	Grant in Aid			152	261	130	135	135	135	135	139	143
	Youth Development,			186	790	152	152	152	152	152	157	161
	OR Tambo games,			484	698	300	656	656	656	656	675	695
	Ntational Population					51					-	-
	Branding			55	206	110	200	200	200	200	206	212
	Perfomance Management			99		100	100	100	100	100	103	106
Safety and Healthy Enviroment	Municipal health services			206		329	319	319	319	319	329	338
	Disaster Management			46		99	99	99	99	99	102	105
TOTAL LINKED IDP PROJECTS				102,369	109,984	99,455	117,275	119,754	119,754	130,901	129,270	128,749
Allocations to other priorities												
Total Expenditure			1	109,720	120,613	104,576	122,598	125,076	125,076	136,223	134,752	134,395

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	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Municipal Transformation and institutional Development	Furniture & fittings, Office equipment, Motor vehicles, Property & plant	A		930	757	1,371	3,250	4,745	4,745	4,745	1,000	1,000
Allocations to other priorities			3									
Total Capital Expenditure			1	930	757	1,371	3,250	4,745	4,745	4,745	1,000	1,000

2.5 – Measurable Performance Objectives and Indicators

DC18 Lejweleputswa - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
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 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										

Tables 32 – SA7: Measurable Performance Objectives

DC18 Lejweleputswa - Entities measureable performance objectives										
	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Entity 1 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 3 - (name of entity)										
And so on for the rest of the Entities										

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

DC18 Lejweleputswa - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Capital Charges to	Interest &	3.8%	5.1%	4.0%	2.8%	2.8%	2.8%	2.8%	2.6%	2.6%	2.6%
Capital Charges to Own Re	Finance	88.5%	90.1%	49.8%	134.2%	88.7%	88.7%	88.7%	106.8%	110.2%	109.8%
<u>Liquidity</u>											
Current Ratio	Current	3.9	5.3	7.6	2.8	7.6	7.6	7.6	3.4	3.4	3.4
Current Ratio adjusted for	Current	3.9	5.3	7.6	2.8	7.6	7.6	7.6	3.4	3.4	3.4
Liquidity Ratio	Monetary	3.9	5.3	7.5	2.8	7.5	7.5	7.5	3.3	3.3	3.3
<u>Creditors Management</u>											
Creditors to Cash and		43.8%	28.6%	17.3%	24.2%	28.7%	28.7%	28.7%	38.4%	35.6%	30.1%
Employee costs	Employee	55.2%	53.9%	52.8%	61.1%	59.5%	59.5%	59.5%	64.6%	63.9%	62.0%
Remuneration	Total	66.5%	61.7%	58.5%	71.7%	64.3%	64.3%		74.7%	69.6%	67.6%
Repairs & Maintenance	R&M/(Total	0.4%	0.4%	0.6%	0.6%	0.6%	0.6%		0.4%	0.4%	0.4%
Finance charges &	FC&D/(Total	7.8%	6.5%	3.8%	6.9%	6.9%	6.9%	6.9%	4.6%	4.6%	5.1%
<u>IDP regulation financial</u>											
i. Debt coverage	(Total	0.5	0.7	1.7	0.4	0.4	0.4	0.7	0.6	0.5	0.5
iii. Cost coverage	(Available	2.7	3.6	6.5	3.7	3.3	3.3	3.3	2.2	2.4	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 2018/19 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 (2.6%) for 2018/19.
- 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 3.4 for 2018/19
- *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 3.3 ratio for 2018/19.

(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. 85 & 86

The Circulars were issued on 09 December 2017 and 07 March 2018 respectively, and it provides further guidance to municipalities for the preparation of the 2018/19 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. 91, inflation forecasts are estimated at 5.3 %, 5.3%, 5.4% and 5.5% respectively for the years 2018/19 to 2019/21.

2.6.3 – Average salary increases

The MTREF does not include increases for employee remuneration and for Councillors remuneration:

The employee related costs comprise 64 % of total operating expenditure in the 2018/19 MTREF budget and places a disproportionate upward pressure on the expenditure budget.

The cost associated with the remuneration of councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has not been taken into account in compiling the LDM's budget due to financial constraints.

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.

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Deposits - Bank		40,367	40,009	40,570	40,570	40,570	40,570	21,500	22,145	22,809
Municipality sub-total	1	40,367	40,009	40,570	40,570	40,570	40,570	21,500	22,145	22,809
Entities										
Deposits - Bank										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		40,367	40,009	40,570	40,570	40,570	40,570	21,500	22,145	22,809

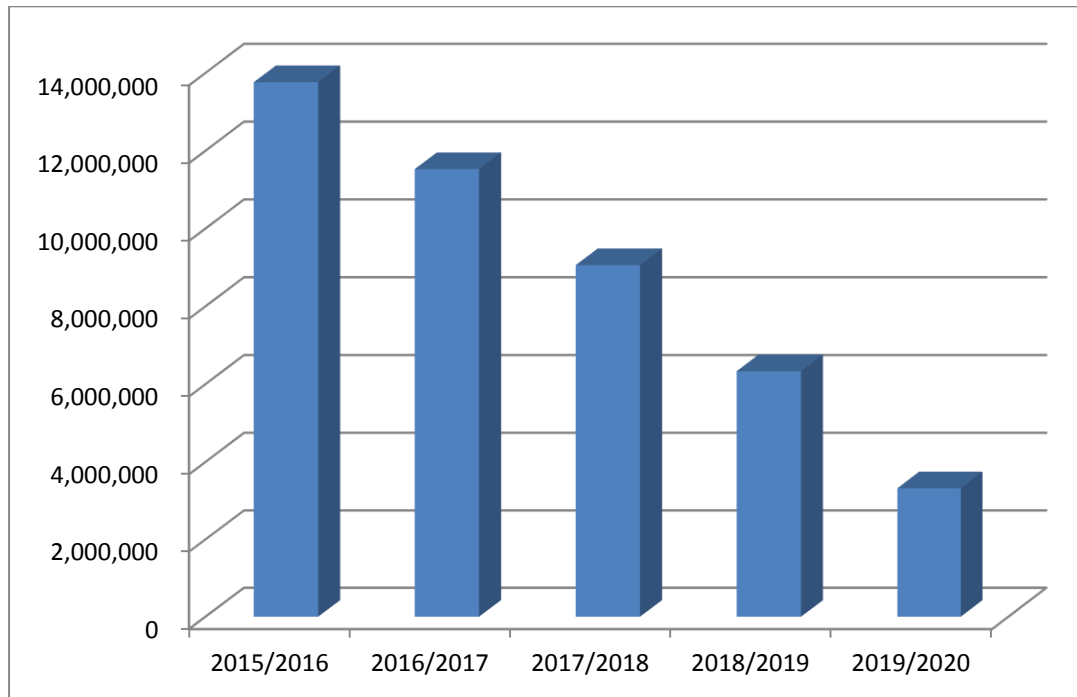
Table 34.1 – SA16: Investment Particulars by Maturity

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	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														
First National Bank										10,000	Call			10,000
Nedbank										50,000	941			50,941
Absa Bank										10,000	187			10,187
Municipality sub-total										70,000		-	-	71,127
Entities														
TOTAL INVESTMENTS AND INTEREST	1									70,000		-	-	71,127

2.7.2 Borrowings
Table 35 – SA17: Borrowing

DC18 Lejweleputswa - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans		10,967	11,169	8,785	9,059	8,785	8,785	9,835	10,130	10,434
Long-Term Loans (non-annuity)										
Municipality sub-total	1	10,967	11,169	8,785	9,059	8,785	8,785	9,835	10,130	10,434
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	10,967	11,169	8,785	9,059	8,785	8,785	9,835	10,130	10,434

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362
Local Government Equitable Share		26,260	29,958	29,027	30,602	30,602	30,602	33,706	37,423	40,343
RSC Levy Replacement		78,487	80,432	82,700	84,870	84,870	84,870	87,458	90,029	92,463
Finance Management		1,250	1,250	1,250	1,250	1,250	1,250	1,000	1,000	1,000
Municipal Systems Improvement		934	930							
EPWP Incentive			1,000	1,000	1,000	1,000	1,000	1,000		
Rural Roads Assets MGMT System		1,587	2,061	2,185	2,276	2,276	2,276	2,281	2,415	2,556
LGSETA BURSRIES AND LEARNERSHIP				166						
Total Operating Transfers and Grants	5	108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362

Table 37 – SA19: Expenditure on transfers and grants

DC18 Lejweleputswa - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362
Local Government Equitable Share		26,260	29,958	29,027	30,602	30,602	30,602	33,706	37,423	40,343
RSC Levy Replacement		78,487	80,432	82,700	84,870	84,870	84,870	87,458	90,029	92,463
Finance Management		1,250	1,250	1,250	1,250	1,250	1,250	1,000	1,000	1,000
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
EPWP Incentive		-	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Rural Roads Assets MGMT System		1,587	2,061	2,185	2,276	2,276	2,276	2,281	2,415	2,556
LGSETA BURSRIES AND LEARNERSHIP		-	-	166	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
Balance unspent at beginning of the year										
Current year receipts		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362
Conditions met - transferred to revenue		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		108,518	115,631	116,328	119,998	119,998	119,998	125,445	130,867	136,362

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

DC18 Lejweleputswa - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Transfers to other municipalities <i>Insert description</i>	1	1,049	974	275	3,262	3,524	3,524	3,524			
Total Cash Transfers To Municipalities:		1,049	974	275	3,262	3,524	3,524	3,524	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i> Lejweleputswa Development Agency	2	2,500	3,500	3,752	3,752	3,752	3,752	3,752	5,939	5,878	5,878
Total Cash Transfers To Entities/Ems'		2,500	3,500	3,752	3,752	3,752	3,752	3,752	5,939	5,878	5,878
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	3,549	4,474	4,027	7,014	7,276	7,276	7,276	5,939	5,878	5,878
Non-Cash Transfers to other municipalities <i>Insert description</i> Winnie Mandela House Project Reduction of Water loss Tswelopele Paving Verkeerdevlei Paving Tokologo	1								574 1,000 1,500 1,000		
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	4,074	-	-
Groups of Individuals OperInKind:Grant In Aid OperInKind:Poverty Relief Allocations In-kind:Improve Food Products Allocations In-kind:Sustainable Economy Allocations In-kind:Skill Development Monetary Allocations:Social Relief OperMonetr:Bursaries Non-Employees Monetary Allocations:Skill Development Monetary Allocations:Sustainable Economy	5								189 200 150 120 150 60 1,500 100 650	195 206 155 124 155 62 1,545 103 670	197 208 156 125 156 62 1,560 104 676
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	3,119	3,213	3,244
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	7,193	3,213	3,244
TOTAL TRANSFERS AND GRANTS	6	3,549	4,474	4,027	7,014	7,276	7,276	7,276	13,132	9,090	9,121

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,870	5,837	5,483	5,106			5,415	5,578	5,632
Pension and UIF Contributions				759	725			689	710	717
Medical Aid Contributions		1,080	1,081	342	280			267	275	277
Motor Vehicle Allowance		1,886	1,666	1,741	1,470			1,595	1,643	1,659
Cellphone Allowance		389	391	396	334			643	662	668
Housing Allowances										
Other benefits and allowances		68	67							
Sub Total - Councillors		9,294	9,042	8,721	7,915	-	-	8,609	8,867	8,953
% increase	4		(2.7%)	(3.6%)	(9.2%)	(100.0%)	-	-	3.0%	1.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,413	3,571	5,400	5,127	5,127	5,127	5,737	5,909	5,967
Performance Bonus				694	730	730	730	803	827	835
Motor Vehicle Allowance	3	753	789							
Cellphone Allowance	3	120	132	120	120	120	120	120	124	125
Housing Allowances	3	274	246							
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		5,147	5,505	6,215	5,977	5,977	5,977	6,661	6,860	6,927
Provincial Government:	0		7.0%	12.9%	(3.8%)	-	-	11.4%	3.0%	1.0%

DC18 Lejweleputswa - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
	1	A	B	C	D	E	F	G	H	I
Other Municipal Staff										
Basic Salaries and Wages		38,432	38,274	35,631	48,281	48,281	48,281	49,133	44,698	45,132
Pension and UIF Contributions		5,433	5,253	6,020	7,255	7,255	7,255	8,242	8,489	8,572
Medical Aid Contributions		3,140	3,363	3,918	3,851	3,851	3,851	4,455	4,589	4,633
Overtime		232	44							
Performance Bonus										
Motor Vehicle Allowance	3	4,545	4,510	5,299	7,745	7,745	7,745	7,442	7,665	7,739
Cellphone Allowance	3	77	196	216	109	109	109	204	210	212
Housing Allowances	3	2	368	431	478	478	478	498	513	518
Other benefits and allowances	3	3,028	1,301	1,098	1,266	1,266	1,266	1,385	1,426	1,440
Payments in lieu of leave		2,501	2,849					2,955	3,044	3,074
Long service awards				364	491	491	491	442	455	460
Post-retirement benefit obligations	6							1,760	1,813	1,831
Sub Total - Other Municipal Staff		57,391	56,158	52,977	69,476	69,476	69,476	76,516	72,902	73,610
Provincial Government:	0		(2.1%)	(5.7%)	31.1%	-	-	10.1%	(4.7%)	1.0%
Total Parent Municipality		71,831	70,705	67,912	83,368	75,453	75,453	91,785	88,629	89,490
			(1.6%)	(3.9%)	22.8%	(9.5%)	-	21.6%	(3.4%)	1.0%

DC18 Lejweleputswa - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	1	A	B	C	D	E	F	G	H	I
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees		152	131	51	100	61	61	80	88	97
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		152	131	51	100	61	61	80	88	97
Provincial Government:	0		(13.8%)	(61.4%)	97.6%	(39.5%)	-	32.2%	10.0%	10.0%

DC18 Lejweleputswa - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Senior Managers of Entities										
Basic Salaries and Wages		894	756	978	1,126	1,005	1,005	981	1,035	1,092
Pension and UIF Contributions		88								
Performance Bonus		26			51			54	56	60
Motor Vehicle Allowance	3	165	47	74						
Sub Total - Senior Managers of Entities		1,178	803	1,052	1,177	1,005	1,005	1,035	1,091	1,151
Provincial Government:	0		(31.8%)	31.0%	11.8%	(14.6%)	–	3.0%	5.5%	5.5%
Other Staff of Entities										
Basic Salaries and Wages		1,387	2,532	2,450	2,413	2,413	2,413	2,434	2,568	2,710
Pension and UIF Contributions		66	319	387	436	416	416	404	429	450
Medical Aid Contributions		115	130	134	151	131	131	133	140	148
Performance Bonus		39	126	164						
Motor Vehicle Allowance	3	–			152	125	125	160	169	178
Cellphone Allowance	3				11	11	11	12	13	13
Housing Allowances	3				53	53	53	52	55	58
Other benefits and allowances	3	444	794	756						
Payments in lieu of leave		73	39	2	52	52	52	55	58	61
Sub Total - Other Staff of Entities		2,125	3,939	3,894	3,268	3,201	3,201	3,251	3,432	3,617
Provincial Government:	0		85.4%	(1.1%)	(16.1%)	(2.0%)	–	1.6%	5.6%	5.4%
Total Municipal Entities		3,455	4,874	4,997	4,545	4,267	4,267	4,365	4,611	4,865
TOTAL SALARY, ALLOWANCES & BENEFITS		75,286	75,579	72,909	87,913	79,720	79,720	96,150	93,241	94,355
Provincial Government:	0		0.4%	(3.5%)	20.6%	(9.3%)	–	20.6%	(3.0%)	1.2%
TOTAL MANAGERS AND STAFF	5,7	65,840	66,406	64,138	79,898	79,659	79,659	87,462	84,286	85,305

Table 41 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

DC18 Lejweleputswa - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		603,640	90,546	42,840			737,026
Chief Whip			387,753	100,348	205,540			693,641
Executive Mayor			796,713	71,022	42,840			910,575
Deputy Executive Mayor								–
Executive Committee			2,230,825	456,541	1,109,989			3,797,355
Total for all other councillors			1,396,290	237,602	836,154			2,470,046
Total Councillors	8	–	5,415,221	956,059	2,237,363			8,608,643
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,343,750		36,000	188,125		1,567,875
Chief Finance Officer			1,098,406		30,000	153,777		1,282,183
Corporate services			1,098,406		18,000	153,777		1,270,183
LED & Plan Manager			1,098,406		18,000	153,777		1,270,183
EHS & DM Manager			1,098,406		18,000	153,777		1,270,183
Total Senior Managers of the Municipality	8,10	–	5,737,374	–	120,000	803,233		6,660,607
A Heading for Each Entity	6,7							
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	11,152,595	956,059	2,357,363	803,233		15,269,250

Table 42 – SA24: Summary of personnel numbers

DC18 Lejweleputswa - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number		1,2	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>Other</i>			42	42		42	42		42	42	
Technicians			91	91	–	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>Other</i>			73	73		73	73		73	73	
TOTAL PERSONNEL NUMBERS		9	179	137	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 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source																
Interest earned - external investments			525		350	545	325	480		625			-	2,850	2,800	2,800
Interest earned - outstanding debtors			33	68			64						-	165	165	165
Transfers and subsidies		55,375				40,250				29,820			-	125,445	130,867	136,362
Other revenue		50			125					75			-	250	200	210
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		55,425	558	68	475	40,795	389	480	-	30,520	-	-	-	128,710	134,032	139,537
Expenditure By Type																
Employee related costs		7,250	7,001	6,730	6,836	6,350	6,491	6,286	7,214	6,920	7,077	7,154	7,867	83,176	85,672	86,504
Remuneration of councillors		698	705	693	701	704	728	790	701	712	720	731	726	8,609	8,867	8,953
Debt impairment													-	-	-	-
Depreciation & asset impairment		576	553	541	292	237		682	400	623	436	730	132	5,201	5,713	6,950
Finance charges			381						381				(0)	763	471	145
Other materials				21	43		51			28			(0)	141	145	147
Contracted services		743	756	701	782	767	795	777	722	731	783	703	807	9,067	8,103	8,175
Transfers and subsidies		5,939	250	725	2,574	275	1,500	357	270		1,025		348	13,263	9,225	9,258
Other expenditure		1,563	1,560	1,042	1,670	1,125	1,001	1,127	1,657	1,290	1,011	1,850	1,108	16,004	16,555	14,264
Loss on disposal of PPE													-	-	-	-
Total Expenditure		16,769	11,206	10,453	12,897	9,458	10,566	10,019	11,345	10,304	11,052	11,168	10,987	136,223	134,751	134,396

Table 44 – SA26: Budgeted monthly revenue and expenditure by municipal vote

DC18 Lejweleputswa - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 4 - Council General		45,500					38,500			34,748			5,697	124,445	129,867	135,362
Vote 5 - Municipal Manager													-	-	-	-
Vote 6 - Budget & Treasury			1,250	95	87	242	15	821	408	163	422	180	582	4,265	4,165	4,175
Total Revenue by Vote		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	6,279	128,710	134,032	139,537
Expenditure by Vote to be appropriated																
Vote 1 - Executive Mayor		781	826	1,014	935	972	861	993	907	864	937	966	386	10,442	10,756	10,860
Vote 2 - Speaker		292	300	279	322	350	328	397	361	340	321	318	450	4,058	4,180	4,220
Vote 3 - Mayoral Committee		434	427	409	416	421	672	628	643	560	595	673	848	6,726	6,928	6,995
Vote 4 - Council General		1,866	1,913	1,936	1,959	2,015	1,912	1,678	1,699	1,646	1,550	1,790	1,934	21,898	17,020	15,529
Vote 5 - Municipal Manager		741	781	805	863	948	1,234	1,459	1,246	1,277	1,397	989	1,061	12,801	13,185	13,313
Vote 6 - Budget & Treasury		1,123	1,348	2,209	1,349	1,456	1,582	1,974	2,016	1,609	1,785	1,508	2,133	20,092	20,694	20,895
Vote 7 - Corporate Services		1,002	1,139	2,361	1,257	2,084	1,634	2,350	1,275	1,364	1,542	1,890	1,124	19,022	19,592	19,782
Vote 10 - Property		402	416	428	471	493	511	522	484	555	523	549	303	5,657	5,826	5,883
Vote 11 - Municipal Support													-	-	-	-
Vote 12 - Planning & Development		712	736	703	756	729	827	804	736	801	811	689	869	9,173	9,448	9,540
Vote 13 - Community & Social Services		956	974	922	1,036	987	996	925	1,023	969	919	932	1,362	12,001	12,361	12,481
Vote 14 - Environmental Health Services		927	944	965	994	927	1,342	1,201	1,311	1,138	1,274	1,360	1,170	13,553	13,960	14,095
Vote 15 - Tourism							801						-	801	801	801
Total Expenditure by Vote		9,236	9,804	12,031	10,358	11,382	12,700	12,931	11,701	11,123	11,654	11,664	11,639	136,223	134,751	134,396

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

DC18 Lejweleputswa - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
<i>Governance and administration</i>		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	6,279	128,710	134,032	139,537
Executive and council		45,500					38,500			34,748			5,697	124,445	129,867	135,362
Finance and administration			1,250	95	87	242	15	821	408	163	422	180	582	4,265	4,165	4,175
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services																
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development																
Environmental protection																
<i>Other</i>																
Total Revenue - Functional		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	6,279	128,710	134,032	139,537
Expenditure - Functional																
<i>Governance and administration</i>		6,641	7,150	9,441	7,572	8,739	8,734	10,001	8,631	8,215	8,650	8,683	8,238	100,695	98,182	97,479
Executive and council		4,114	4,247	4,443	4,495	4,706	5,007	5,155	4,856	4,687	4,800	4,736	4,679	55,926	52,069	50,918
Finance and administration		2,527	2,903	4,998	3,077	4,033	3,727	4,846	3,775	3,528	3,850	3,947	3,559	44,770	46,113	46,561
Internal audit																
<i>Community and public safety</i>		1,883	1,918	1,887	2,030	1,914	2,338	2,126	2,334	2,107	2,193	2,292	2,532	25,554	26,321	26,576
Community and social services		956	974	922	1,036	987	996	925	1,023	969	919	932	1,362	12,001	12,361	12,481
Sport and recreation																
Health		927	944	965	994	927	1,342	1,201	1,311	1,138	1,274	1,360	1,170	13,553	13,960	14,095
<i>Economic and environmental services</i>		712	736	703	756	729	827	804	736	801	811	689	869	9,173	9,448	9,540
Planning and development		712	736	703	756	729	827	804	736	801	811	689	869	9,173	9,448	9,540
<i>Other</i>							801							801	801	801
Total Expenditure - Functional		9,236	9,804	12,031	10,358	11,382	12,700	12,931	11,701	11,123	11,654	11,664	11,639	136,223	134,751	134,396
Surplus/(Deficit)	1	36,264	(8,554)	(11,936)	(10,271)	(11,140)	25,815	(12,110)	(11,293)	23,788	(11,232)	(11,484)	(5,360)	(7,513)	(719)	5,141

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 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Single-year expenditure to be appropriated																	
Vote 1 - Executive Mayor				50										-	50	50	50
Vote 2 - Speaker				50										-	50	50	50
Vote 3 - Mayoral Committee				50										-	50	50	50
Vote 4 - Council General				100			500							145	745	-	-
Vote 5 - Municipal Manager						100								50	150	100	100
Vote 6 - Budget & Treasury						500								-	500	500	500
Vote 7 - Corporate Services				50										-	50	50	50
Vote 8 - Human Resources														-	-	-	-
Vote 9 - Information Technology														-	-	-	-
Vote 10 - Property					1,950	850								200	3,000	50	50
Vote 11 - Municipal Support														-	-	-	-
Vote 12 - Planning & Development				50										-	50	50	50
Vote 13 - Community & Social Services				50										-	50	50	50
Vote 14 - Environmental Health Services				50										-	50	50	50
Vote 15 - Tourism														-	-	-	-
Capital single-year expenditure sub-total	2	-	-	450	1,950	1,450	500	-	-	-	-	-	-	395	4,745	1,000	1,000
Total Capital Expenditure	2	-	-	450	1,950	1,450	500	-	-	-	-	-	-	395	4,745	1,000	1,000

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

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure	1															
Governance and administration		-	-	800	1,050	2,550	-	195	-	-	-	-	-	4,595	850	850
Executive and council				250		600		195						1,045	250	250
Finance and administration				550	1,050	1,950								3,550	600	600
Internal audit														-	-	-
Community and public safety		-	-	100	-	-	-	-	-	-	-	-	-	100	100	100
Community and social services				50										50	50	50
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health				50										50	50	50
Economic and environmental		-	-	50	-	-	-	-	-	-	-	-	-	50	50	50
Planning and development				50										50	50	50
Total Capital Expenditure - Functional	2	-	-	950	1,050	2,550	-	195	-	-	-	-	-	4,745	1,000	1,000
Internally generated funds		-	-	950	1,050	2,550	-	195	-	-	-	-	-	4,745	1,000	1,000
Total Capital Funding		-	-	950	1,050	2,550	-	195	-	-	-	-	-	4,745	1,000	1,000

Table 48 – SA30: Budgeted monthly cash flow

DC18 Lejweleputswa - Supporting Table SA30 Consolidated budgeted monthly cash flow													Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOWS	Budget Year 2018/19												Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June			
Cash Receipts By Source													1		
Interest earned - external investments		72	44	239		65	709	358	107	413	293	550	2,850	2,800	2,800
Interest earned - outstanding debtors													-		
Transfer receipts - operational	45,500	1,250	2,490		400	38,500		600	29,000	2,258		5,447	125,445	130,867	136,362
Other revenue	16	13	8	3	15	10	12	20	13	9	18	280	415	365	375
Cash Receipts by Source	45,516	1,335	2,542	242	415	38,575	721	978	29,120	2,680	311	6,277	128,710	134,032	139,537
Other Cash Flows by Source															
Total Cash Receipts by Source	45,516	1,335	2,542	242	415	38,575	721	978	29,120	2,680	311	6,277	128,710	134,032	139,537
Cash Payments by Type															
Employee related costs	7,250	7,001	6,730	6,836	6,350	6,491	6,286	7,214	6,920	7,077	7,154	7,868	83,177	85,672	86,504
Remuneration of councillors	698	705	693	701	704	728	790	701	712	720	731	726	8,609	8,867	8,953
Finance charges		381						381				(0)	763	471	145
Other materials			21	43		51			28				141	145	147
Contracted services	743	756	701	782	767	795	777	722	731	783	703	806	9,067	9,404	9,613
Transfers and grants - other municipalities													-		
Transfers and grants - other	5,939	250	725	2,574	275	1,500	357	270		1,025		348	13,263	9,225	9,258
Other expenditure	1,563	1,560	1,042	1,670	1,125	1,001	1,127	1,657	1,290	1,011	1,850	1,108	16,004	14,004	15,725
Cash Payments by Type	16,193	10,653	9,912	12,605	9,221	10,566	9,337	10,945	9,681	10,616	10,438	10,856	131,022	127,789	130,345
Other Cash Flows/Payments by Type															
Capital assets			450		800	2,000			1,495				-	4,745	1,000
Repayment of borrowing		1,363						1,362					0	2,725	3,342
Total Cash Payments by Type	16,193	12,016	10,362	12,605	10,021	12,566	9,337	12,307	11,176	10,616	10,438	10,856	138,492	131,805	134,687
NET INCREASE/(DECREASE) IN CASH HELD	29,323	(10,681)	(7,820)	(12,364)	(9,606)	26,010	(8,617)	(11,329)	17,945	(7,936)	(10,127)	(4,579)	(9,782)	2,227	4,850
Cash/cash equivalents at the month/year begin:	29,827	59,150	48,469	40,649	28,285	18,679	44,688	36,072	24,742	42,687	34,751	24,624	29,827	20,045	22,271
Cash/cash equivalents at the month/year end:	59,150	48,469	40,649	28,285	18,679	44,688	36,072	24,742	42,687	34,751	24,624	20,045	20,045	22,271	27,121

Table 49 – SA31: Aggregate entity budget

DC18 Lejweleputswa - Supporting Table SA31 Aggregated entity budget										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Investment revenue		0	0	0	0	0	0	0	0	0
Transfers recognised - operational		8	6,965	6,091	11	10	10	10	10	11
Total Revenue (excluding capital transfers and contributions)		8	7	6	11	10	10	10	10	11
Employee costs		2	4	4	4	4	4	5	5	5
Remuneration of Board Members		0	0	0	0	0	0	0	0	0
Depreciation & asset impairment		0	0	0	0	0	0	0	0	0
Finance charges		0	0							
Other expenditure		7	4	2	7	6	6	6	5	6
Total Expenditure		9	8	6	11	10	10	10	10	11
Surplus/(Deficit)		(1)	(1)	(0)	0	0	0	0	0	0
Capital expenditure & funds sources										
Capital expenditure		0	0	0						
Internally generated funds		0	0	0						
Total sources		0	0	0	-	-	-	-	-	-
Financial position										
Total current assets		1	1	9	1	1	1	2	2	2
Total non current assets		0	0	0						
Total current liabilities		0	2	3	0	0	0	0	0	0
Cash flows										
Net cash from (used) operating		(4)	1	2	0	0	0	0	0	0
Net cash from (used) investing		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net cash from (used) financing										
Cash/cash equivalents at the year end										

2.7.6 External mechanisms

Table 50 – SA32: List of external mechanisms

DC18 Lejweleputswa - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Toshiba Goldfields	Yrs	3	Telephone system	29 October 2018	715
Toshiba Goldfields	Yrs	3	Photocopying machines	01 September 2018	789
Ikamva Communications & Technologies	Yrs	3	Website development	02 December 2018	86
Lateral Unison Insurance Brokers	Yrs	3	Short term insurance	01 July 2018	458

Table 51 – SA33: Contracts having future budgetary implications

DC18 Lejweleputswa - Supporting Table SA33 Contracts having future budgetary implications														
Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3	Total	Original Budget											
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>														
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>														
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 52 – SA34a: Capital Expenditure on new assets by asset class

DC18 Lejweleputswa - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Intangible Assets		353	257	704	1,050	2,250	2,250	300	300	300
Servitudes										
Licences and Rights		353	257	704	1,050	2,250	2,250	300	300	300
Computer Software and Applications		233	204	704		300	300	300	300	300
Load Settlement Software Applications										
Unspecified		120	53		1,050	1,950	1,950			
Computer Equipment		170	51	–	–	–	–	345	–	–
Computer Equipment		170	51					345		
Furniture and Office Equipment		160	440	529	600	745	745	700	700	700
Furniture and Office Equipment		160	440	529	600	745	745	700	700	700
Transport Assets		242	–	–	1,600	1,600	1,600	400	–	–
Transport Assets		242			1,600	1,600	1,600	400		
Total Capital Expenditure on new assets	1	930	757	1,371	3,250	4,745	4,745	1,745	1,000	1,000

Table 53 – 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices										
Housing		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Software and Applications										
Unspecified										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-

Table 54 – SA34c: Repairs and maintenance expenditure by asset class

DC18 Lejweleputswa - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
Other assets		264	156	209	209	209	209	209	215	222
Operational Buildings		264	156	209	209	209	209	209	215	222
<i>Municipal Offices</i>		264	156	209	209	209	209	209	215	222
Intangible Assets		63	55	35	35	35	35	35	37	38
Servitudes										
Licences and Rights		63	55	35	35	35	35	35	37	38
<i>Unspecified</i>		63	55	35	35	35	35	35	37	38
Computer Equipment		7	47	18	18	18	18	18	18	19
Computer Equipment		7	47	18	18	18	18	18	18	19
Furniture and Office Equipment		–	16	14	14	14	14	14	14	15
Furniture and Office Equipment		–	16	14	14	14	14	14	14	15
Transport Assets		130	266	450	450	450	450	297	306	315
Transport Assets		130	266	450	450	450	450	297	306	315
Total Repairs and Maintenance Expenditure	1	465	540	726	726	726	726	573	591	608

Table 55 – SA34d: Depreciation by asset class

DC18 Lejweleputswa - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation by Asset Class/Sub-class										
Other assets		2,882	200	589	2,882	2,882	2,882	1,587	1,635	1,650
Operational Buildings		2,882	200	589	2,882	2,882	2,882	1,587	1,635	1,650
<i>Municipal Offices</i>		2,882	200	589	2,882	2,882	2,882	1,587	1,635	1,650
Intangible Assets		30	49	172	356	356	356	123	127	128
Servitudes										
Licences and Rights		30	49	172	356	356	356	123	127	128
<i>Unspecified</i>		30	49	172	356	356	356	123	127	128
Computer Equipment		371	-	478	-	-	-	642	661	668
Computer Equipment		371		478				642	661	668
Furniture and Office Equipment		2,503	2,479	1,650	2,735	2,735	2,735	1,807	2,217	2,348
Furniture and Office Equipment		2,503	2,479	1,650	2,735	2,735	2,735	1,807	2,217	2,348
Transport Assets		719	1,668	544	1,548	1,548	1,548	1,042	1,073	1,084
Transport Assets		719	1,668	544	1,548	1,548	1,548	1,042	1,073	1,084
Total Depreciation	1	6,505	4,395	3,433	7,521	7,521	7,521	5,201	5,713	5,878

Table 56– SA34e:

DC18 Lejweleputswa - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
<u>Other assets</u>		-	-	-	-	-	-	3,000	-	-
Operational Buildings		-	-	-	-	-	-	3,000	-	-
Municipal Offices								3,000		
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	3,000	-	-

Table 57 – SA35: Future financial implications of the capital budget

DC18 Lejweleputswa - Supporting Table SA35 Consolidated future financial implications of the capital budget									
Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts				
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value	
R thousand									
Capital expenditure	1								
Vote 1 - Executive Mayor		50	50	50					
Vote 2 - Speaker		50	50	50					
Vote 3 - Mayoral Committee		50	50	50					
Vote 4 - Council General		745	-	-					
Vote 5 - Municipal Manager		150	100	100					
Vote 6 - Budget & Treasury		500	500	500					
Vote 7 - Corporate Services		50	50	50					
Vote 8 - Human Resources		-	-	-					
Vote 9 - Information Technology		-	-	-					
Vote 10 - Property		3,000	50	50					
Vote 11 - Municipal Support		-	-	-					
Vote 12 - Planning & Development		50	50	50					
Vote 13 - Community & Social Services		50	50	50					
Vote 14 - Environmental Health Services		50	50	50					
Vote 15 - Tourism		-	-	-					
List entity summary if applicable									
Total Capital Expenditure		4,745	1,000	1,000	-	-	-	-	-

2.7.8 Detailed capital budget per municipal vote

Table 58 – 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 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Parent Capital expenditure																
1																
Total Capital expenditure																
-																

Table 59 – SA37: Projects delayed from previous financial years

DC18 Lejweleputswa - Supporting Table SA37 Projects delayed from previous financial year/s													
Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework			
								Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand							Year						
Parent municipality:													
<i>List all capital projects grouped by Municipal Vote</i>													
				Examples	Examples								

DC18 Lejweleputswa - Supporting Table SA38 Consolidated detailed operational projects															
Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location
R thousand	4				6			5							
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
					No										
Parent operational expenditure	1											-	-	-	

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

Table 60 – SA1: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	41,845	46,271	46,889	53,610	52,373	52,373	52,373	54,871	56,517	57,065
Pension and UIF Contributions		6,020	6,172	6,874	7,255	7,255	7,255	7,255	8,242	8,489	8,572
Medical Aid Contributions		3,140	3,363	3,918	3,851	3,851	3,851	3,851	4,455	4,589	4,633
Overtime		232	44								
Performance Bonus									803	827	835
Motor Vehicle Allowance		5,299	5,466	5,958	7,745	7,745	7,745	7,745	7,442	7,665	7,739
Cellphone Allowance		197	196	216	109	109	109	109	324	334	337
Housing Allowances		276	368	431	478	478	478	478	498	513	518
Other benefits and allowances		3,028	1,301	1,098	1,386	1,386	1,386	1,386	1,385	1,426	1,440
Payments in lieu of leave		2,501	2,849						2,955	3,044	3,074
Long service awards				364	491	491	491	491	442	455	460
Post-retirement benefit obligations	4								1,760	1,813	1,831
sub-total	5	62,538	66,030	65,750	74,925	73,688	73,688	73,688	83,176	85,672	86,504

Total Depreciation & asset impairment	1	6,505	4,395	3,433	7,521	7,521	7,521	7,521	5,201	5,713	6,950
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		3,549	4,474	4,027	7,014	7,276	7,276	7,276	5,939	5,878	5,878
Non-cash transfers and grants		-	-	-	-	-	-	-	7,193	3,213	3,244
Total transfers and grants	1	3,549	4,474	4,027	7,014	7,276	7,276	7,276	13,132	9,090	9,121
Contracted services											
Professional Fees		2,345	2,883	3,125	809	809	809	809	1,135	1,169	1,180
Legal Fees		235	647	650	600	1,050	1,050	1,050	750	773	637
Cleaning Service EPWP					1,000	1,000	1,000	1,000	1,200		
Security Services					360	395	395	395	446	407	419
Rural Roads Assets Management Grant					2,276	2,276	2,276	2,276	2,281	2,415	2,556
Audit Committee					133	213	213	213	300	309	318
Moral Regeneration					141	224	224	224	225	232	234
O.R.Tambo games(Medical and Catering services)					634	634	634	634	128	132	133
Youth Development					91	71	71	71	94	97	98
LED Development					3,032	4,180	4,180	4,180	200	200	200
Communication									350	361	364
Maintanance Building and Facilities									250	250	260
Financial Management Grant									1,000	1,000	1,000
Branding									170	205	217
Perfomance Management									100	103	104
Disaster Relief Awareness									23	24	24
Air Quality and Climate Change Programme									90	93	94
Water Quality Programme									100	103	104
Event Promoter(Educational Project and Targeted Campaign)									105	108	109
Maintanance of Equipment									282	291	294
Contracted contractors									41	42	42
Women Day									50	52	52
HIV and AIDS awareness									47	48	49
Community Sports									200	206	208
sub-total	1	2,581	3,530	3,775	9,076	10,852	10,852	10,852	9,567	8,618	8,695
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		2,581	3,530	3,775	9,076	10,852	10,852	10,852	9,567	8,618	8,695

Other Expenditure By Type												
Collection costs												
Contributions to 'other' provisions		4,835	2,849	5,729	5,570	5,570	5,570	5,570				
Consultant fees		700	3,530	807	809	809	809	809				
Audit fees		2,092	1,995	2,499	2,499	2,499	2,499	2,499	2,499	2,499	2,499	2,499
General expenses	3	9,532	10,372	4,177	2,333	3,926	3,926	3,926	631	650	656	
ADVERTISEMENTS		137	122	130	130	130	130	130	258	266	268	
ACHIEVEMENT				90	90	90	90	90	240	247	250	
EMPLOYEE BURSARY ASSISTANCE		130	100						450	463	468	
PRINTING AND PUBLICATION		113	149	105	133	133	133	133	525	541	546	
BANK CHARGES		67	104	54	54	54	54	54	106	109	110	
TELEPHONE AND FAX		55	206	170	170	170	170	170	452	466	470	
INSURANCE		807							595	613	619	
TRAVELLING AND SUBSISTANCE		934	930						3,167	4,810	1,706	
CAMPAIGNS		894	2,849	566	920	920	920	920	1,157	1,157	1,767	
GIFT AND PROMOTION				111	53	53	53	53	258	266	268	
OPERATING LEASE				29					1,524	1,524	1,524	
CHILDREN'S PROGRAMME		65	174	50	50	50	50	50	54	55	56	
LEARNERSHIP AND INTERNSHIP		92	99	122	122	122	122	122	351	362	365	
INTERNET CHARGE				51	51	51	51	51	230	237	239	
SOFTWARE LICENSE		22	528	200	200	200	200	200	500	250	269	
CAR RENTAL				23	23	23	23	23	54	55	56	
UNIFORM AND DEVELOPMENT PROGRAMME				60	60	60	60	60	116	119	120	
FUEL				40	65	65	65	65	328	337	341	
WORKMEN'S COMPENSATION FUND				1,000	1,001	801	801	801	469	483	488	
MEMBERSHIP FEE SALGA		761	468	152	152	152	152	152	874	325	361	
MUNICIPAL SERVICES		394	452	449	493	493	493	493	863	408	502	
ENTERTAINMENT				28	28	28	28	28	304	313	316	
Total 'Other' Expenditure	1	21,630	24,925	16,641	15,007	16,400	16,400	16,400	16,004	16,555	14,264	

Table 61 – SA2: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)																	
Description	Ref	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	Total
R thousand	1																
Revenue By Source																	
Interest earned - external investments							2,850										2,850
Interest earned - outstanding debtors							165										165
Other revenue							250										250
Transfers and subsidies					124,445		1,000										125,445
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	124,445	-	4,265	-	-	-	-	-	-	-	-	-	128,710
Expenditure By Type																	
Employee related costs		4,269	2,457	1,612	1,760	11,064	13,294	16,727			1,651		8,190	9,689	12,426		83,140
Remuneration of councillors		911	737	4,491	2,470												8,609
Debt impairment																	-
Depreciation & asset impairment		61	61	72	224	85	489	193			2,069		76	1,744	128		5,203
Finance charges					763												763
Bulk purchases																	-
Other materials		118	121	71	0	105	100	798			122		71	84	78		1,669
Contracted services		707	1	1	4,970	632	1,886	106			339		204	78	194		9,117
Transfers and subsidies		2,039			10,013								350	60			12,462
Other expenditure		2,338	680	479	1,698	916	4,323	1,197			1,475		282	346	726	801	15,261
Loss on disposal of PPE																	-
Total Expenditure		10,442	4,058	6,726	21,898	12,801	20,092	19,022	-	-	5,657	-	9,173	12,001	13,553	801	136,223
Surplus/(Deficit)		(10,442)	(4,058)	(6,726)	102,547	(12,801)	(15,827)	(19,022)	-	-	(5,657)	-	(9,173)	(12,001)	(13,553)	(801)	(7,513)

Table 62 – SA3: Supporting detail to Statement of Financial Position

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Call investment deposits											
Other current investments		40,367	40,009	40,570	20,000	40,570	40,570	40,570	21,500	22,145	22,809
Total Call investment deposits	2	40,367	40,009	40,570	20,000	40,570	40,570	40,570	21,500	22,145	22,809
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		91,234	79,838	89,625	111,438	89,625	89,625	89,625	87,124	89,738	92,430
Leases recognised as PPE	3										
<u>Less: Accumulated depreciation</u>		24,766	17,211	29,727	22,190	29,727	29,727	29,727	27,058	27,870	28,706
Total Property, plant and equipment (PPE)	2	66,468	62,627	59,898	89,248	59,898	59,898	59,898	60,066	61,868	63,724
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		2,146	2,609	2,772	999	2,772	2,772	2,772	2,514	2,589	2,667
Total Current liabilities - Borrowing		2,146	2,609	2,772	999	2,772	2,772	2,772	2,514	2,589	2,667
Trade and other payables											
Trade and other creditors		8,734	8,534	8,296	7,652	8,296	8,296	8,296	7,695	7,926	8,164
Unspent conditional transfers		188	232								
Total Trade and other payables	2	8,921	8,766	8,296	7,652	8,296	8,296	8,296	7,695	7,926	8,164

Non current liabilities - Borrowing											
Borrowing	4	10,967	11,169	8,785	9,059	8,785	8,785	8,785	9,835	10,130	10,434
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		10,967	11,169	8,785	9,059	8,785	8,785	8,785	9,835	10,130	10,434
Provisions - non-current											
Retirement benefits		9,082	10,241	11,317	8,597	11,317	11,317	11,317	6,958	7,167	7,382
Other			3,408	3,275		3,275	3,275	3,275	1,275	1,313	1,353
Total Provisions - non-current		9,082	13,649	14,592	8,597	14,592	14,592	14,592	8,233	8,480	8,734
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		87,477	93,181	94,654	87,157	115,864	115,864	115,864	87,124	82,719	77,654
GRAP adjustments											
Restated balance		87,477	93,181	94,654	87,157	115,864	115,864	115,864	87,124	82,719	77,654
Surplus/(Deficit)		3,505	1,782	20,065	(0)	(1,144)	(1,144)	(1,144)	(7,513)	(719)	5,141
Accumulated Surplus/(Deficit)	1	90,982	94,963	114,719	87,157	114,720	114,720	114,720	79,611	82,000	82,795
TOTAL COMMUNITY WEALTH/EQUITY	2	90,982	94,963	114,719	87,157	114,720	114,720	114,720	79,611	82,000	82,795

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 2018/2019 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**

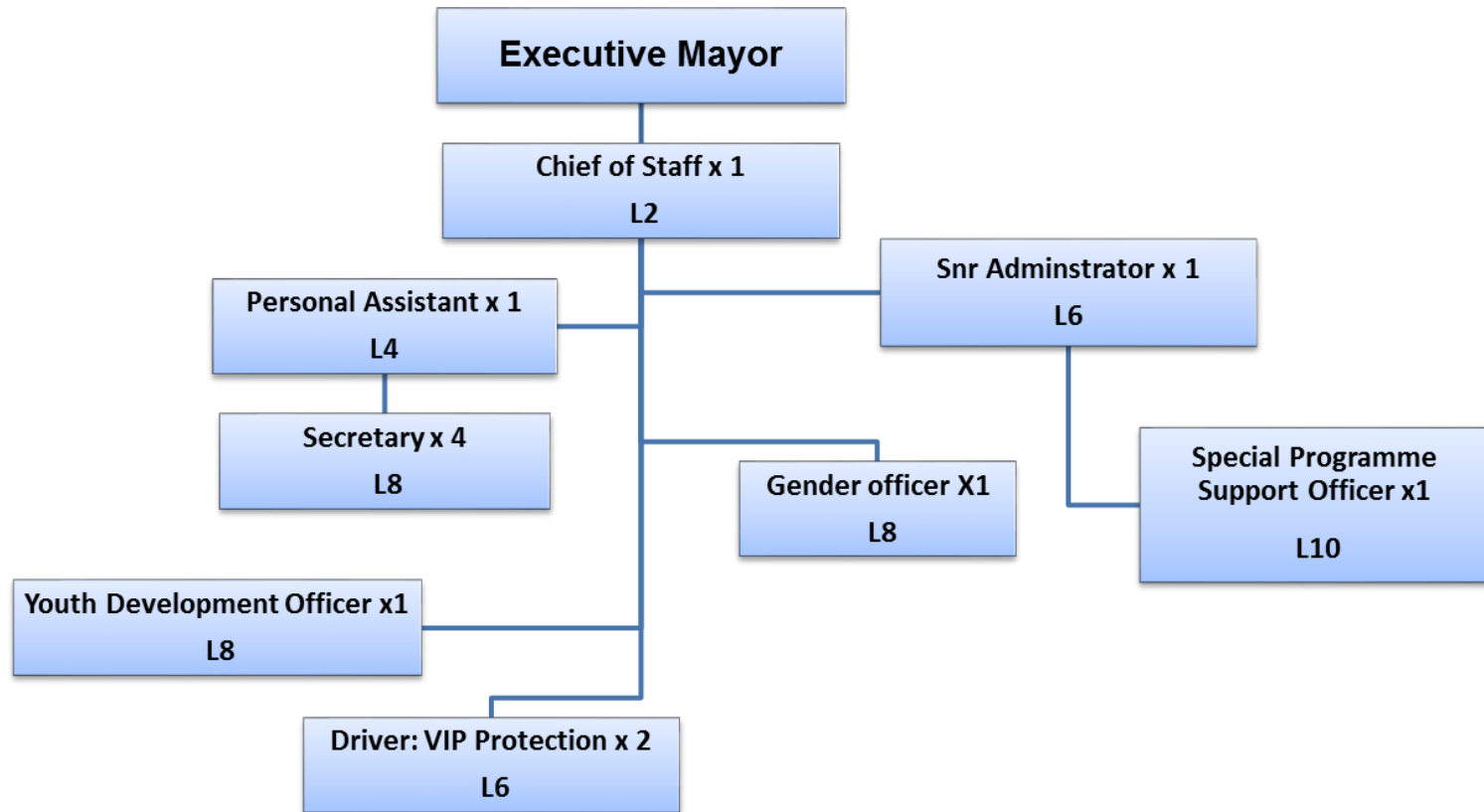
Municipal Manager of: **Lejweleputswa District Municipality (DC18)**

Signature

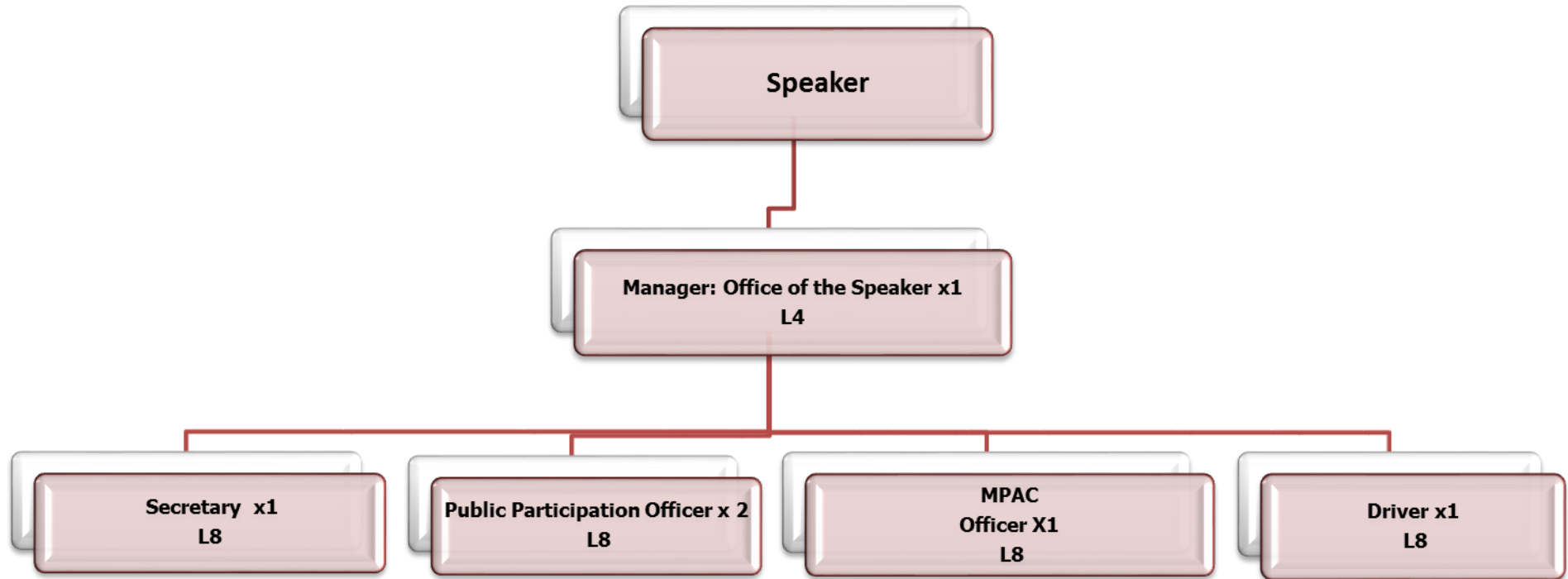
Date

ORGANISATIONAL STRUCTURE 2018/2019

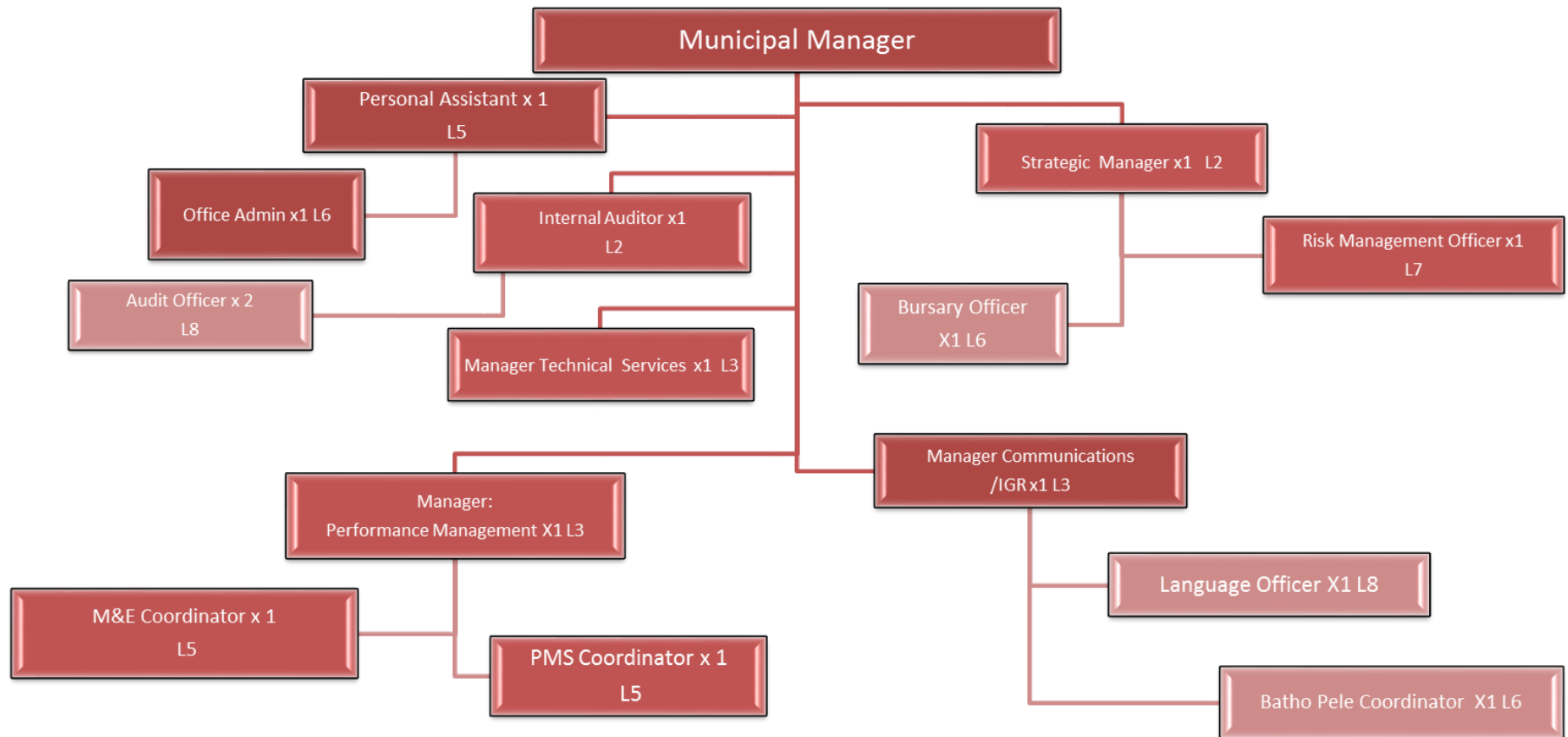
1.1 EXECUTIVE MAYOR'S OFFICE



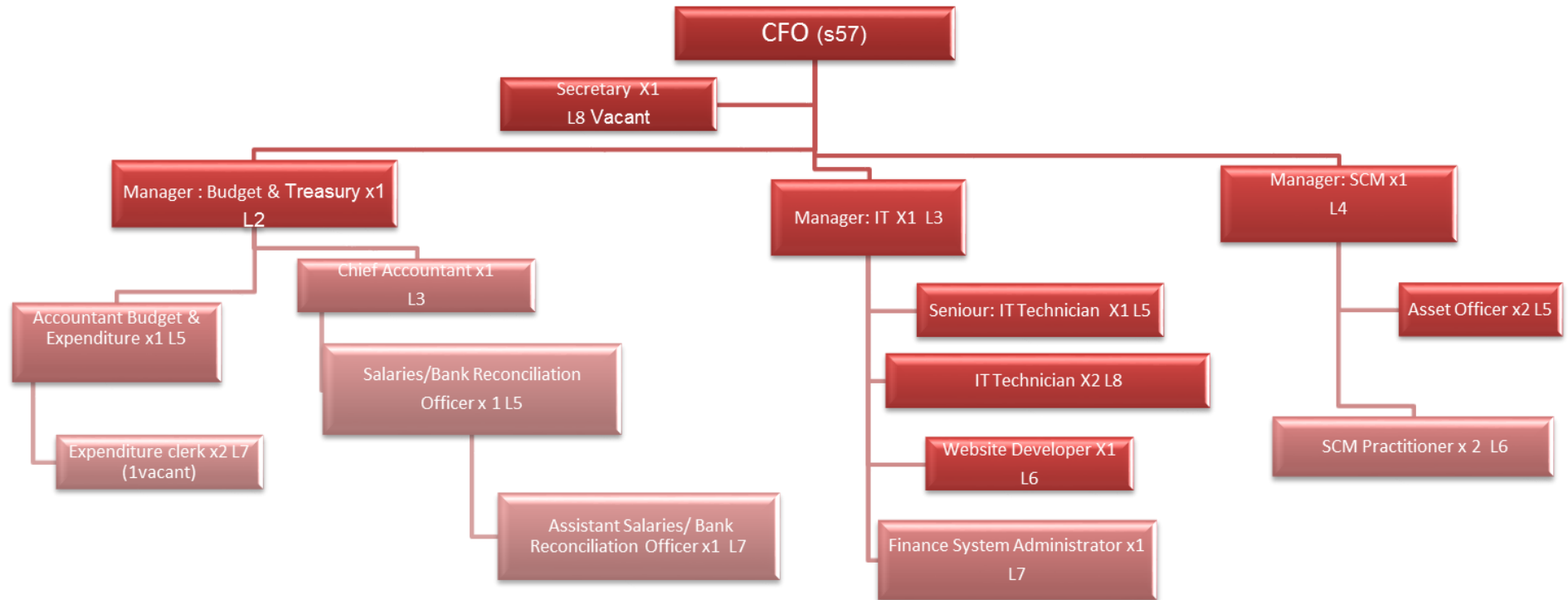
1.2. SPEAKER'S OFFICE



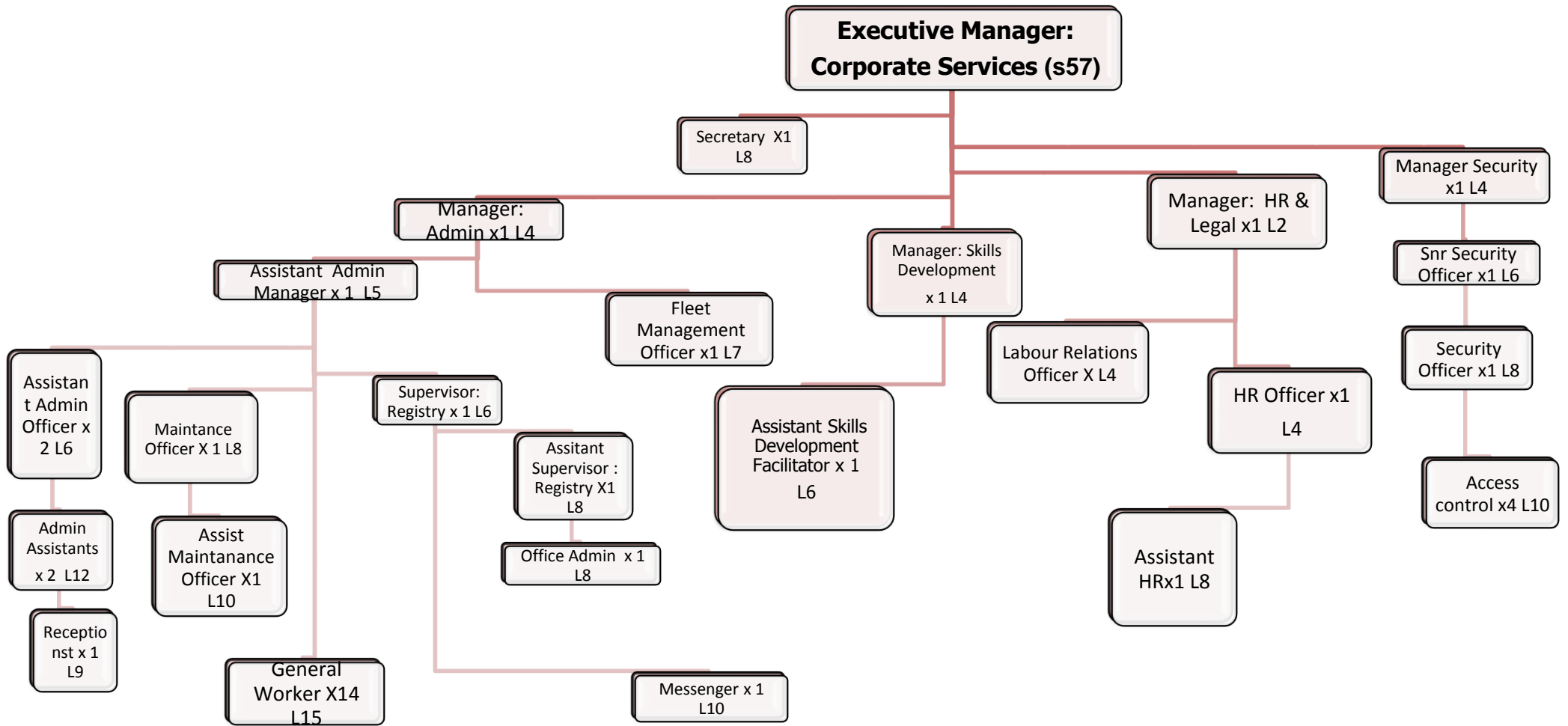
1.3. MUNICIPAL MANAGER'S OFFICE



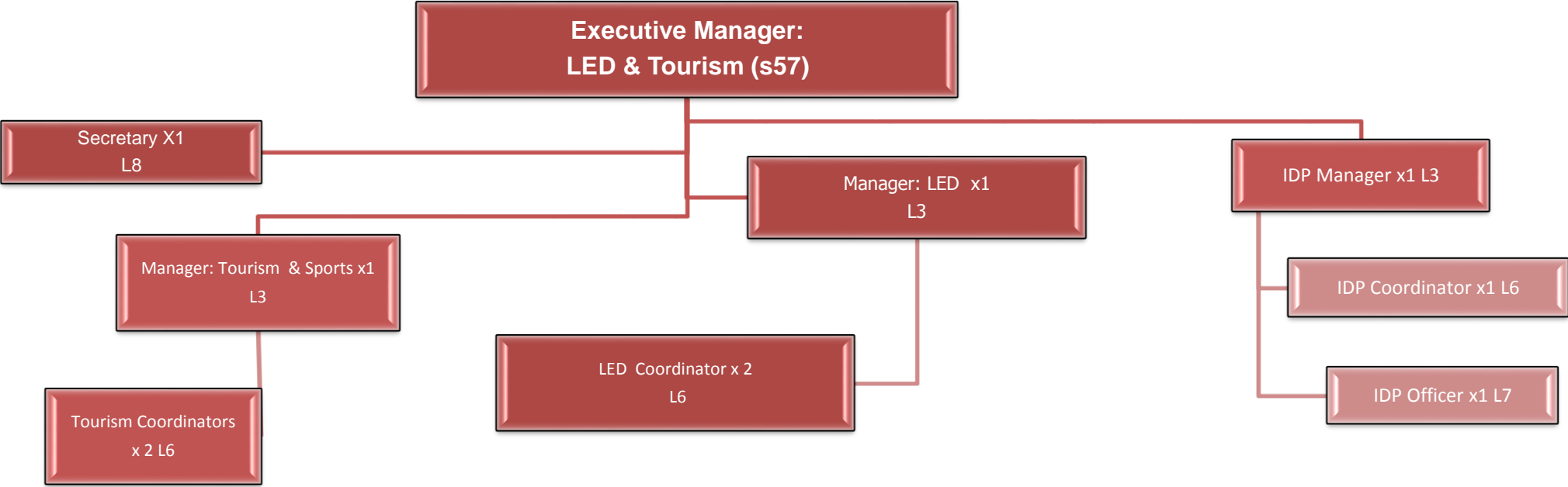
1.4. CHIEF FINANCIAL OFFICER



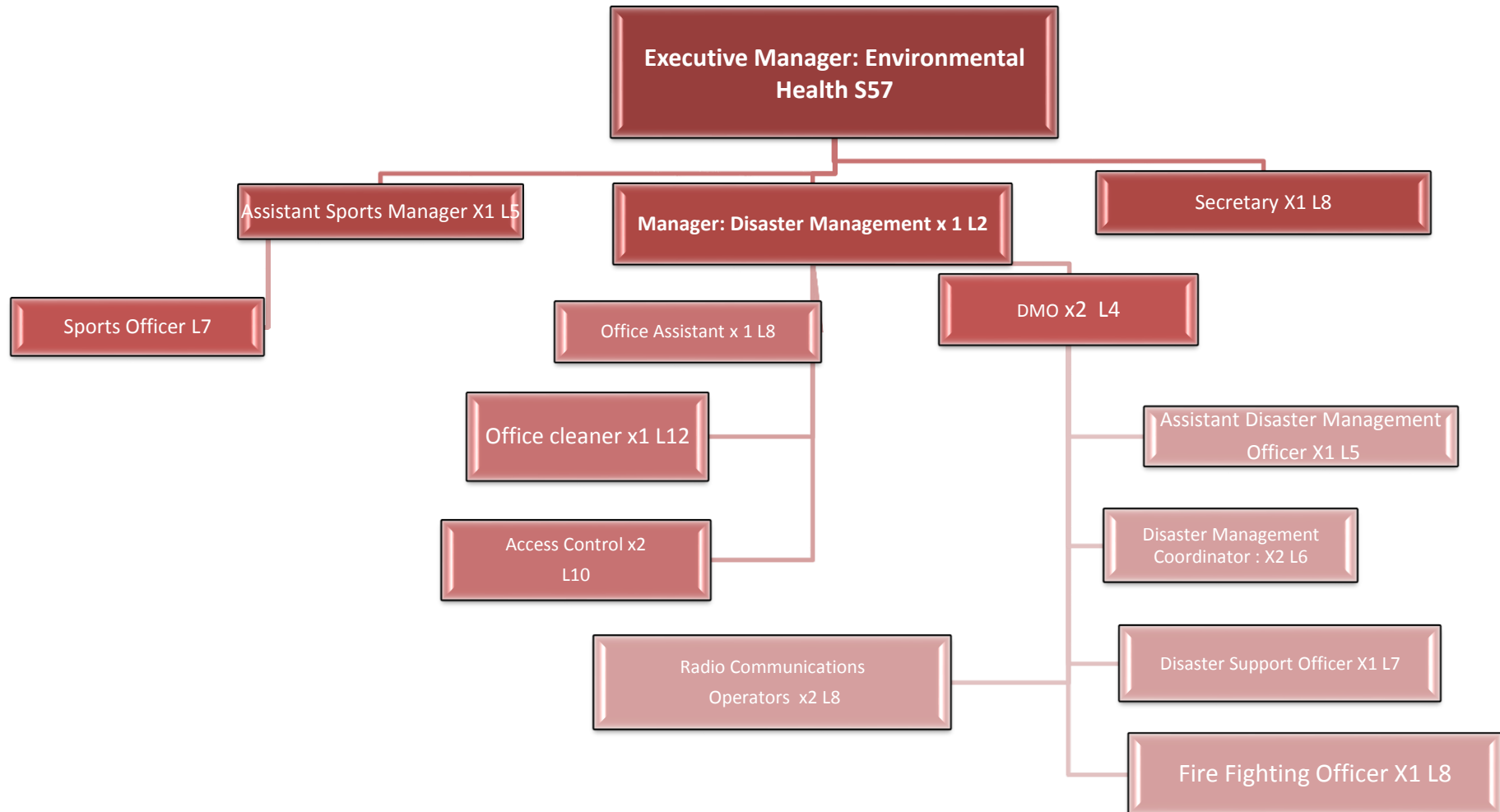
1.5. CORPORATE SERVICES



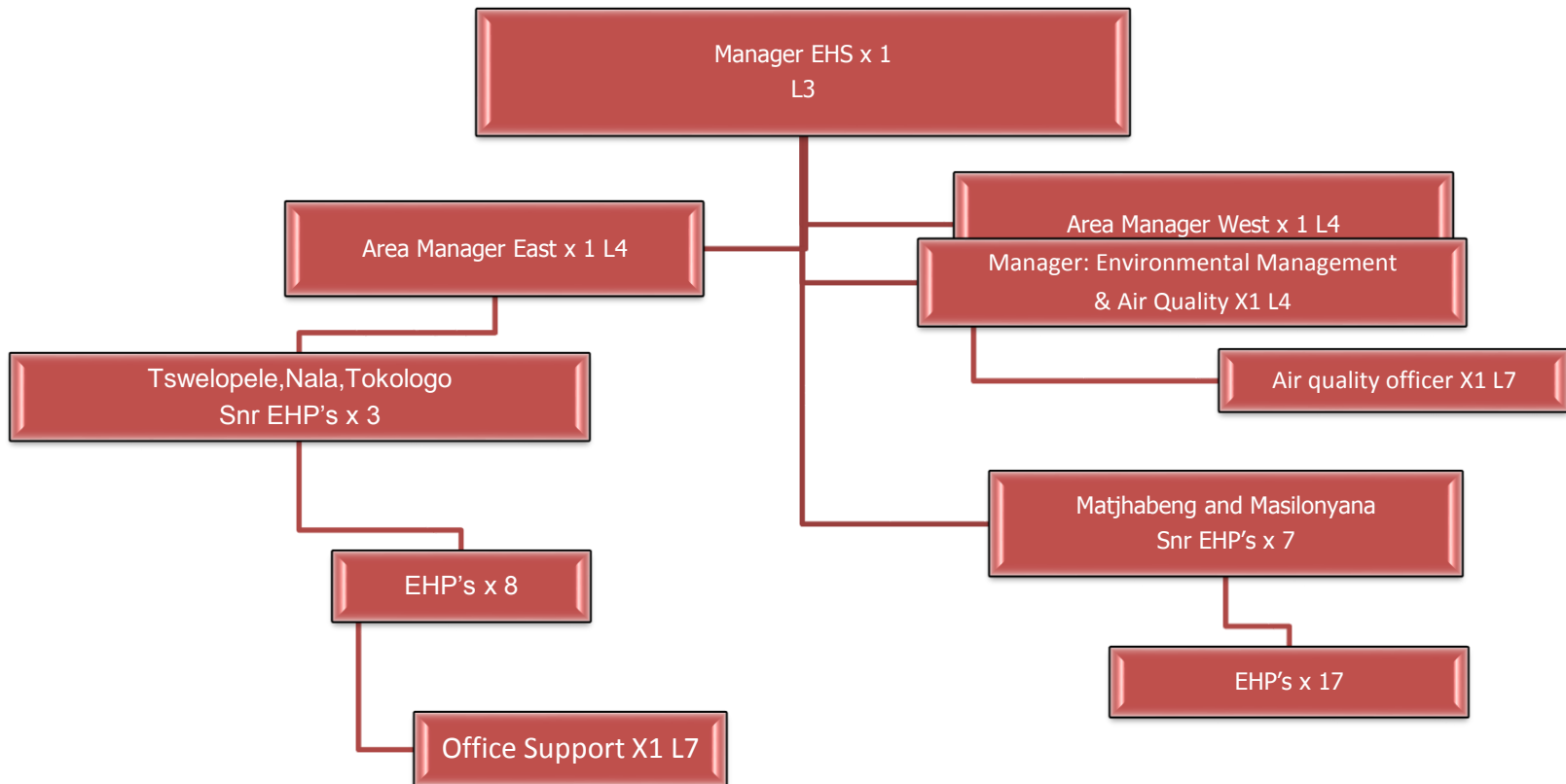
1.6. LED & TOURISM



1.8. ENVIRONMENTAL HEALTH & DISASTER MANAGEMENT: 1.8.1. Disaster Management



1.8.2. Environmental Health



PERFORMANCE MANAGEMENT

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, organized 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-

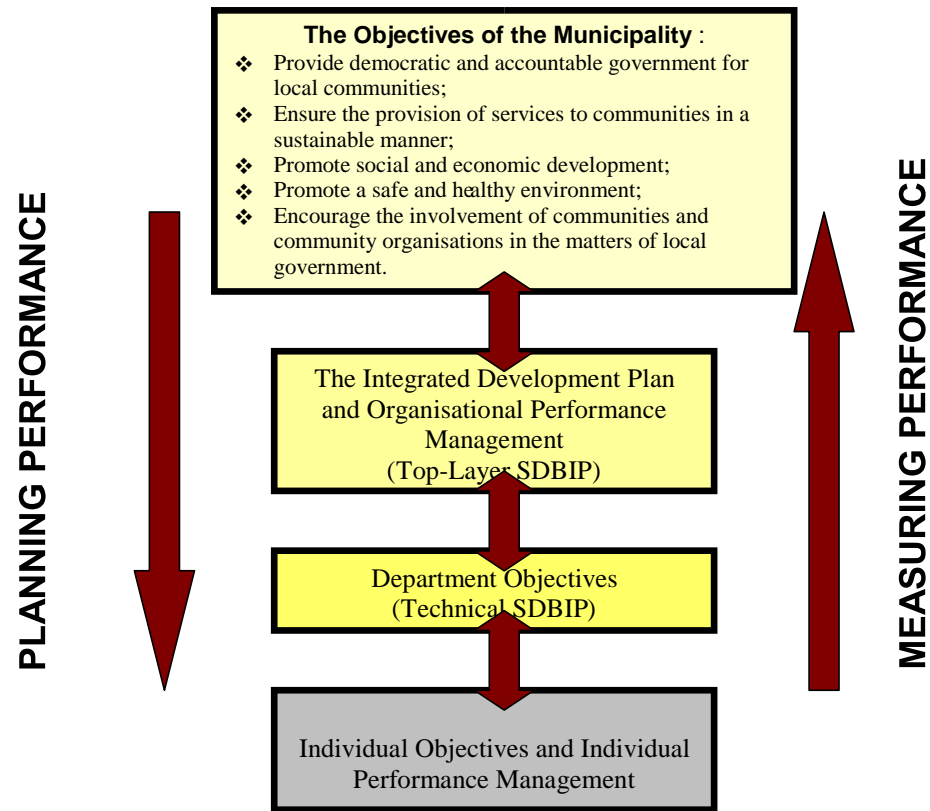
i) Commensurate with its resources; ii) best suited to its circumstances; and iii) in line with the priorities,

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”

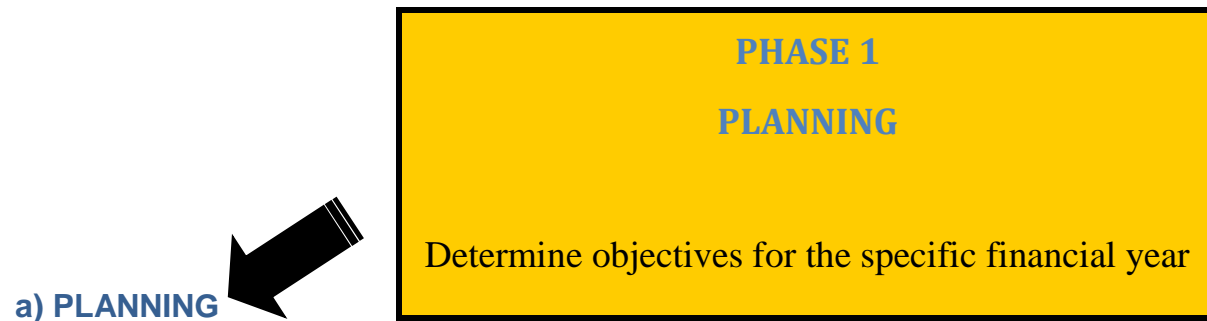
The above scenario is better depicted graphically below as follows:



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



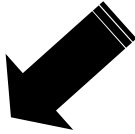
TIMING	ACTIVITIES
July each year i.e. beginning of financial year	1. Manager/Supervisor to schedule meeting with Employee to agree on performance objectives* for the year. (*In respect of the Municipal Manager or Section 57 Managers to be directly linked to the SDBIP of the respective directorate to 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

	<p>respective SDBIP in setting performance objectives. To be reflected in the Performance Management Tool and Performance Plan)</p> <ol style="list-style-type: none"> 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 • Personal Development Plan • Code of Conduct • Financial Disclosure form 4. Ensure that the following documentation in respect of Non Section 57 Employees are compiled for the financial year or updated when necessary: <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
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**PHASE 2
MONITORING**



Continuous monitoring and assistance provided



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

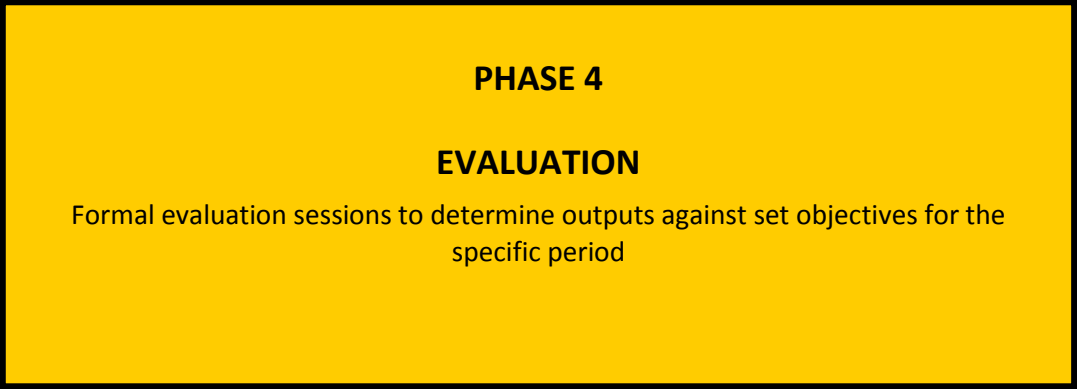
Informal review sessions between Supervisors and Municipal Manager and Section 57 Managers to determine whether objectives as set for the specific quarters have been met or not and to what extent.

Remedial actions if need be.



c) REVIEWING

TIMING	ACTIVITIES
<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.



d) EVALUATION

TIMING	ACTIVITIES
In January for Mid-Year evaluations In July for end of the year evaluation	<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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**PHASE 5
REWARDING**

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



e) REWARDING

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>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.
<p>Pro-rata rewards to be paid upon termination of</p>	

contract should the employee qualify	
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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
1	Draft IDP	█											
2	IDP Road shows		█										
3	Approved IDP			█									
4	Municipal SDBIP		█		█								
5	Departmental SDBIPs		█										
6	Performance Scorecard	█	█	█									
7	Performance review: Q1					█							

8	Performance review: Mid-year													
9	Section 72 Report													
10	Performance review: Q3													
11	Closing of the FY													
12	Performance review: Annual													
13	Annual Performance Report													
14	Annual Report													
15	Oversight Report													

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 realizing 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.