

SECTION A: INTRODUCTION AND OVERVIEW

EXECUTIVE SUMMARY

1. BACKGROUND

This document represents the third generation Integrated Development Plan for the Ditsobotla Local Municipality since the dawn of the dawn of a developmental local government during December 2000. Section 25 of the Local Government: Municipal Systems Act (Act No.32 of 2000) requires each council, to adopt a single, inclusive and strategic plan for the development of the municipality which –

- (a) Links, integrates and coordinate plans and takes into account proposals for the development of the municipality;
- (b) Aligns the resources and capacity of the municipality with the implementation of the plan; and
- (c) Forms the policy framework and general basis on which annual budgets must be based.

The plan is informed by both the national and provincial government priorities, changes in the socio-economic environment, and other issues that impact on the strategic functioning of the Ditsobotla Local Municipality as an institution of service delivery. In drafting this document the municipality followed the five thematic areas of (i) basic service delivery; (ii) financial viability and management; (iii) municipal transformation and organizational development; (iv) good governance and public participation, and (v) local economic development.

Additionally, the Local Government: Municipal Systems Act prescribes the minimum contents of the integrated development plan as:

- (a) a long term vision of the municipality focused on the most critical development and internal transformation needs;
- (b) an assessment of the existing levels of development in the municipality which must include the identification of the need for basic municipal services;
- (c) the municipal development priorities and objectives for its elected term;

- (d) the municipal development strategies which must be aligned with any national or provincial sector plans and planning requirements;
- (e) a spatial development framework which must include the provision of basic guidelines for a land use management system;
- (f) the municipal operational strategies;
- (g) a disaster management plan;
- (h) a financial plan, which must include a budget projection for at least the next three years; and
- (i) key performance indicators and performance targets.

2. PROCESS AND METHODOLOGY

2.1. PROCESS OVERVIEW

An overview of the phases and activities that form part of the IDP process is graphically portrayed in the attached diagram. This diagram indicates the IDP process as consisting of five broad phases of Analysis; Strategies; Projects; Integration and Approval.

Each of these five phases are briefly discussed below in terms of process and output requirements.

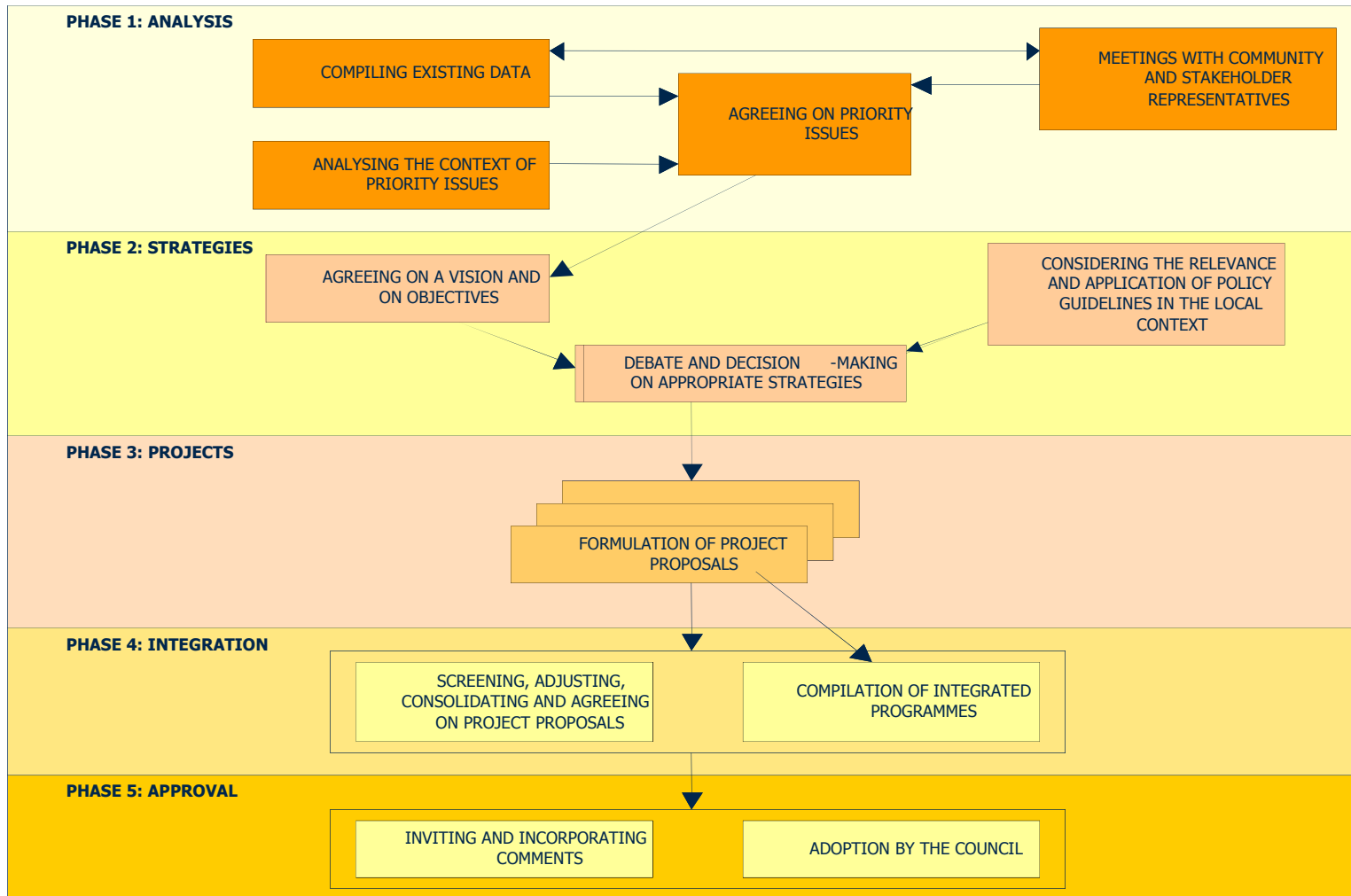
2.1.1. ANALYSIS

Process

The analysis phase deals with the existing situation. It is the **focused analysis** of the type of problems faced by the people in the municipal area. The issues normally range from lack of basic services to crime and unemployment. The problems identified are weighed according to their urgency and/or importance to come up with priority issues.

During this phase, the municipality considers people's perceptions of their problems and needs, but also fact and figures. This phase not only deals with the symptoms, but also the causes of the problems in order to make informed

decisions on appropriate solutions. Stakeholder and community participation is critical during this phase.



Outputs

The outputs of this phase are:

- Assessment of existing levels of development
- Priority issues or problems
- Information on causes of priority issues/problems
- Information on available resources

2.1.2. STRATEGIES

Process

After having analysed the problems affecting the people of the area and its causes, it is necessary to formulate the solutions to address the problems. Activities during the phase included the formulation of:

- The **vision** – The vision is a statement indicating the ideal situation that the Ditsobotla municipality would like to achieve in the long term.
- The **development objectives** – Development objectives are statements of what the municipality would like to achieve in the medium term in order to address the issues (problems) and also contribute to the realization of the vision. The objectives should bridge the gap between the current reality and the vision.
- The **development strategies** – Once the municipality knows where it wants to go (vision) and what it needs to achieve to realize the vision (objectives), it must then develop strategies, to provide answers to the question of how the municipality will reach its objectives.

Outputs

Outputs of this phase include:

- The municipal vision
- Objectives
- Strategies

2.1.3. PROJECTS

Process

This phase is about the design and specification of projects for implementation. The municipality must make sure that the projects identified have a direct linkage to the priority issues and the objectives that were identified in the previous phases. It must also be clear on the target group (intended beneficiaries), the location of the project, when it will commence and end, who will be responsible for managing it, how much it will cost and where the money will come from. It must also identify targets and indicators to measure performance and impact of the project.

Outputs

The outputs of this phase include:

- Project outputs, targets, location
- Project related activities and time schedule
- Cost and budget estimates
- Performance indicators

2.1.4. INTEGRATION

Process

Once the projects are identified, it is imperative to ensure that they are in line with the municipality's objectives and strategies, the resource framework, and comply with the legal requirements. Furthermore, this phase is an opportunity for the municipality to harmonize the projects in terms of contents, location and timing in order to arrive at a consolidated and integrated set of programmes.

Outputs

The output of this phase is an operational strategy, which includes:

- 5 year financial plan
- 5 year capital investment programme
- Integrated Spatial Development Framework
- Integrated sectoral programmes (LED, HIV, poverty alleviation, gender equity etc.)
- Consolidated monitoring / performance management system
- Disaster management plan

- Institutional Plan
- Reference to sector plans

2.1.5. APPROVAL

Process

Once the IDP has been completed, it has to be submitted to the municipal council for consideration and approval. The council must look at whether the IDP identifies the issues (problems) that affect the area and the extent to which the strategies and projects will contribute to addressing the problems. The council must also ensure that the IDP complies with the legal requirements before it is approved.

Furthermore, before the approval of the IDP, the municipality must give an opportunity to the public to comment on the draft. Once the IDP is amended according to the input from the public, the council considers it for approval.

Output

The output of this phase is an approved IDP for the municipality.

2.1.6. Provincial assessment

Once a municipality has adopted its IDP, it must, within 10 days of adoption, submit a copy thereof, together with the “Process plan” and the “Framework for the IDP” (in the case of a District Municipality), to the MEC of the province for assessment. The Municipal Systems Act does not require the MEC to approve the IDP, only to assess that the IDP complies with the requirements of the Act and also that it is not in conflict with IDP’s and strategies of other municipalities and organs of state.

2.2. REPORT STRUCTURE

The structure of this report is informed by the above thematic planning phases of the IDP process as follows:

Section B deals with the results of the analysis phase. It commences with description of the community and stakeholder consultation process, as well as the identification of municipal priorities emanating from this process. This is followed by a summary overview of the current situation relating to the key components of the Ditsobotla Local Municipality.

Section C describes the results of the strategy development phase. It starts with the overall development vision of the Ditsobotla Local Municipality and is followed by a set of development objectives relating to each of the priority issues identified in the analysis phase. It then provides a description of the development strategies to address the identified objectives per priority issue. These development strategies are based on the policy and legal framework guiding and impacting on the various priority issues as well as the causes and effects which have been identified for each issue. It also provides an overview of quantitative planning standards and guidelines relating to various facilities.

Section D deals with Projects

Section E outlines projects for the next five years based on the municipality's MTREF Budget and sector programmes funded by other departments, and utility companies such as Eskom.

Section F provides a summary overview of the Spatial Development Framework.

Section G deals with the Operational Framework for the implementation of the municipality's Integrated Development Plan.

Section H outlines the municipality's Framework for Performance Management.

2.3. IDP CONSULTATION STRUCTURES IN DITSOBOTLA LOCAL MUNICIPALITY

2.3.1. Ward Community Participation Meetings

Local level inputs into the IDP Process took place through ward committee meetings. A significant amount of information and inputs were compiled through these ward meetings, which provided the overall guiding framework during the preparation of the Integrated Development Plan. A list of ward meetings and outcomes (minutes) that were held for the purposes of the IDP are attached as Annexure.

2.4. IDENTIFICATION OF MUNICIPAL PRIORITIES

Approach

The approach and methodology that were adopted in the analysis of the various issues identified at ward level, as well as through the IDP Representative Forum is graphically illustrated in the attached diagram. This process allowed for the

identification, analysis and prioritization of issues at individual settlement / suburb level, at ward level as well as at a municipal level. The identification of priorities at these various levels was critical in the strategy development and the project identification phases of the IDP process. In summary, the process that was followed in the analysis of the community issues can be described as follows:

- **Step 1:** This step involved the compilation of a complete list of all issues identified at ward level meetings.
- **Step 2:** The second step in the process was to synthesize this broad range of issues into a manageable categorized set of “generic” issues. In many instances, similar issues or problems were phrased slightly different at the various meetings. For example, “*unemployment*” might have been described as either “*LED*”, or “*jobs*” or the “*need for local economic development projects*”. It was thus necessary to aggregate these different types of issues into a consolidated generic set of issues.
- **Step 3:** This activity involved the consolidation of the different types of issues into a number of generic issue/problem classes.
- **Step 4:** The total numbers of points allocated per issue were summed based on importance and number of times raised by various communities during the process.

The top ten priorities as identified by the community through the ward community participation process depicted in the attached table.

Summary of Municipal Priority Issues

PRIORITY	CLASS
1	ELECTRICITY AND STREETLIGHTING
2	ROADS AND STORMWATER
3	HOUSING/ TENURE UPGRADING/ PLANNING
4	WATER AND SANITATION
5	PARKS, RECREATION AND SPORT FACILITIES
6	EMPLOYMENT CREATION/ LED PROJECTS
7	CLINICS/ HEALTH FACILITIES
8	EMERGENCY SERVICES RETAIL/INDUSTRIAL FACILITIES/SHOPPING COMPLEX
9	SCHOOLS – NEW
10	CEMETERIES

This analysis does not imply that any of the other issues, which have been identified, and which does not form part of this list should not be further considered during the process. The results of this overall process were applied in a pragmatic nature and not in a mechanistic and statistical frame of mind. These municipal priorities do however provide a sound foundation for focusing energy and resources as far as strategy and project development is concerned.

SECTION B: SITUATIONAL ANALYSIS

The chapter provides a detailed situational analysis of the Ditsobotla Local Municipality. It reflects on the demographics, social and economic conditions of the municipal area. This is achieved by focusing on people's perceptions of current state of service delivery and infrastructure, available statistics and figures from various sources. The primary focus of this section is based on community and stakeholder participation.

The intended outputs of the situational analysis are an assessment of the existing levels of development, priority issues on identified problems, root causes of existing development challenges, and information on available resources.

3. Municipal Overview

The Ditsobotla Local Municipality is a category B municipality established in terms of section 12 of the Local Government: Municipal Structures Act (Act 117 of 1998). The municipality is an amalgamation of the erstwhile Biesiesvlei Transitional Representative Council, Lichtenburg Transitional and Coligny Transitional Local Councils.

Lichtenburg serves as the head-office of the municipality and is centrally located within the North West Province serving as a passage to major towns and cities within the province, notably the capital city, Mahikeng. The municipality covers about 6465.19 km² of land. According to the 2007 Community Survey the total estimated population of the Ditsobotla Local Municipality is 200 141 with the total estimated household in the range of 38 608.

3.1. SOCIO-DEMOGRAPHIC ANALYSIS

3.1.1. Municipal Population Distribution & Growth

According to the Community Survey conducted by Statistics South Africa (2007:15) the estimated population of Ditsobotla Local Municipality has grown from 147 599 (Census 2001) to **200 141**. The household numbers have also increased from 35 582 to **38 608 during the same period**. The average household size within the municipal area stands at 4.8 compared to a slightly higher average of the district municipality which is 5.0.

The average household size in the Ditsobotla Local Municipality is approximately 4.8. This figure is slightly lower than the average household size in the Ngaka Modiri Molema District Municipality (approximately 5.0) and somewhat higher than the average provincial household size which is 4.65. The largest average household size within the Ditsobotla

Local Municipality is concentrated within the rural areas in the south-eastern parts of the municipality.

The average population density in most parts of the municipality is less than one person per hectare. Only within the urban areas and some rural settlements there is an average density in excess of 6 persons per hectare.

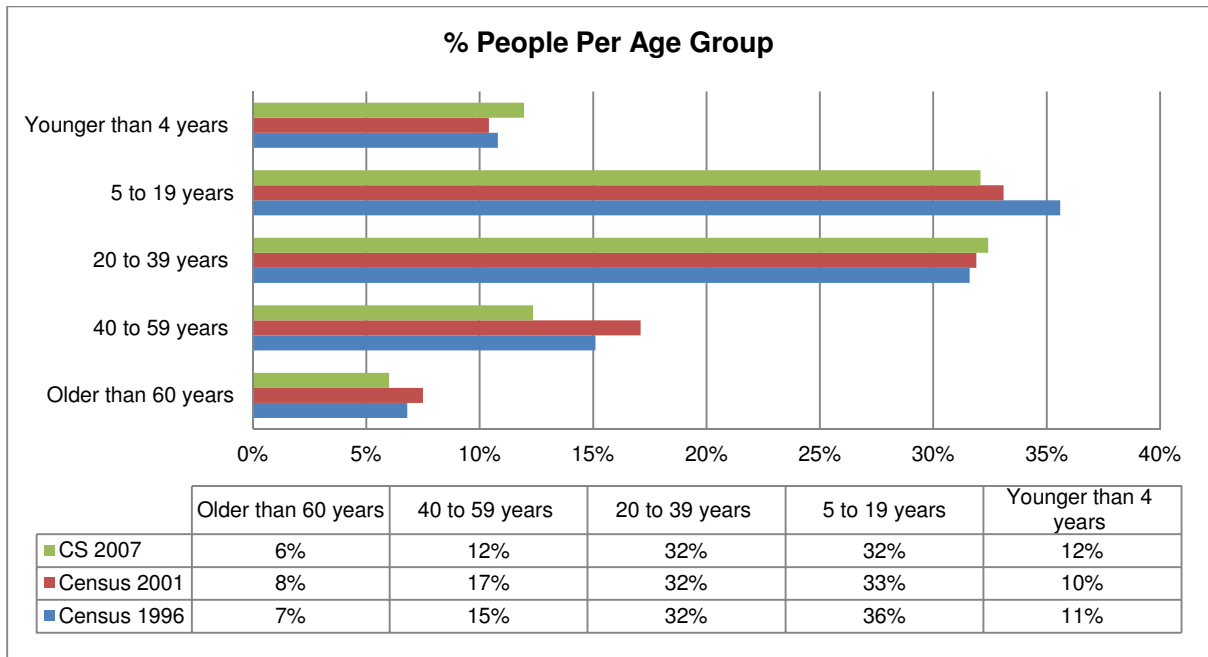
3.1.2. Age Analysis

The basis for the analysis of the municipal population age structure is important to determine potential need and location of facilities (e.g. education and health), the expected growth in economically active population and potential employment seekers, the future need for facilities for the aged (e.g. pension pay-points), as well as potential need of facilities like cemeteries.

Age	BLACK		COLOURED		INDIAN/ASIAN		WHITE		TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0 – 4	10,828	11,981	208	390	10	3	301	236	11,346	12,607
5 – 9	11,317	11,348	317	162	30	12	459	225	12,123	11,747
10 – 14	8,667	9,965	225	201	56	10	235	681	9,184	10,857
15 – 19	9,040	9,493	335	292	0	56	936	150	10,312	9,991
20 – 24	8,350	8,441	90	239	114	121	200	319	8,753	9,120
25 – 29	7,194	8,903	244	41	226	0	186	315	7,850	9,259
30 – 34	7,240	6,803	227	141	0	0	691	330	8,157	7,274
35 – 39	7,143	6,097	173	179	65	65	372	388	7,752	6,729
40 – 44	4,520	5,115	97	204	10	3	159	343	4,786	5,663
45 – 49	4,821	4,028	53	142	0	0	586	550	5,460	4,720
50 – 54	3,085	4,243	138	179	56	0	710	765	3,989	5,187
55 – 59	2,247	2,584	97	0	0	0	154	279	2,498	2,863
60 – 64	1,799	1,616	0	47	0	10	296	86	2,095	1,759
65 – 69	1,495	1,220	51	96	0	0	250	134	1,796	1,449
70 – 74	357	1,338	0	0	0	0	99	317	456	1,655
75 – 79	521	714	0	0	0	0	144	164	665	878
80 – 84	106	526	0	0	0	0	113	25	219	551
85 +	114	244	0	0	0	0	15	19	129	263
									97,570	102,572
									49%	51%

Approximately 44% of the Ditsobotla population is younger than 20 years of age. This age profile is very similar to that of the North West Province. The spatial distribution of average age across the Local Municipality area indicates that the average age of the population in most of the rural areas to be younger than 25 years. Conversely, in the towns and urban settlements the average age is significantly higher within the category of 31 - 40 years.

Figure: Age Structure, 1996 and 2001 (Percentage People per Age Group)

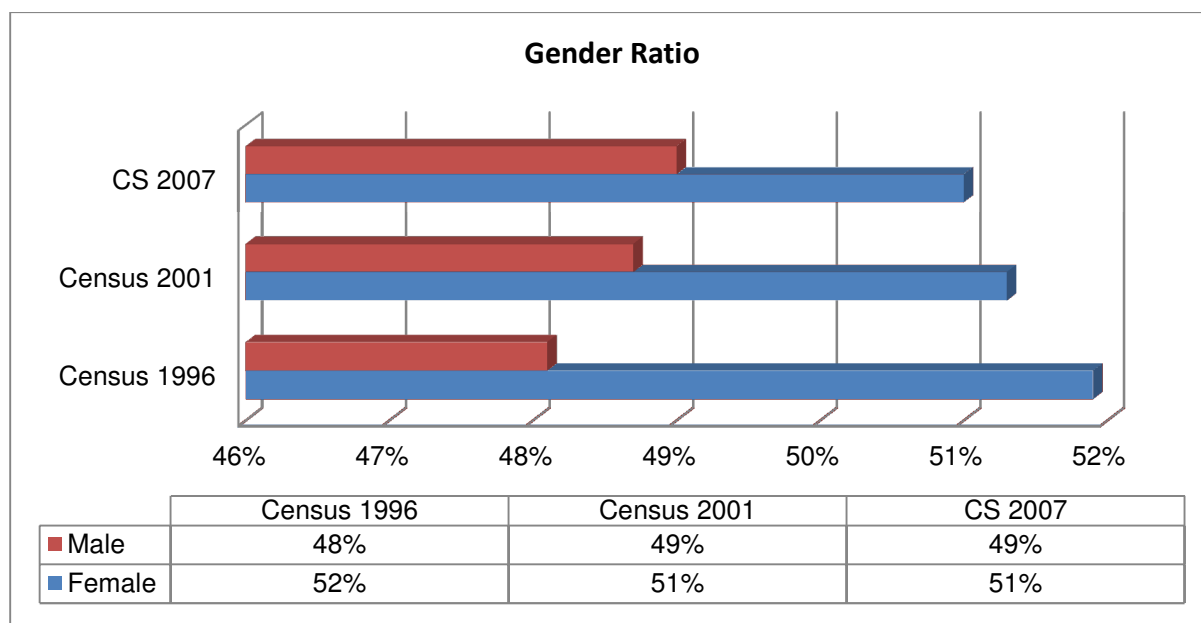


3.1.3. Gender Analysis

An analysis of the gender profile of the municipality is critical in providing an indication of the socio-economic trends, population growth dynamics, the need for specific types of facilities in specific locations (e.g. maternity services at hospitals and clinics), and the need for specific capacity building and skills development programs for targeted groups such as women.

The information depicted below indicates that the gender ratio has remained stable over the periods 1996, 2001 and 2007.

Figure: Gender Ratio



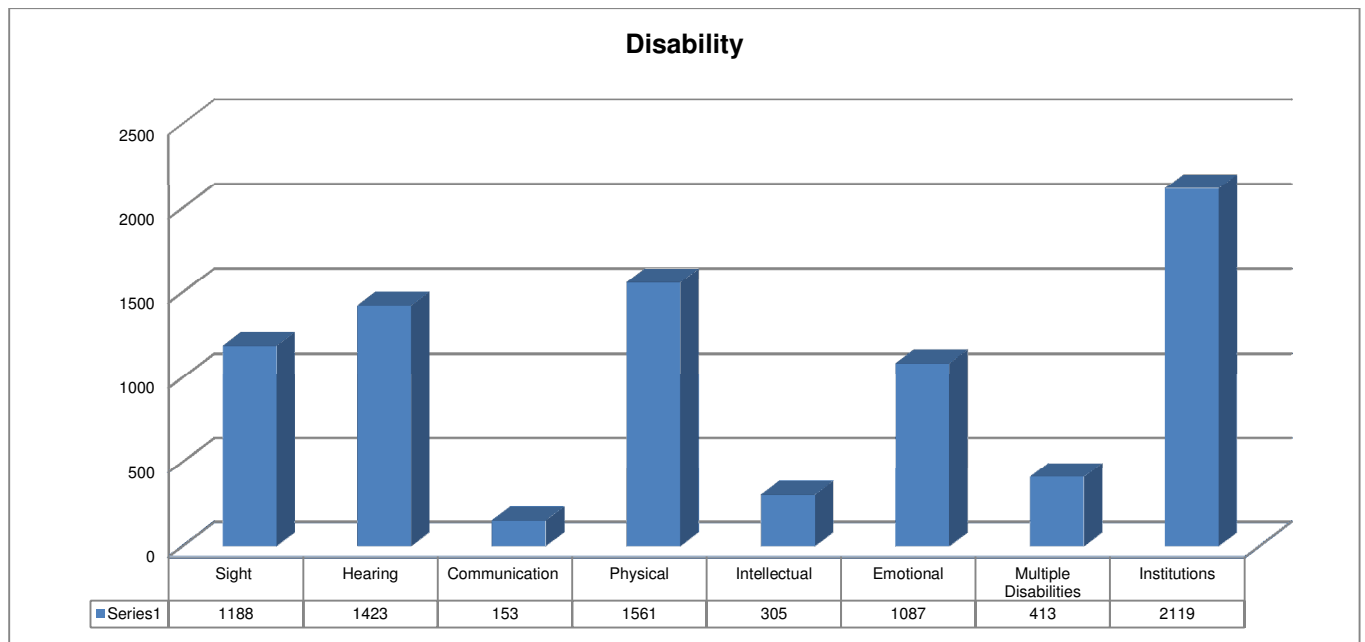
The spatial location of female-headed households indicates the highest concentration within Lichtenburg, Bakerville, Bodibe as well as parts of Boikhutso. The wards with the highest female dominance are wards 1, 8 and 9 were approximately 54% of the ward population are female.

3.1.4. People with disabilities

It is estimated that approximately 4.1% of the total population of Ditsobotla is affected by some form of physical disability (including sight, hearing, physical, mental and multiple disabilities). These figures are very similar to that of the Ngaka Modiri Molema District Municipality and the North West Province where values are below 10%. There appear to be a specific concentration of disabled people in the rural areas in the north east and south western parts of Ditsobotla as well as in certain sections of Boikhutso and Itsoseng.

	Male	Female	Total	% total population
Sight (Blind/Severe Visual Limitation)	527	661	1,188	0.59
Hearing (Deaf)	703	720	1,423	0.71
Communication (Speech Impairment)	76	77	153	0.07
Physical (needs wheelchairs)	1,044	517	1,561	0.78
Intellectual	241	64	305	0.15
Emotional	487	606	1,087	0.54
Multiple Disabilities	113	300	413	0.21
Institutions	1,016	1,103	2,119	1.06
Total	4,207	4,048	8,255	5.17%

Figure: Percentage people with disabilities



More than 50% of all people with disabilities in Blydeville, Itsoseng and Matile/Springbokpan cluster are sight impaired. Less than 10% of disabled people in Itsoseng and Grasfontein/Bakerville cluster are hearing impaired.

3.1.5. Literacy/Education Levels

Approximately 31% of the Ditsobotla population has completed their primary education and can thus be described as functionally literate. This figure is very similar to that of Ngaka Modiri Molema District Municipality and somewhat lower than the overall functional literacy rate of the North West Province.

The spatial distribution of the education figures clearly illustrates the very low skills and education levels in the rural parts of Ditsobotla. It is only within the main towns and settlements that more than 60% of the population can be described as functionally literate. Moreover, in most parts of Ditsobotla less than 2% of the population has received any form of tertiary education. Even within the towns and settlements, the proportion of the population with high education ranges on average between 3% and 5%.

Figure: Levels of Education 1996 & 2001 comparison

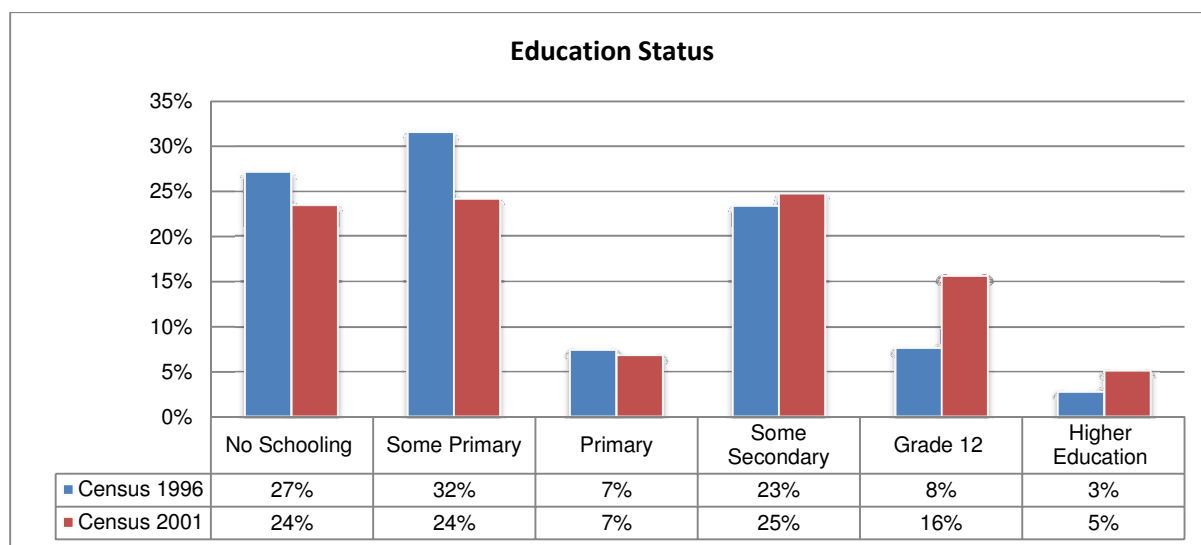


Table: Levels of Education by Gender (CS 2007)

	Male	Female	Total	% to population
Grade 0	1,811	1,700	3,511	1.75
Grade 1	3,262	3,455	6,717	3.35
Grade 2	5,576	5,450	11,026	5.51
Grade 3/ABET	4,764	5,042	9,806	4.90
Grade 4	5,385	4,926	10,311	5.15
Grade 5	5,280	5,630	10,910	5.45
Grade 6	4,871	6,687	11,558	5.77
Grade 7	5,316	5,502	10,818	5.40
Grade 8	7,249	7,299	14,548	7.26
Grade 9	4,975	4,691	9,666	4.83
Grade 10	6,200	4,817	11,017	5.50
Grade 11	3,129	3,320	6,449	3.22
Attended Grade 12 but not completed	2,014	2,621	4,635	2.31
Grade 12 (without university exemption)	6,409	5,767	12,176	6.08
Grade 12 (with university exemption)	930	797	1,727	0.86
Certificate <Grade 12	995	971	1,966	0.98
Diploma with <Grade 12	334	1,068	1,402	0.70
Certificate with Grade 12	175	95	270	0.13
Diploma with Grade 12	346	397	743	0.37
Bachelors Degree	745	906	1,651	0.82
B. Tech	64	293	357	0.17
Postgraduate Diploma	0	119	119	0.05
Honours Degree	112	111	223	0.11
Higher Degree (Masters/PhD)	33	0	33	0.01
No schooling	14,767	16,559	31,326	15.65
Out of scope	11,299	12,561	23,860	11.92
Unspecified	514	682	1,196	0.59
Institutions	1,016	1,103	2,119	1.05
Total	97,571	102,569	200,141	100%

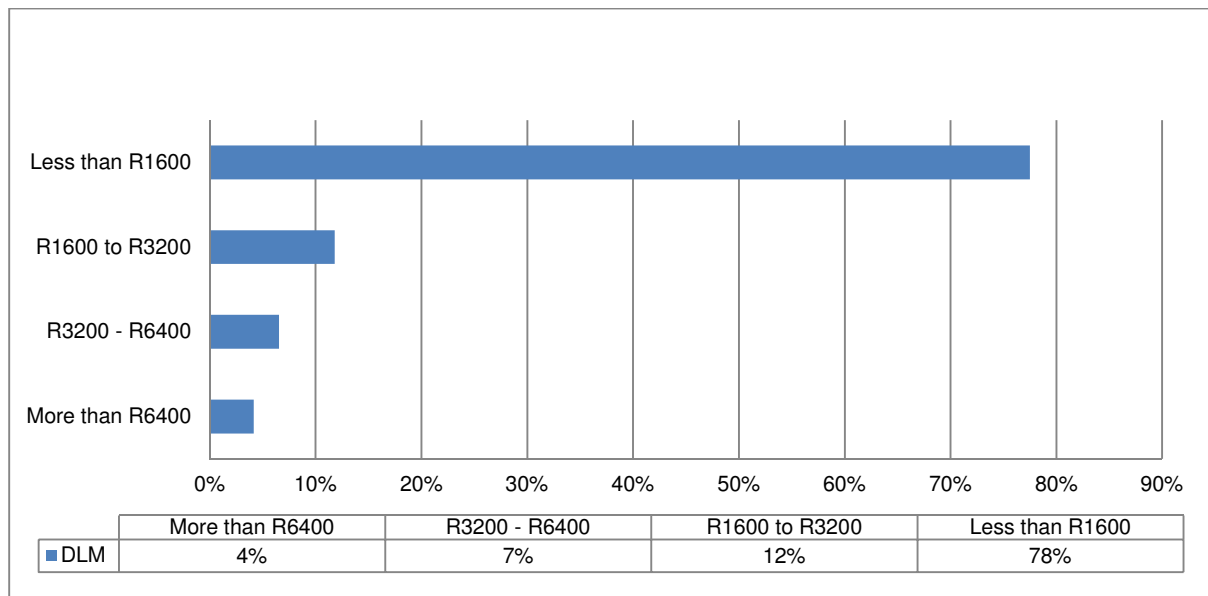
The highest education and skills levels are concentrated in the formal parts of the Lichtenburg and Coligny urban areas. A significant proportion of the population in these areas has received tertiary education and the proportions of population who haven't received any form of schooling are relatively low in these areas.

Secondly, the percentages of population who haven't received any form of schooling (25% or more of the population) are found in most of the rural areas. The very low skills levels in the rural areas and some of the rural villages indicates the virtual absence of population with tertiary qualifications in these areas.

3.1.6. Income Levels/Poverty Rate

Available figures indicate that 77.5% of households in Ditsobotla earn less than R1 600 per household per month. This figure is slightly lower than the district average (79.25%) but is significantly higher than the provincial average of 73.17%. Conversely, only 4.14% of households earn more than R6 400 per household per month and just over 6.5% between R3 200 and R6 400 per household per month.

Figure: Monthly Household Income



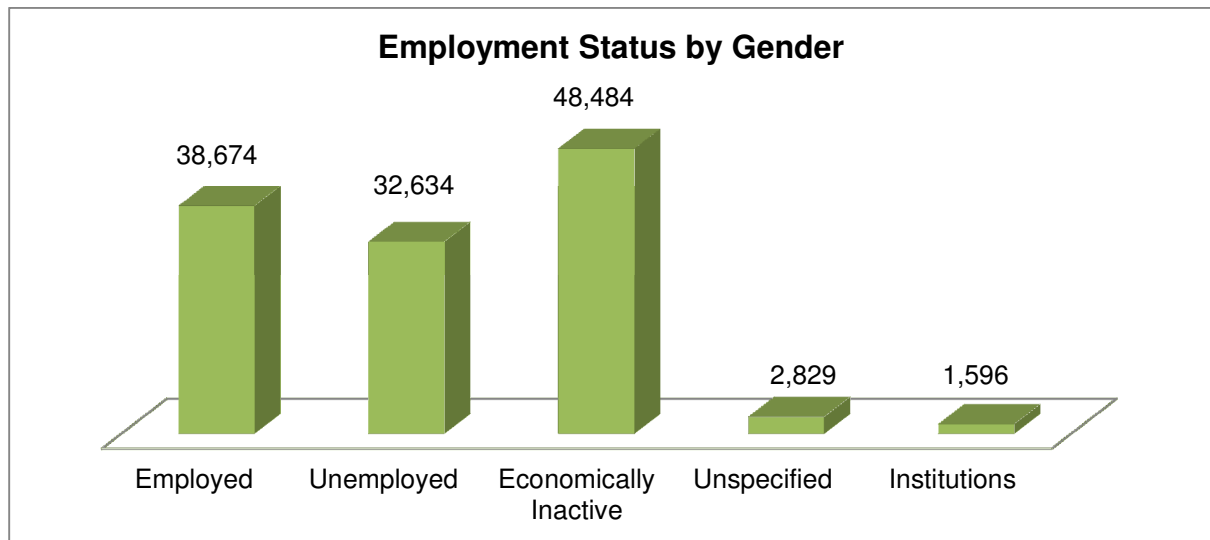
3.1.7. Unemployment Rate

Available statistics indicates that unemployment rate for Ditsobotla Local Municipality is estimated at 42.5% of economically active population. The figure is slightly lower than the provincial and district average at 43.7% and 47.82% respectively.

Table: Employment Status by Gender (Community Survey, 2007)

	Male	Female	Total
Employed	24,550	14,124	38,674
Unemployed	14,463	18,171	32,634
Not economically active	19,875	28,609	48,484
Unspecified	1,903	926	2,829
Institutions	861	735	1,596
Total	61,652	62,565	124,217

Figure: Employment Status by Gender



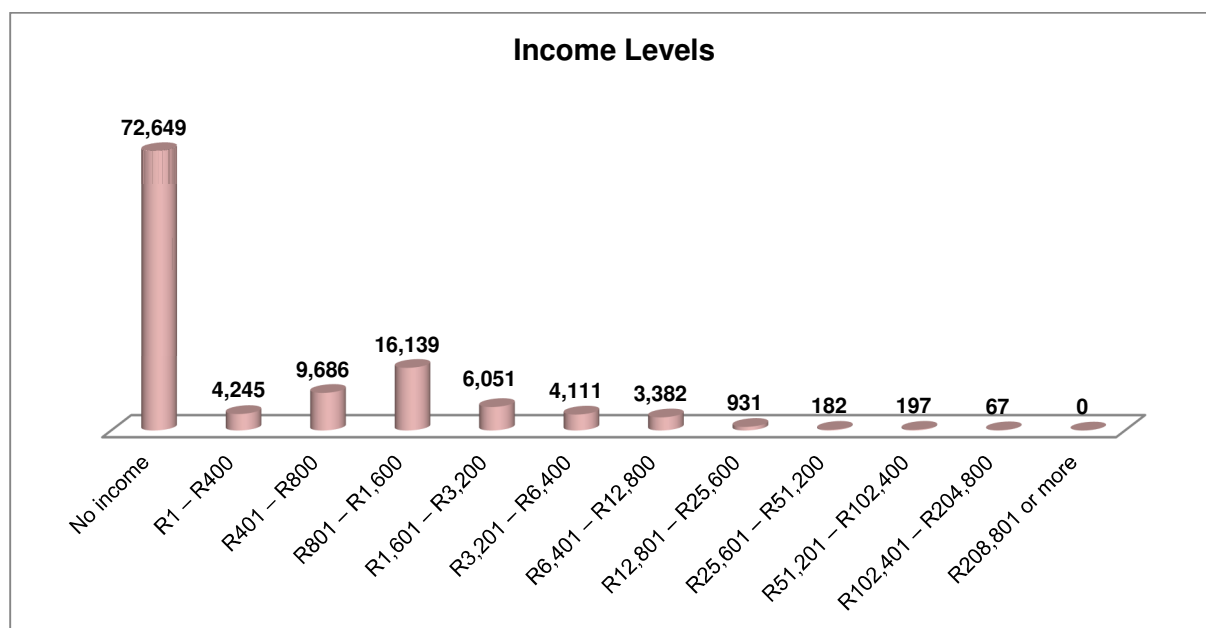
Furthermore, against the background of the total amount of outstanding debtors in Ditsobotla, approximately R140 million (August 2011), and the fact that payment levels in certain areas are less than 30% depicts very low affordability levels as well as high unemployment rates. Base on these figures and the knowledge of officials and councillors in the area, it is felt that the unemployment rate in the Ditsobotla area is in significant higher than the official figures quoted above and can be as high as 60%.

The spatial distribution of the unemployment patterns indicates a very high concentration of unemployed people in the Itsoseng, Sheila, Verdwaal, Bodibe, Springbokpan and Meetmekaar areas in the western part of Ditsobotla. In some of the rural areas to the east as well as surrounding Lichtenburg, in excess of 40% of the population is unemployed, with the figure in Matile/Springbokpan being as high as 55%.

Monthly Income Category by Gender

	Male	Female	Total	% to population
No income	30,679	41,970	72,649	36.30
R1 – R400	1,892	2,353	4,245	2.12
R401 – R800	5,124	4,562	9,686	4.84
R801 – R1,600	10,046	6,093	16,139	8.06
R1,601 – R3,200	4,524	1,527	6,051	3.02
R3,201 – R6,400	2,934	1,177	4,111	2.05
R6,401 – R12,800	2,018	1,364	3,382	1.69
R12,801 – R25,600	446	485	931	0.46
R25,601 – R51,200	149	33	182	0.09
R51,201 – R102,400	197	0	197	0.10
R102,401 – R204,800	67	0	67	0.03
R208,801 or more	0	0	0	0
Response not given	2,716	2,267	4,983	2.49
Institutions	861	735	1,596	0.79
Total	61,653	62,566	124,219	62%

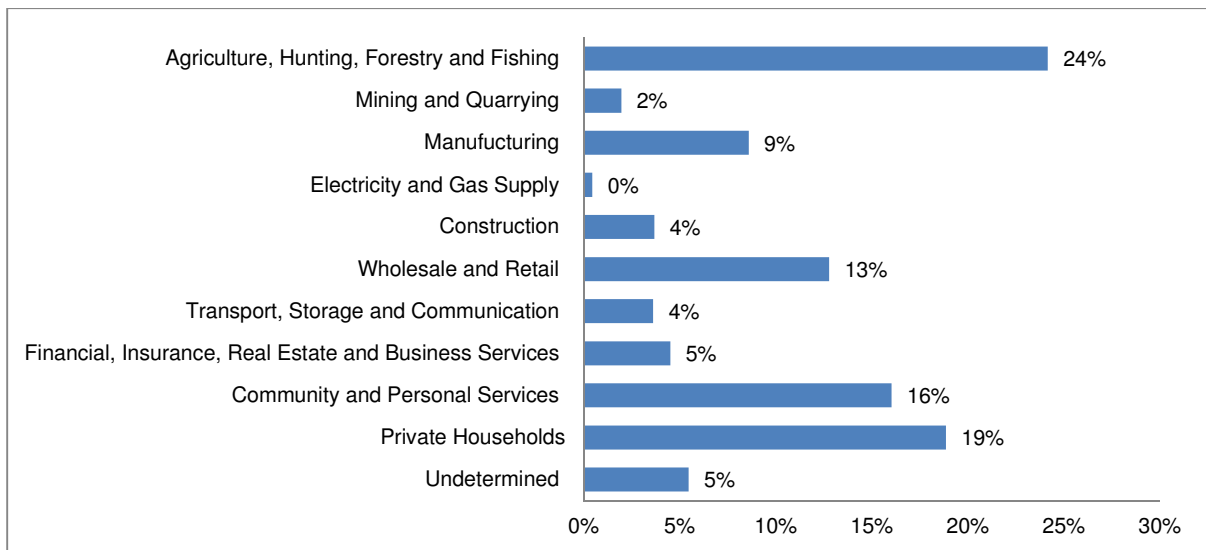
Figure: Income Levels (Population)



3.1.8. ECONOMIC STRUCTURE AND ACTIVITIES

The economic sector within which the economically active population is involved is depicted in the figure below. The information indicates that the majority of the population is involved in the agricultural sector (24.15%), private households (18.85%) and community and personal services sector (16.02%).

Figure: Proportion of Employed Population per Economic Sector



3.1.8.1. Occupation Structure

The overall occupation structure of the Ditsobotla Local Municipality is depicted on the attached graphs and set of thematic maps. These figures are clearly indicative of the low skills levels as well as the low levels of education, in the area. These figures indicate that 36% of the economically active population can be described as elementary occupations. In addition, 13% of the work force is active in the craft and related occupations sector and 11% and in the plant machine operator and assembling sector. The proportion of the economically active population in the skills and technical sectors are very limited. Only 4% of the economically active population can be described as technicians, approximately 8% as professionals, and roughly 2% as senior officials and managers.

The concentration of elementary occupations as well as skilled agricultural workers within the rural areas, highlight the importance of the agricultural sector within these areas. The skilled and clerical workers are mainly concentrated within the towns and settlements of the Ditsobotla area.

3.1.9. ECONOMIC SECTOR OVERVIEW

3.1.9.1. Agriculture

According to available data, the estimated total output for this sector is estimated R250 million accounting for 16.5% of total GGP (Gross Geographic Product) in the Lichtenburg Magisterial District (Dri-weta Agricultural Economics Focus, 2000). This sector's role as far as employment is concerned accounted for 27.5% of total formal sector employment opportunities. The spatial distribution of people employed in the agricultural sector clearly indicates that the agricultural sector employment opportunities are mostly located in the rural areas in the north-eastern and central southern part of the municipality.

3.1.9.2. Mining

The mining and quarrying sector plays a fairly limited role in the economy of the district representing 1.4% of the total economic output in the area, and accounts for less than 1% of formal sector employment opportunities. It is important to note that the activities of the large cement factories such as AfriSam and Lafarge are classified under the “manufacturing” sector and not “mining”.

There are alluvial mining activities in the area north and north-west of Lichtenburg, specifically in the Bakerville/Welverdiend area.

3.1.9.3. Manufacturing/Industrial

The manufacturing sector contributes approximately 38.5% of the total output of the district economy. The important sub-sector within manufacturing includes the food beverage and tobacco product sector (9.6%); metal product machinery and household appliances (13.4%) and other non-metallic mineral products (71.9%). This latter category includes the cement factories in the area. These three sub-sectors jointly contribute more than 80% of the economic output in the manufacturing sector in the region.

As far as employment is concerned the manufacturing sector contributes approximately 12.8% of the total formal employment opportunities in the district. Non-metallic mineral products account for 46.4% of formal sector employment in the district, and the food, beverage and tobacco product sub-category for 20.9% of formal sector employment opportunities in the manufacturing sector. Metal products, machinery, and households appliances proportion of formal employment is 14.7%.

Industrial activities within the Ditsobotla Local Municipality is mainly concentrated in the two formal industrial areas in Lichtenburg, namely, Extension 1 and MC Van Niekerk Park. The total number of industrial stands within these two areas is 94 of which 78 are currently occupied. Although a number of stands have been for industrial development in Itsoseng, very few stands are actually being utilized for this purpose. Industrial activities within the other main settlements are very limited and are mostly associated informal business activities. A number of industrial activities occur within the rural areas.

3.1.9.4. Construction

This sector contributes 1.9% to the GGP and 35% of formal sector employment opportunities in the municipal area.

3.1.9.5. Electricity, Gas and Water

This sector contributes approximately 0.5% of the total economic production in the municipal area and less than 1% of total formal employment. This sector's role in the local economy is thus relatively limited.

3.1.9.6. Wholesale and Retail Trade

The wholesale and retail sector contributes approximately 7.4% of the total economic production and 8% towards formal sector employment. The contribution of various sub-sectors to production in the wholesale and trade sector is dominated by the "retail trade and repairs of goods" sub-sector contributing 45.1% of production to this sector.

Hotels and restaurants contribute approximately 8.9%, wholesale and commission trade 19.1% and sales and repairs on motor vehicles and sales on fuel 26.9% of the total output in this sector. The proportional contribution towards formal employment opportunities is very similar with the retail trade and repair of goods sub-sector contributing 41% and hotels and restaurants 13.2% in this regard.

There are a total of 613 stands in the Ditsobotla Local Municipality within various residences used for business purposes. The majority of this stands are located in Lichtenburg-Boikhutso area (356 business sites). The comparative figure for Itsoseng; Sheila and Verdwaal area is 46 business sites, in Coligny-Tlhabologang 91 sites and Bodibe; Meetmekaar; Matile; Springbokpan area stands at 102 sites.

The table below outlines the vast differences of the availability of business space within various settlement clusters.

Table: Estimated Total Business Space

Cluster	Business Stands	Area m²
Lichtenburg-Boikhutso	356	1,080,289
Itsoseng, Sheila, Verdwaal	46	109,511
Coligny-Tlhabologang	91	161,074
Itekeng-Biesiesvlei	11	131,429
Ga-Motlatla	2	4,197
Bodibe. Welverdiend, Matile, Springbokpan	102	246,872
Bakerville, Carlsonia	5	6,772
Rural Areas	0	0
Total	613	1,740,144

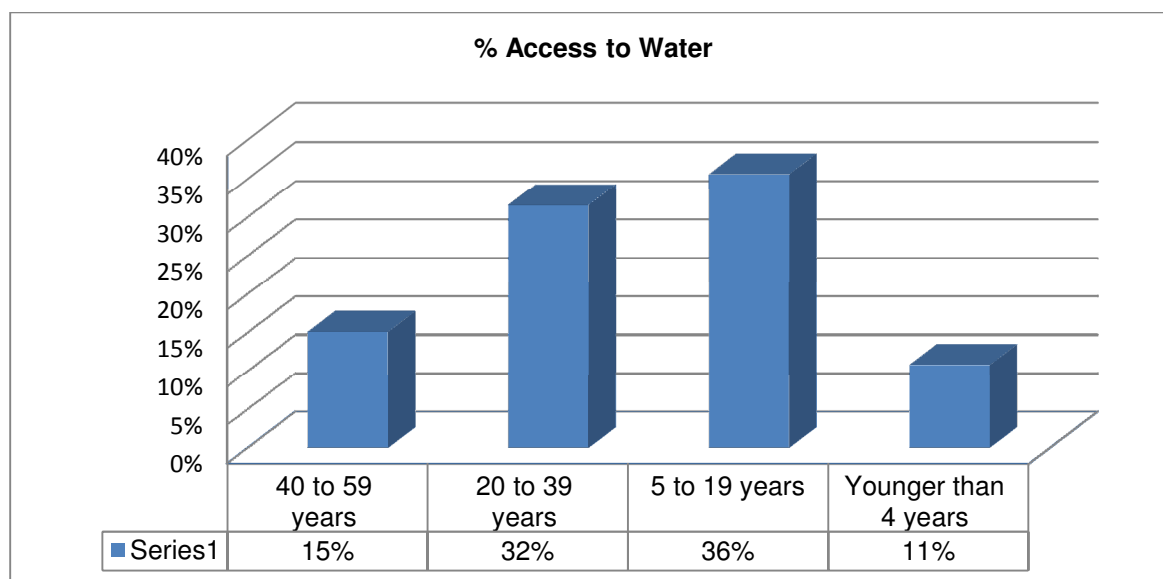
3.2. SERVICE DELIVERY ANALYSIS

3.2.1. Water Services

In terms of the current powers and functions Ngaka Modiri Molema District Municipality is a water services authority and the Ditsobotla Local Municipality is a water services provider. According to the Community Survey (2007) the actual number of households with access to water at the RDP level stands at 36,147 which represent 93.7% of the total households and a backlog of about 6.3%.

Piped Water inside the dwelling	Piped water inside the yard	Piped water from access point outside the yard	Total piped water
51.7%	15.5%	26.4%	93.6%

Figure: Access to Water



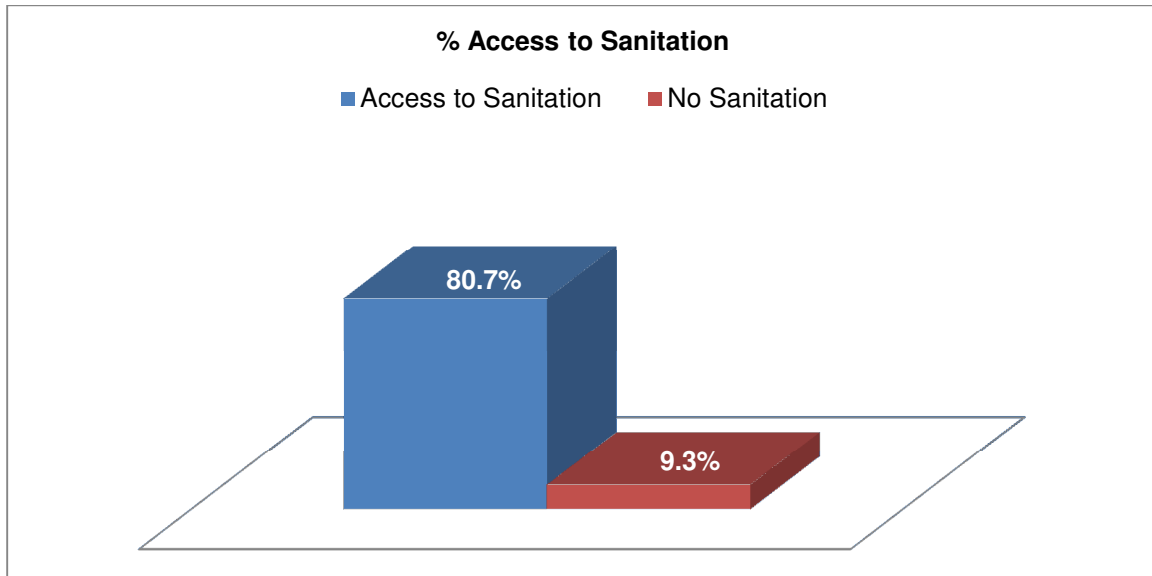
3.2.2. Water Infrastructure

The Lichtenburg water treatment plant is more than fifty years old. The overall physical condition of this plant is good and the infrastructure is well maintained. The annual maintenance cost of this plant is estimated to be R1million. The pump station in Itsoseng is in an average condition and requires overhaul maintenance.

The municipal infrastructure audit indicates a total sixteen (16) reservoirs within the municipal area. Nine of these reservoirs are classified as being in good conditions, one in average condition and three in a poor condition. The reservoir in poor condition provides bulk water supply to Itsoseng and the other two are situated in Verdwaal.

3.2.3. Sanitation Services

Approximately 31,163 households have access to sanitation at RDP level which represents 80.7% of the households with at least 19.3% without access to sanitation services. The spatial distribution of access to sanitation clearly indicates that most of the formal towns (including Lichtenburg, Boikhutso, Coligny, Tlhabologang and Itsoseng) do have access to water borne sanitation systems. Reliance on pit-latrines in most of the rural areas as well as some of the smaller rural villages such as Ga-Motlatla, Sheila, Matile, Meetmekaar and Springbokpan is still persistent.



3.2.4. Electricity

Approximately 68.6% of households in the Ditsobotla Local Municipality do have access to electricity, with the remainder (31.5%) is reliant on alternative sources of energy for fuel and lighting purposes (e.g. candles and paraffin). The proportions of households with access to electricity are higher than the overall provincial figure (44%) and significantly higher than the average figure for the Ngaka Modiri Molema District Municipality (37%). Areas without access to electricity are mainly located in the rural areas as well as in the smaller rural settlements in the western and northern parts of Ditsobotla.

Figure: Access to Electricity

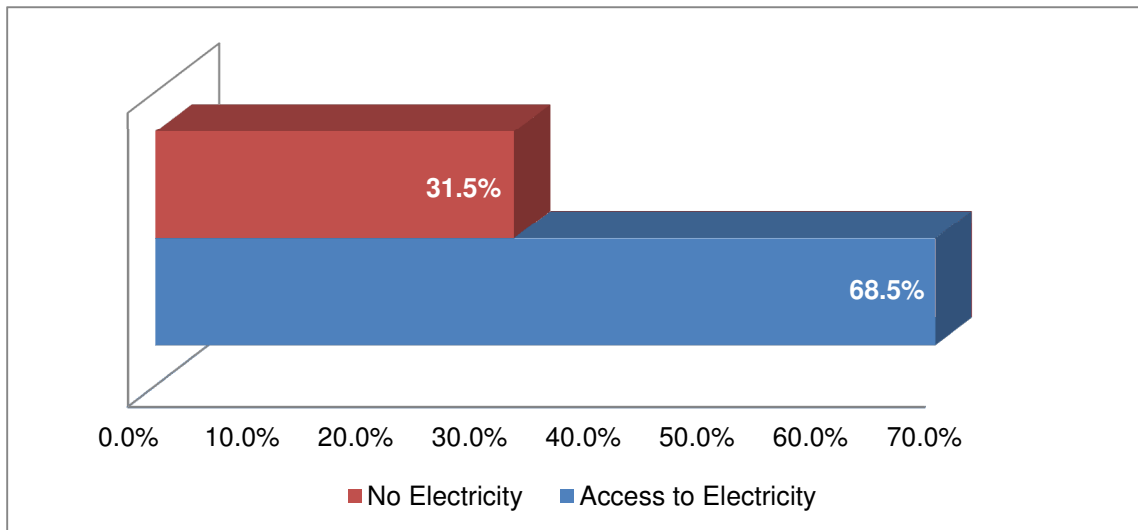
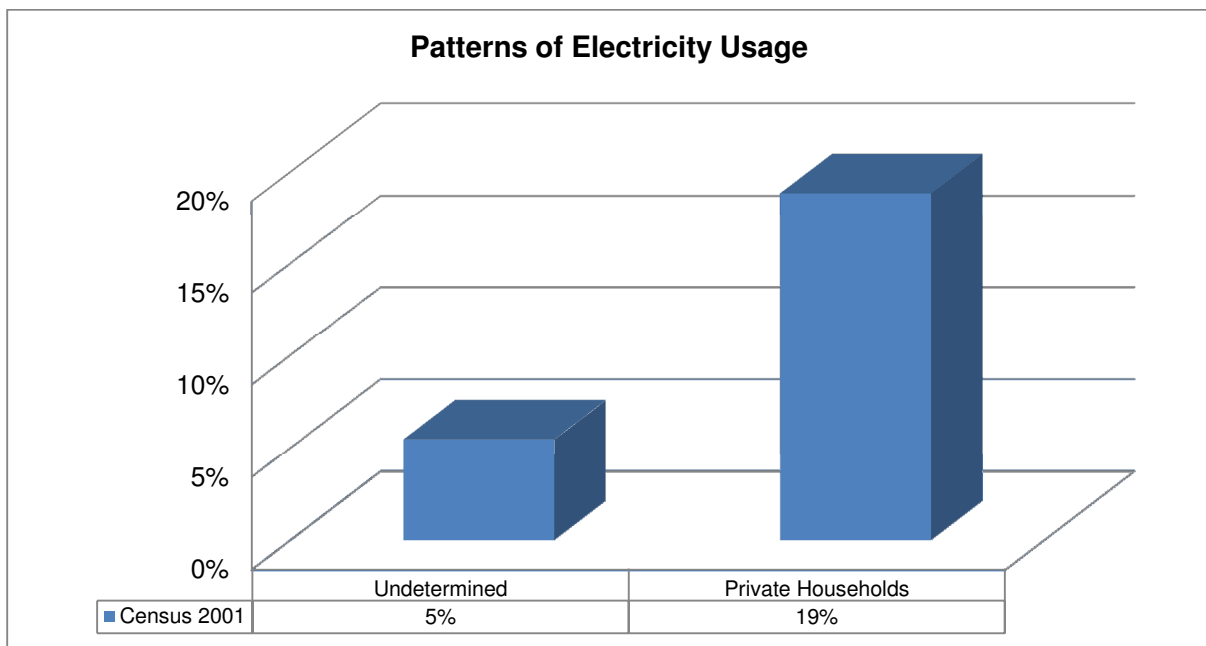


Figure: Patterns of Electricity Usage



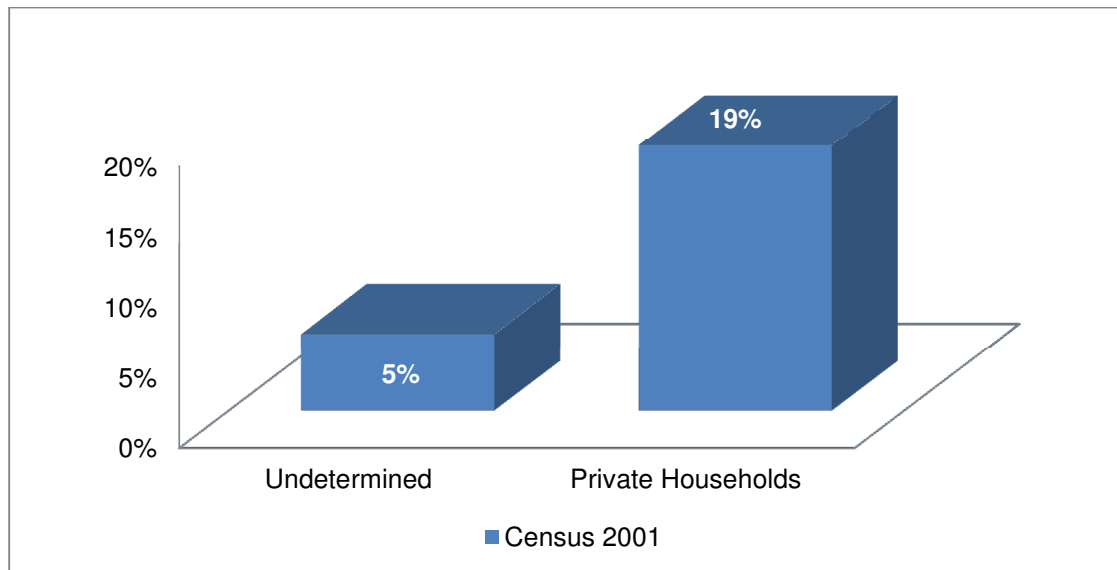
3.2.5. WASTE MANAGEMENT

3.2.5.1. Refuse Removal

According to the Community Survey 2007, the actual number of households with access to refuse removal is 21,685 which represent 56.2% of the total households. Approximately 15.6% has no formal refuse removal services from the municipality. The spatial distribution of refuse removal services clearly indicate that this service is only

provided in the main formal towns of Lichtenburg, Blydeville and Boikhutso, Coligny and Tlhabologang, Itsoseng and Itkeng.

Figure: Refuse disposal



3.2.5.2. Existing Waste Disposal Facilities

The Lichtenburg Waste Disposal Site is located 8km outside town on the Deelpan road on the farm Elandsfontein 34IP. The site was previously used as a lime stone quarry mined by Lafarge. The Lichtenburg waste site is registered but does not fully satisfy the required standards. The available top soil to be used for the ongoing rehabilitation of the site has been used to slope the quarry walls ensuring that it does not pose any danger for people and animals. The site is underlain by dolomite. The life expectancy of this site is approximately 15 years. The landfill site is not fenced and has informal waste recyclers operating and living at the site.

The frequency of waste removal in Lichtenburg, Boikhutso, Blydeville and Shukran are once a week for residential areas and daily for all business areas. The Lichtenburg waste collection service is provided by two trucks with capacities of 12m² and 10m³ respectively.

Other communities within the municipality utilize informal communal dumping sites and undertake their own waste disposal. In terms of the latter this normally entails a pit being dug in the vicinity of the residence where the waste is discarded and burnt on a regular basis.

The cement industries within the municipal area manage their waste independently of the municipality and have active recycling initiatives in order to contribute towards waste minimization.

The Biesiesvlei/Itekeng area does not have registered waste sites. Waste is currently collected twice a week and disposed at an unofficial site.

The Itsoseng, Verdwaal and Sheila area currently have a temporary site for which authorization have been obtained from DACET to dump the waste and burn it. Due to the high water table in this area it is hard to find a suitable alternative site. The dominant wind directions are from north-westerly direction which results in the exclusion of the most suitable areas in respect of the water table. Another option is transporting the waste generated in this area to the Lichtenburg waste site. This option will however, result in the need to purchase two additional waste collection vehicles. For this option to be viable, the Lichtenburg waste site needs to be brought up to standard, including fencing of the area and entrance control at the site.

3.2.6. Roads and Stormwater

The municipality is mainly responsible for the construction and maintenance of municipal roads (internal and access roads). There are provincial roads intersecting with the municipal internal roads and these are commonly known as “subsidy roads”. Maintenance and/or rehabilitation of these roads remain the responsibility of the provincial department of roads and transport.

The greatest demand for internal roads and Stormwater drainage is found in former townships of Boikhutso, Itekeng, and Coligny and largely in all rural areas where there are no basic internal roads. Ditsobotla Local Municipality has submitted a number of business plans for MIG funding to address the current backlogs.

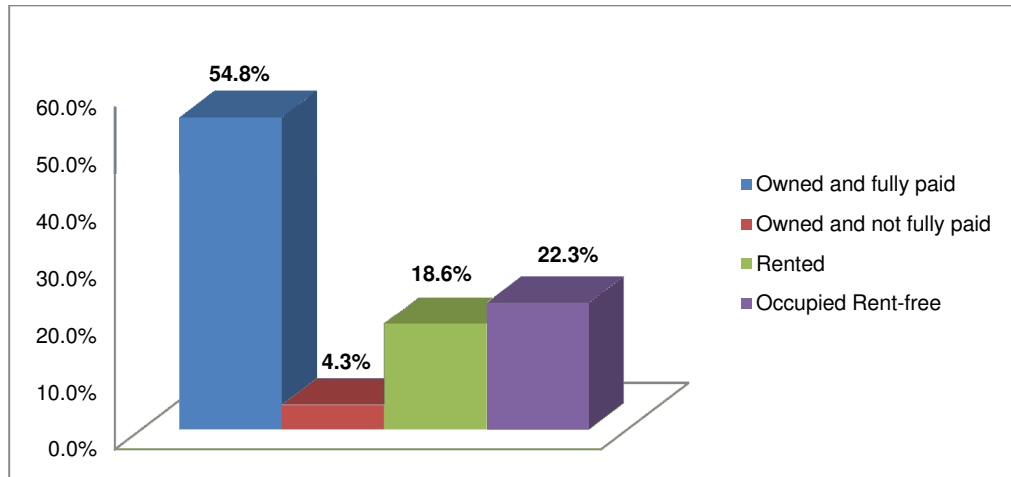
It is worth noting that the municipality does not have a comprehensive Roads Master Plan that clearly indicates the backlogs in kilometers and the desired levels of development. However, the Ditsobotla Local Municipality has identified the following alternatives as part of reducing the current backlog:

- Tarring of streets or public routes especially those facilitating movement of commercial goods and services, including health services;
- Construction of low volume sealed roads in rural areas;
- Re-gravelling of roads at RDP level using municipal machinery;
- Provision of storm water infrastructure in areas where water drainage is poor;
- Provision of direction posts (signs) and street names within all municipal residences; and providing road signs in all the municipal areas.

3.2.7. Housing Profile, Land and Land Reform

The percentage of households living in formal dwellings is estimated to stand at 71.1% with 23.6% housed in informal dwellings. Further categorization of this statistics by tenure status reveal that 54.8% of dwellings are owned and fully paid off, 4.3% is owned but not yet fully paid, 18.6% rented, and 22.3% occupied rent-free.

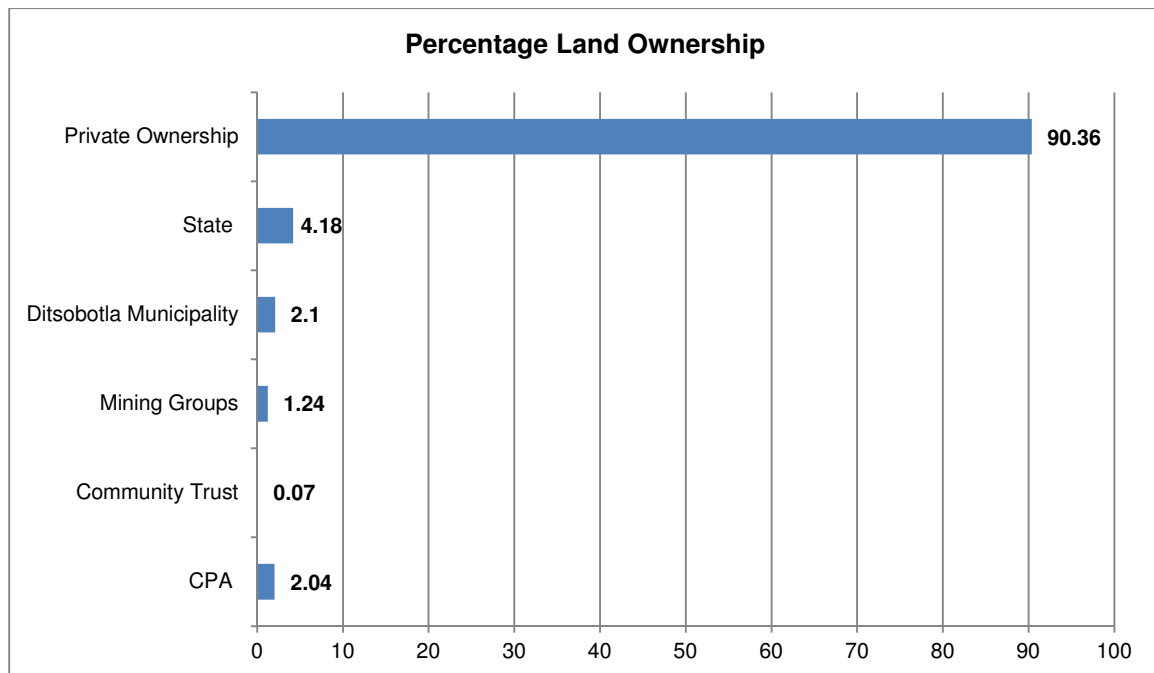
Figure: Household by tenure status



3.2.8. Land Ownership and Size

The land ownership pattern is summarized in the figure below. This information indicates the vast majority of land within the Ditsobotla Local Municipality is privately owned (in excess of 90%). Approximately 27,120ha of land is state owned (representing 4.2% of the total land area) and just over 2% is owned by the municipality. This implies that the availability of public owned land strategically located for future development in the municipal area is relatively limited.

Figure: Land Ownership



3.2.9. Land Reform Projects

There is a number of land reform projects located in the southern part of the municipality which poses a significant development challenge in terms of developing service delivery infrastructure. These include:

- The Putfontein area which consisted of farms of Putfontein 62 IP, Vogelstruis 479 IP, Sterkfontein 155 IP and Omega 478 IP. The total area of this restitution area was 7668 hectares;
- The Bakolobeng claim, including the farms of Rooirantjiesfontein 98 IP, Koppiesfontein 87 IP and Rhenosterdoorns 88 IP covering a total area of 6173 hectares;
- The Rietfontein claim area consisting of portions 3, and portion 12 of the farm Rietfontein 54 IP, totaling 422 hectares;
- The Monamaladi land claim area located on the farm Holgat 63 IP constituting a total land area of 3033 hectares; and
- The Rietkuil land claim which at the time was at a pre-settlement phase located on portions 11, 12, 13, 36 and 37 of the farm Rietkuil 53 IP with a total area of 1100 hectares.

3.2.10. Land Use Management

In terms of the municipality's Spatial Development Framework (2005:10) which is at the time of developing this document was in the process of review in partnership with the Department of Rural Development, the following summary issues and challenges regarding land use are identified:

- More than 33% of the total land area of the municipality is used for commercial agricultural activities. The high potential agricultural land is located mainly in the central and southern parts of the municipality. High potential agricultural land need to be protected from development.
- Parts of the municipal area are underlain by dolomite, which limits the extent and type of development which could be considered in this area.
- Widespread occurrence of limestone and diamond deposits that is being actively mined and the occurrence of a number of unexploited mineral deposits.
- An estimated 5,900 households residing in informal structures. Sufficient and appropriately located land will have to be identified to address the housing backlog.
- Additional land and appropriate planning and siting of cemeteries required.
- Limited public owned land available for future development purposes. The utilization and allocation of existing strategically located publicly owned must be carefully considered in future developments.
- Rapid growth of informal settlements in certain areas such as Tlhabologang, ltekeng and Boikhutso. It is necessary to understand the reasons and motivations for these population movements and settlement patterns and anticipate the future and impact of these trends.
- The urban settlement pattern in many parts of the Ditsobotla Local Municipality needs to be consolidated to ensure sustainable long term development.
- Unexploited eco-tourism development opportunities in the municipal area.

3.2.11. Education Facilities

The analysis of the availability of educational facilities is based on the 2004 population projections as anticipated in the municipal spatial development framework. Available figures indicate a total of 107 primary schools across the Ditsobotla Local Municipality (including junior primary, primary and senior primary). These facilities are mainly concentrated in the central and south-western parts of Ditsobotla where the highest population densities are prevalent. The primary schools facilities are broken up according to the following categories:

Category	Number
Junior primary	30
Primary	74
Senior Primary	3

The total number of secondary school education facilities is 26. These facilities consist of the following components:

Category	Number
Combined schools	2
Intermediate schools	6
Secondary schools	14
Senior secondary schools	1

In addition to the facilities outlined above, there are two special schools located within the Ditsobotla area of jurisdiction.

The analysis of available information indicates that the municipality is theoretically sufficiently provided with primary and secondary school facilities based on the general planning norms and standards. The highest ratio between population and primary schools is prevalent in the Coligny/Tlhabologang area where the total population per primary school is approximately 6,425. The average figure for the entire municipality is one primary school for every 1,253 people.

The average ratio between secondary schools and population of the entire municipality is one secondary school for every 6,589 people. The highest ratio is prevalent in the Bodibe cluster with a figure of 1 secondary school for every 14,942 people.

3.2.12. Health Services

The National Health Act, Act 61 of 2003 defines powers and functions regarding the provision of health services. Municipal health services are a competency of category A (Metropolitan Municipalities) and category C (district municipalities). Municipal health services include water quality monitoring, food control, waste management, health surveillance of premises, surveillance and prevention of communicable diseases (excluding immunization), vector control, environmental pollution control, disposal of the dead, as well as chemical safety.

The Ditsobotla Local Municipality is therefore not expected to provide municipal health services except through an agreement with the district municipality (Ngaka Modiri Molema District Municipality) and having the capacity to do so. The municipality has a Service Level Agreement with the district municipality to provide the municipal health services on an agency basis.

All other functions not falling within the municipal health services definition are performed by both the national and provincial governments. The provision of health services in the

Ditsobotla municipal jurisdiction is the responsibility of the provincial government. However, the municipality has a responsibility to consider the health needs of communities through its planning processes.

There are four hospitals within the Ditsobotla area of jurisdiction located at Itsoseng, Lichtenburg and Coligny. In addition there are the following health facilities available:

- Itsoseng Community Health Centre;
- Bodibe Old Clinic;
- Bodibe New Clinic;
- Ga-Motlatla Clinic;
- Thusong Gateway;
- Coligny Community Health Centre;
- Blydeville New Clinic;
- Blydeville Old Clinic;
- Afrisam Clinic;
- Matile Clinic;
- Bakerville Clinic;
- Lichtenburg Clinic;
- Boikhutso Clinic;
- Itekeng Clinic; and
- Itsoseng Clinic.

There is only one formal old age home facility in Ditsobotla area, which is the Lichthuis Old Age Home in Lichtenburg. A handy craft day-care centre for the handicapped people is located in Itsoseng next to the Itsoseng clinic.

	Population (2004)	Required	Existing	Current Ratio
Lichtenburg/Boikhutso	29,167	6	3	1:7211
Itsoseng/Sheila/Verdwaal	30,497	6	2	1:15249
Coligny/Tlhabologang	12,850	3	2	1:6425
Itekeng/Biesiesvlei	2,596	1	1	1:2596
Ga-Motlatla	1,501	n/a	0	-
Bodibe/Welverdiend/Meetmekaar/Springbokpan	29,883	6	2	1:14942
Bakerville/Carlsonia	3,118	1	0	-
Rural Areas	41,944	8	2	1:20972
Total Population	151,556	31	12	1:12630

Based on the planning standards of one clinic per 5,000 people it would appear as if the Ditsobotla Local Municipality area is underprovided with clinics. The average ratio between the population and the clinics is 1 clinic per every 12630 people, a figure which is well in excess of planning standards of one clinic per 5,000 people. The highest ratio is prevalent in the rural areas of as well as Itsoseng/Sheila/Verdwaal cluster.

3.2.13. Cemeteries

Recent investigations reveal a dire need for the provision of additional land for the communities of Itekeng, Coligny, Itsoseng and Boikhutso for the development of cemetery yard. The maintenance of grave-yards in all municipal areas of residence remains a challenge due to cash-flow problems. There is a need also to fence and construct ablution facilities in all the cemetery yards of the municipality.

In an effort of addressing the challenges facing the Ditsobotla Local Municipality regarding the provision of new cemeteries a need arises for a proper alignment in design, planning and development focusing on the following aspects:

- Providing cemeteries that meet sustainable, technical and environmental criteria;
- Accommodating the diverse cultural requirements, their functioning as significant public spaces as well as places that needs are provided for all in order to reflect a dignified municipality; and
- Building civil society and private sector partnerships in cemetery development and management;
- Giving special attention to indigents, respecting the need for bereavement at burial, protecting cemeteries as public property and ensuring safe working conditions for employees working in cemeteries.

3.2.14. Community Halls

All municipal halls without exceptions need to be renovated to the standard that recognizes their social importance to communities. Lichtenburg Community Hall, Boikhutso, Itekeng, Itsoseng, Sonop, Tlhabologang Halls are identified as part of the social amenities improvement programme to be funded through MIG initiatives. The project list indicates the levels of development that will be implemented for each facility.

Areas that require new facilities include Bakerville & Grasfontein, Bodibe, and Verdwaal.

3.2.15. Traffic and Licensing Services

Traffic and Licensing Unit of the Ditsobotla Local Municipality is responsible for the enforcement of traffic and municipal by-laws. However, since traffic officers are

appointed as Peace Officers they are limited in law enforcement and have to rely on the service of the South African Police Services.

The level of traffic law enforcement is concentrated in urban areas such as Lichtenburg and Coligny. This practice is mainly due to limitations on human resource capacity as well as poor traffic infrastructure in former township residences.

3.2.16. Disaster Management

The Ditsobotla Local Municipality has established an Emergency Services Unit responsible for Fire and Rescue services as well as disaster management. This unit although functional remains understaffed with the entire workforce being employed on temporary basis. There is no sufficient skills capacity and resources (equipments) at the response centre. In addition the response centre is not of any required standards.

To understand the status quo regarding the disaster management services within the municipal area the Ngaka Modiri Molema District Municipality's Disaster Management Centre incepted the compilation of a Disaster Management Framework as well as the drafting of the Disaster Risk Management Plan as required by the Disaster Management Act, Act 57 of 2002.

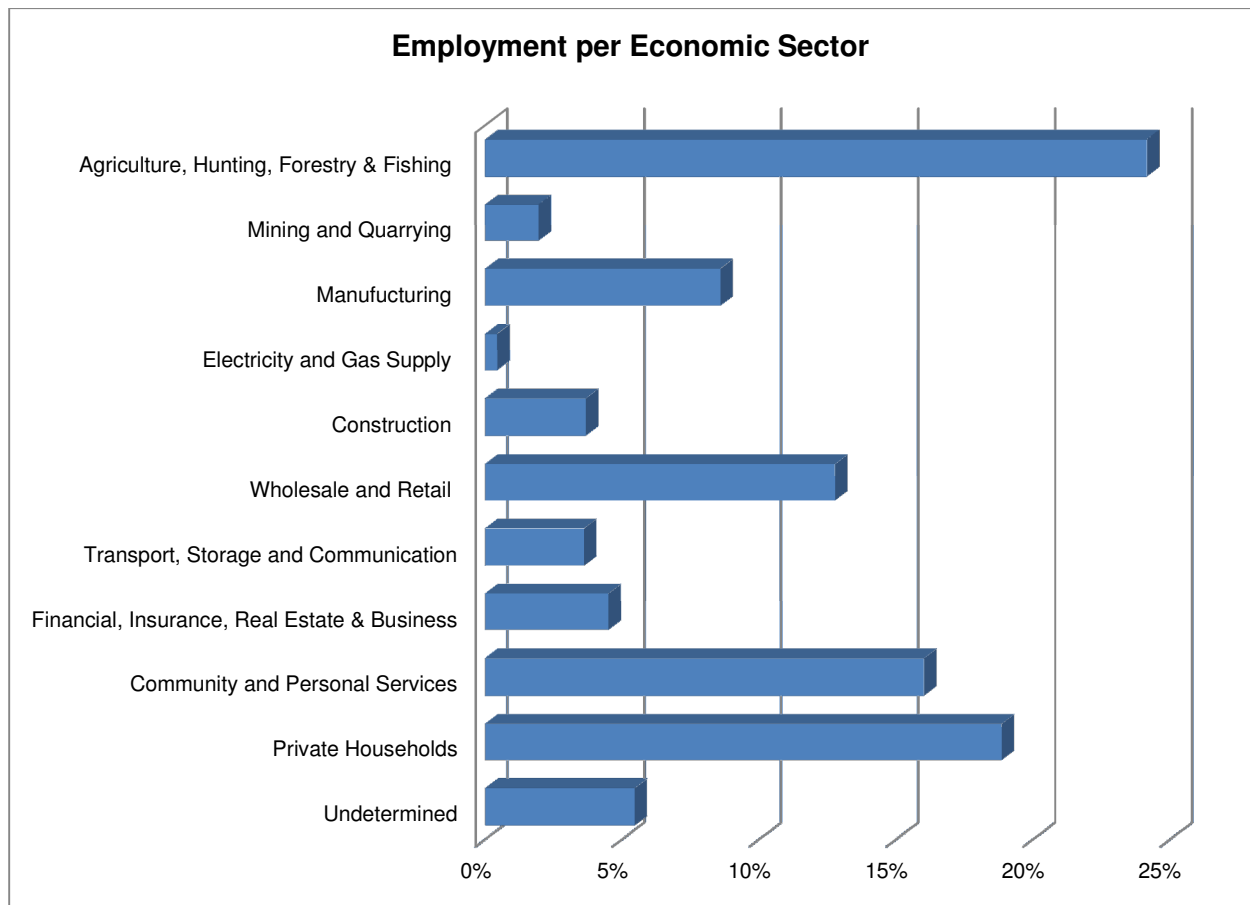
The findings included in the Draft Gap Analysis Report issued in October 2008 revealed that the Ditsobotla Local Municipality does not conform to legislative requirements. However, the district municipality is in a process of addressing all the gaps through a comprehensive Disaster Management Plan incorporating the needs of category B municipalities.

Notwithstanding the planning efforts by both the district and local municipalities the actual provision of services is hampered by the problems surrounding powers and functions. The Ditsobotla Local Municipality is yet to enter into a Service Level Agreement with the district on the provision of these services.

3.3. ECONOMIC STRUCTURE AND ACTIVITIES

The economic sector within which the economically active population of Ditsobotla Local Municipality is involved is depicted in the figure below. This information indicates that the majority of the population is involved in the agricultural sector (24.15%), private households (18.85%) and community and personnel services sector (16.02%).

Figure: Proportion of employment per economic sector



3.3.1. GOOD GOVERNANCE

An analysis of the status quo of good governance is carried out with a view to gauging the extent to which the Ditsobotla Local Municipality is able to respond to issues of governance and community participation. It focuses on integrated development planning, community participation, internal audit, performance management and legal compliance matters.

3.3.1.1. Internal Audit

The municipality subscribes to a Shared Audit Service located in the Ngaka Modiri Molema District Municipality established in terms of the provisions of the Local Government: Municipal Systems Act (Act No.56 of 2003).

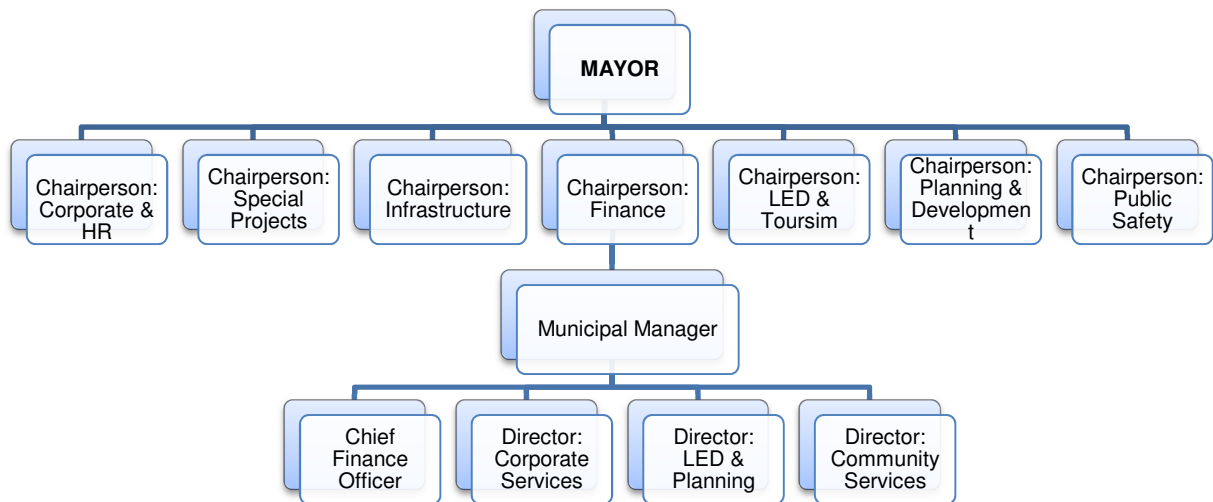
3.3.1.2. Special Projects Unit

The special project unit is located in the Office of the Mayor and responsible for youth, disability, gender, and HIV/Aids issues (programmes). The Unit has been strengthened through the appointment of key personnel including the Manager, and officials responsible for all responsibilities located in the office.

3.4. INSTITUTIONAL ANALYSIS

The Municipal Executive Structure

The executive (high level) structure of the municipality is as follows:



The Mayor, assisted by Members of the Portfolio Committees is responsible for the provision of political leadership in the overall implementation of the strategic direction of the municipality. These also include the implementation of Council decisions as well as matters assigned to the position by legislation.

3.4.1. The Municipal Administration

The Municipal Manager is responsible for the daily operations of the municipality and serves as the chief accounting officer. All the four directorates report are accountable to the Municipal Manager who is also the chairperson of the management team.

3.4.2. Directorates

The Ditsobotla Local Municipality has four directorates headed by senior managers (Directors) in the corporate services, local economic development, financial, and community services sectors. The core functions and responsibilities of these directorates are explained in the table below.

<p style="text-align: center;">Economic Development & Planning</p>	<p style="text-align: center;">Community Services</p>
<ol style="list-style-type: none"> 1) The coordination and facilitation of initiatives aimed at economic growth, job creation and development; 2) Development and implementation of marketing and tourism policies and programmes; and 3) Spatial development planning and human settlement; 	<ol style="list-style-type: none"> 1) The directorate is responsible for the effective and efficient of traffic control and licensing, health and environmental services, library and community facilities as well as fire, security and disaster management services.
<p style="text-align: center;">Corporate Services</p>	<p style="text-align: center;">Budget and Treasury Office</p>
<ol style="list-style-type: none"> 1) Provide general office services including telecommunication services, switchboard and receptions, office space provisioning, and office cleaning services; 2) Provide administrative support to council and its committees through the implementation of the standing rules of order of council; 3) Records management and registry through the implementation of the records management policy and the central registry manual and ensure adherence to the National Archives of South Africa Act; 4) Provide personnel administration and organisational design services to the municipality through implementation of municipal policies and collective agreements as well as adherence to the national labour legislation; 5) Ensure that the Skills Development and Equity Acts are implemented through the development and implementation of the workplace skills plan and the equity plan as well as facilitate training and development for staff and councillors; 6) Establish and maintain good employee relations; 7) Develop and implement the strategies for employee health and safety as well as employee wellness; 	<ol style="list-style-type: none"> 1) The department headed by the Chief Finance Officer is responsible for budget planning and reporting, revenue and expenditure management as well as supply chain management.

3.4.3. Organizational Structure

In terms of the current organizational structure, the Ditsobotla Local Municipality has 517 employees out of a total of 717 provided for in the structure. The current structure of the municipality is not arranged in a manner that adequately responds to the needs of communities and need to be reviewed during the current financial year, with specific

attention given to the Budget and Treasury Office to comply with the financial reforms (Municipal Finance Management Act, Act 56 of 2003). This is also important in ensuring structural alignment to the immediate strategic and operational challenges facing the Ditsobotla Local Municipality.

A complete organizational structure of the Ditsobotla Local Municipality is attached as Addendum to the document.

3.4.4. Powers and Functions

Sections 156 and 229 of the Constitution of South Africa Act, 1996 provides the powers and functions performed by local authorities. The Local Government: Municipal Structures Act (Act 117 of 1998), read together with the Local Government: Municipal Systems Amendment Act (Act 32 of 2000) divides the powers and functions set out in the Constitution between district and local municipalities.

In terms of the adjustments made by the Minister, functions provided in the Constitution falling within the competency of local municipality are performed by the municipality except “municipal health services” and bulk-water provision which are performed by Ngaka Modiri Molema District Municipality.

Although the district municipality is assigned these functions, it has a service level agreement (SLA) with the Ditsobotla Local Municipality to provide municipal health services on an agency basis. As part of the agreement the district municipality is responsible for the staffing as well as equipments for the execution of the function and has allocated R1, 6 million for the 2011/2012 towards the fulfillment of this function.

3.4.5. Employment Equity Plan

The Employment Equity Act (Act No.55 of 1998) is aimed at addressing the past discrimination in relation to race, gender and disability. Chapter 3 of the Act requires employers to take affirmative action measures to achieve employment equity. These should be indicated in the Employment Equity Plan. The Ditsobotla Local Municipality has a five-year Equity Plan (2007 – 2012) which is aimed at achieving the following objectives:

- The removal of inequalities and discrimination in the workplace regarding conditions of employment, practices and procedures;
- The establishment of processes leading to affirmative action and employment equity;
- The implementation of actions in order to provide sufficient skills in various job categories;

- To ensure that the labour force is representative of skills of the broader community, taking into account the available skills and socio-economic situation of the community;
- The creation of an organization structure to support and encourage employees to respect the diversity of Council's employees; and
- The prevention of reversed forms of discrimination.

3.4.6. Skills Development Plan

The Skills Development Plan requires employers to plan and implement learning programmes that will enable employees to acquire skills and qualifications that will enhance their performance, whilst improving the organizational performance of the municipality. The Ditsobotla Local Municipality has a Skills Development Plan aimed at achieving this objective. The Plan is yet to be updated for the financial year 2012/2013 and is attached as part of this document (separately).

An overview of the current skills profile of the human resource complement of the municipality indicates the total staff complement of is 440 people. About 79.5% of the staff is male and 20.5% is female. As much as 62% of the total workforce can be classified as elementary occupations. Conversely, only 6.4% of the total staff component can be classified as senior officials / management, professionals or technicians. Approximately 80% of the staff of Ditsobotla Local Municipality consists of individuals of previously disadvantaged status (including African, Coloured and Indian population groups).

3.4.7. Internal Audit, Risk Management and Fraud Prevention

The Ditsobotla Local Municipality has conducted a risk assessment as part of an on-going process of ensuring good corporate governance and addressing potential threats to the institution. At the time of developing this document the outcomes of a consolidated report were not yet presented.

SECTION C: STRATEGIES AND OBJECTIVES

This section of the document describes the process of objectives, strategy and target development. The purpose of this phase of the IDP process is to arrive at the crucial decision on the destination of the municipality and the most appropriate ways to arrive there. Activities during this phase included the formulation of:

- **The vision:** the vision is a statement indicating the ideal situation that the Ditsobotla Municipality would like to achieve in the long term.
- **Development objectives:** development objectives are statements of what the municipality would like to achieve in a medium term in order to address the issues and to contribute to the realization of the vision. The objectives could bridge the gap between the current reality and the vision.
- **Development strategies:** once the Municipality knows where it wants to go and what it needs to achieve to realize the vision it must develop strategies to provide answers of how to reach the objectives.

Municipalities operate within the policy and legal framework created by a myriad of Acts, Bills, White Papers, Green Papers and other policy related information forthcoming from both national and provincial level. The applicable legislation guidelines for each priority is summarized as an overview of the key legal and policy aspects, which need to be considered in the development of appropriate strategies.

4. VISION

“A developmental municipality dedicated to the social and economic upliftment of its communities.”

4.1. MISSION

“Sustainable service delivery through: transparent administration; dedicated staff; implementation of municipal programmes; and consultation with communities.”

4.2. MUNICIPAL PRIORITY ISSUES

An analysis of issues raised through community meetings as well as the external and internal environmental scan (status quo analysis) provides for the aggregation of issues underpinning municipal strategic visioning. The two major informants considered in aggregating key municipal issues are the National Key Performance Indicators (Local Government: Municipal

Planning and Performance Management Regulations, 2001) and the National Spatial Development Perspective (2006) as well as the Provincial Growth and Development Strategy.

The extent to which the Ditsobotla Local Municipality has achieved some of the measurable objectives determined by this policy documents determined the strategic thinking for the three years ahead in an effort towards ensuring accelerated service delivery and good governance.

4.2.1. National Spatial Development Perspective

A comparative analysis on the performance of the municipality against the normative principles of the NSP provides a fair indication of whether the Ditsobotla Local Municipality has been able to create jobs and contribute to the growth of the regional economy through implementation of its Spatial Development Framework as well as its Local Economic Development Strategy. Below are the key normative principles of the NSDP.

Table: NSDP Principles

-
- Economic growth is a prerequisite for the achievement of other policy objectives, key among would be poverty alleviation.
 - Government spending on fixed investment, beyond constitutional obligation to provide basic services to all citizens, should therefore be focused on localities of economic growth and/or potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
 - Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending beyond basic services should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to be more mobile and migrate, if they choose, to localities that are more likely to provide sustainable employment or other economic opportunities.
 - In order to overcome spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and spending should primarily support localities that will become major growth nodes in South Africa and Southern African Development Community region to create regional gateways to the global economy.
-

Economic development remains part of the municipal priorities due to high poverty and unemployment levels.

4.2.2. National Key Performance Indicators

The following national key performance indicators are crucial in any municipal planning processes:

- % households with access to basic levels of water, sanitation, electricity and solid waste removal.
- Households earning less than R1 100 per months with access to free basic services of water, sanitation, electricity and solid waste removal.
- % of a municipality's budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.
- Number of jobs created through the municipality's local development initiatives including capital projects;
- Number of people from the employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan, short and long-term employment.
- % of the municipality's budget actually spent on implementing workplace skills plan.
- Financial viability, bank balances, investments, outstanding debtors to revenue, creditor payments, credit rating, external loans, aggregate for bad debts.

4.2.3. Key Informants

The determination of key issues is mainly centered on municipal financial viability, institutional readiness, poverty levels and service delivery backlogs. An understanding of the above is crucial in mapping the development approach for the MTREF period.

4.2.4. Institutional Capacity

The current municipal challenge is to ensure that the current structure is re-oriented towards effectively and efficiently addressing the current internal (institutional service delivery and infrastructure development planning) and challenges faced by the external stakeholders (communities). This should be done in an integrated approach rather than focusing on ad hoc amendments as may be dictated by circumstances at a particular given time.

Provincial Treasury has conducted a skills audit for the municipality on finance with a view of providing intervention in the form of training and skills development on MFMA reforms. Although the results of the audit are yet to be communicated it is clear from the Auditor-General's audits that there is lack of technical capacity and a need to review the BTO structure.

However, the Development Bank of Southern Africa has, through Siyenza Manje Programme, enrolled a number of key personnel with the Vulindlela Academy to sharpen their skills on all aspects of municipal administration such as Project Management, Finance Management, Engineering for non-engineers etc.

4.2.5. Poverty and Unemployment

Part of the challenges for consideration in crafting municipal vision and strategic objectives is the extent to which the Ditsobotla Local Municipality is able within available resources to reduce the unemployment rate within the regional economy. In an economy where 42% of the economically active are unemployed the effect is that this places serious strains on the municipal financial resources as it means an increase in the budget for social packages such as free basic services.

Addressing poverty and unemployment within the goals of the Provincial Growth and Development Strategy remains a key informant of strategic planning.

4.2.6. Service Delivery Backlogs

The Situational Analysis provides a background for a concerted effort towards addressing existing backlogs by allowing for medium term thinking and budgeting to reduce them. Providing basic services such as water, sanitation and electricity remains an important aspect for consideration in determining municipal-wide priority issues.

4.3. Key Municipal Issues

Based on an assessment of the baseline information revealed during the analysis phase, the Ditsobotla Local Municipality faces a challenge of addressing the following priority issues:

Table: Municipal Key Issues

Key Issue	Key Objective
The municipality's financial position is poor due to inadequate capacity as well as poor finance management controls/systems.	A fully capacitated municipal administration capable of developing and implementing effective financial controls.
The organizational design does not respond to service delivery challenges. There is no adequate capacity in technical functions of the municipality.	Capacitated institution structured in a way that enables efficient and effective service delivery.
High levels of poverty and unemployment, skills shortage, and inequalities within the Ditsobotla Local Municipality.	Create an environment conducive for economic growth, sustainable employment opportunities and growth in personal income levels of communities.
Backlogs in the provision of social services, infrastructure, service delivery and economic opportunities.	A well-structured Ditsobotla Local Municipality able to support sustainable human settlement and enable residents meet their social and economic needs.

The above municipal-wide priorities may further be refined into Service Delivery and Institutional Priorities.

Table: Service Delivery and Institutional Priorities

SERVICE DELIVERY PRIORITIES	INSTITUTIONAL PRIORITIES
<ul style="list-style-type: none"> ■ Water and Sanitation; ■ Electricity; ■ Roads and Stormwater; ■ Housing; ■ Refuse Removal; ■ Local Economic Development; ■ Health Care; ■ Disaster and Emergency Responses; and ■ Sports and Recreation Facilities. 	<ul style="list-style-type: none"> ■ Strengthening the municipal administration, particularly the BTO; ■ Development and implementation of management control measures (policies); ■ Revenue Management and enhancement; ■ Implementation of Performance Management System; ■ Effective, efficient and reliable Information Technology systems; ■ Strengthening public participation processes; and ■ Skills development.

**OBJECTIVES AND TARGETS: MUNICIPAL TRANSFORMATION AND
ORGANISATIONAL DEVELOPMENT**

CORPORATE OBJECTIVE: ENHANCED SERVICE DELIVERY WITH EFFICIENT INSTITUTIONAL ARRANGEMENTS						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Improved turnaround time for finalization of procurement processes in line with procurement plan (requirements) (Input Indicator)	8 weeks	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks
Approved, reviewed organizational structure (Output Indicator)	Draft reviewed organizational structure in place and awaits Council approval	Approved organizational structure in line with the Integrated Development Plan	Approved organizational structure in line with the Integrated Development Plan	Approved organizational structure in line with the Integrated Development Plan	Approved organizational structure in line with the Integrated Development Plan	Approved organizational structure in line with the Integrated Development Plan
Availability of staff as a measure by % absenteeism (Output Indicators)	New	<3% average for the period 1 July 2012 to 30 June 2013	<3% average for the period 1 July 2013 to 30 June 2014	<3% average for the period 1 July 2014 to 30 June 2015	<3% average for the period 1 July 2015 to 30 June 2016	<3% average for the period 1 July 2016 to 30 June 2017
Percentage budget spent on the implementation of Workplace Skills Plan (NKPI) (Input Indicator)	100%	90%	90%	90%	90%	90%
Percentage of capital projects implemented according to planned schedule (Input Indicator)	New	80%	85%	90%	90%	90%
Increase in number of annual employee wellness programmes (Input Indicator)	3	4	6	8	10	12
Reduction in number of labour disputes (Output Indicator)	12 average	4	4	4	4	4
% Employment Equity targets met (Output Indicator)	New	80%	85%	90%	95%	95%

CORPORATE OBJECTIVE: ENHANCED SERVICE DELIVERY WITH EFFICIENT INSTITUTIONAL ARRANGEMENTS						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
% progress approval of HR related policies (HRM Code) (Output Indicator)	The municipality will hold a Policy Development and Review Conference on the 12 th April 2011	100%	100%	100%	100%	100%

5. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The strategic thrust of service delivery and infrastructure development covers the following key municipal functions: Spatial and Land Use; Housing; Traffic Safety; Roads; Water and Sanitation; and Electricity.

5.1. Spatial and Land Use

The Ditsobotla is consciously aware that it needs to develop and implement a Spatial Development Framework consisting of four components as outlined in the White Paper on Spatial Planning and Land Use Management. These components are:

- Policy for land use and development;
- Guidelines for land use management;
- A capital expenditure framework showing where the municipality intends spending its capital budget; and
- A strategic environment assessment.

The municipality has already developed this Spatial Development Framework incorporating the Environmental Management Plan (also consists of a Strategic Environmental Assessment Report). In compiling these planning documents focus has also been placed on other key legislative documents such as the Development Facilitation Act, Act 67 of 1995. This document is currently under review.

The recommendations contained in the SEA, EMP and SDF are deduced into measurable strategic objectives under this section.

5.2. Housing

The Ditsobotla Local Municipality in delivering habitable shelter to communities is committed to ensuring that:

- The inhabitants of its area have access to adequate housing on a progressive basis;
- The prevention of conditions not conducive to the health and safety of inhabitants;
- Services in respect of water, sanitation, electricity, roads, stormwater drainage and transport are provided in a manner which is economically efficient;
- Setting of housing delivery goals;
- Identify and designate land for housing initiatives/development; and
- Initiate, plan, coordinates and facilitates appropriate housing within the municipal area.

5.3. Safety (and Licensing)

This function is regulated and carried out with the prescripts of the Traffic Law Act, Act 32 of 2009.

5.4. Electricity

Government has committed to universal access to electricity by 2012. Although the White Paper on Energy acknowledges that the municipalities has a limited role in energy management, it argues that they are responsible for economic and physical planning, and as such, are concerned with the supply and use of energy. Similarly, because all energy-related policy programmes and projects are implemented in urban areas, municipal government will have to coordinate its development activities with those of energy stakeholders and role-players, to ensure alignment and integrated development.

The Ditsobotla Local Municipality thus needs to be aware of and interpret national energy policy to suit it needs. Consideration is also taken of the National Electrification Programme allocated to the municipality in terms of the Division of Revenue Act.

5.5. Water and Sanitation

The development of strategies for access to and provision of water to communities in a sustainable manner is premised on a number of legislations. For purposes of planning the following are used as a basis without necessarily disregarding other considerations such as affordability and indigency provisions.

5.6. Guidelines for Compulsory National Standards

5.6.1. Basic Water Supply

In terms of the Guidelines provided in terms of the provisions of section 9 of the Water Services Act, the minimum standard for basic water services is:

- The provision of appropriate education in respect of effective water use; and
- A minimum quantity of potable water of 25 litres per person per day or 6 kilolitres per household per month;
- At a minimum flow rate of not less than 10 litres per minute;
- Within 200 meters of a household; and
- With effectiveness such that no consumer is without a supply for more than seven full day in any year.

A basic minimum standard of water supply is defined as a given quantity of potable water delivered within 200 metres of a household, at a minimum flow rate of 10 litres per minute. These requirements are designed to strike a balance between reducing the time and effort people have to spend collecting water, whilst still recognizing the shorter walking distances and high flow rates have cost implications.

The quantity of water forming the basic minimum standard is defined as being either 25 litres per person per day or 6 000 litres per months.

5.6.2. Basic Sanitation

The minimum standards for basic sanitation service are:

- The provision of appropriate health hygiene education; and
- A toilet which is safe, reliable, environmentally sound, well ventilated, provide privacy and protection against weather, keeps smells to a minimum and prevents entry and exit of flies and other disease-carrying pests.

In developing strategies to address the water and sanitation backlogs, the Ditsobotla Local Municipality considered the above minimum requirements which in turn informed project proposals.

5.6.3. Roads

Ngaka Modiri Molema District Municipality has commenced with the development of the Integrated Transport Plan which will incorporate all the category B municipalities segments of planning.

The Strategies and Objectives for are contained below.

OBJETIVES & TARGETS: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

CORPORATE OBJECTIVE: PROVISION OF UNIVERSAL ACCESS TO BASIC SERVICES						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Number of households with access to basic levels of sanitation (Outcome Indicator)	70% 26,904 households)	70.5%	80%	80.5%	90%	90.5%
Percentage informal households with access to sanitation (Output Indicator)	New	-	80%	80.5%	90%	90.5%
Number of households with access to basic levels of water (Outcome Indicator)	75%	80%	90%	95%	100%	100%
Percentage informal households with access to sanitation (Output Indicator)	New	90%	100%	100%	100%	100%
Number of households with access to basic levels of electricity (NKPI) (Outcome Indicator)	26,254	26,400	27,000	28,000	28,500	28,500
Number of households with access to basic levels of solid waste removal (NKPI) (Outcome Indicator)	21,685	22,000	22,200	22,300	23,000	24,000
Percentage of informal settlements receiving refuse collection services (Output Indicator)	New	10%	20%	30%	50%	70%
Kilometers of roads constructed and upgraded (surfaced) (Output Indicator)	New	20km	30km	30km	30km	30km
Kilometers of roads maintained and rehabilitated	New	40km	40km	40km	40km	40km

CORPORATE OBJECTIVE: PROVISION OF A SAFE ENVIRONMENT AND RESPONSIVE LAW ENFORCEMENT						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
5% Percentage reduction in accidents throughout Ditsobotla Local Municipality	New	1%	2%	3%	4%	5%
% progress made towards the revamping of Coligny Test Station		10%	30%	60%	80%	100%

CORPORATE OBJECTIVE: PROVISION OF A SAFE ENVIRONMENT AND RESPONSIVE LAW ENFORCEMENT						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
5% Percentage reduction in accidents throughout Ditsobotla Local Municipality	New	1%	2%	3%	4%	5%

CORPORATE OBJECTIVE: EFFECTIVE MANAGEMENT OF MUNICIPALITY'S INFRASTRUCTURE AND RESOURCES						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
% expenditure on repairs and maintenance (Input Indicator)	Less than 5% of capital budget	10%	10%	15%	15%	15%
Reduce number of electricity outages experienced (Output Indicator)	New	Less than 3	Less than 3	Less than 3	Less than 2	Less than 2
% progress achieved in implementing the electricity supply expansion works programme	A quotation for additional 20MVA bulk supply has been received from Eskom to cater for settlement expansions	50%	100%	100%	100%	100%
Number of Asset Maintenance Plans developed for water and sanitation infrastructure (Output Indicator)	0	1	1	1	1	1

CORPORATE OBJECTIVE: IMPROVING AND DEVELOPMENT OF INTEGRATED HUMAN SETTLEMENT						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Percentage completion of the Spatial Development Framework (SDF) Review (Input Indicator)	5% the Project Steering Committee has been established including the Ditsobotla Local Municipality and the Department of Rural Development (funding agency). A Service Provider is appointed to facilitate and manage the process.	50% progress covering public participation and development of first draft document.	100% completion of the Spatial Development Framework and submission to the provincial department.	Implementation of the approved Spatial Development Framework.	Review of the approved Spatial Development Framework.	Review of the approved Spatial Development Framework.
Number of formal houses provided to communities (Output Indicator)	1,170	2,200	3,000	4,500	2,000	3,000
Number of land parcels acquired (Output Indicator)	2	2	2	2	2	3

CORPORATE OBJECTIVE: PROVISION OF COMMUNITY FACILITIES AND RELATED SERVICES TO COMMUNITIES						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Number of community facilities meeting set standards (Outcome Indicator)	Number of community parks mowed and cleaned according to standard Total Number = 2 (Itsoseng and Lichtenburg)	2	2	2	2	2
	Number of fenced formal sports grounds with complete grass cover Current = 2/8 (Itekeng, Boikhutso, Verdwaal, Ga-Motlatla, Tlhabologang, Bodibe, Lichtenburg, Burgersdorp)	2	2	2	2	2
	Number of open, safe and clean halls with ablution, hall and kitchen Current = 0/10 (Itekeng, Boikhutso, Lichtenburg, Sonop, Itsoseng, Ga-Motlatla, Welverdiend, Grasfontein, Bakerville, Tlhabologang)	2	2	2	3	1
	Number of cemeteries established Total =	Planning phase and acquisition	2 (Tlhabologang)	1		
	Number of existing cemeteries fenced	4	4	4	4	4
Number of greening initiative introduced (Output Indicator)	New	4	6	8	10	12

5.7. ECONOMIC DEVELOPMENT

A local economic development plan/strategy is a required output of the integrated development planning process. Fundamental to the role of the local municipalities in economic development is the need to assess the municipality's own comparative and competitive advantage and base the LED strategies on such analysis.

At the core of providing the strategic agenda on growing the economy and expanding the employability of communities is the North West Provincial Growth and Development Strategy.

5.7.1. The Provincial Growth and Development Strategy

The vision of the PGDS is to build a truly united, non-racial, non-sexist, democratic and prosperous society that jointly focus to deliver on key priorities aimed at growing a vibrant economy. It is aimed at providing a framework for integrated and sustainable growth and economic development over the ten years.

Through the PGDS the province intends to build a society that by 2014 will have:

- Developed economic sectors and spatial localities in accordance with the needs and potential of the people through sustainable use of resources and the protection of the environment;
- Deliver on the constitutional obligation to provide basic services to all citizens;
- Promote job creation and skills training;
- Address past and current social inequalities by focusing on people and developing strategies to avoid geographic inequalities;
- Supported full participation of and equal opportunity to all people;
- Offered the poor skills development and employment opportunities to exercise choices in improving their quality of life and work together towards a single and integrated economy in a dignified manner; and
- Fully capacitate the SMME sector.

5.7.2. Black Economic Empowerment

The historical exclusion of black people from the main economic activities remains a major challenge in the economic development front. The Integrated Industrial Strategy for Sustainable Employment and Growth acknowledges that South Africa has the third most unequal distribution of incomes in the world. Combined with the low rates of economic growth this has resulted in development backlogs and raising levels of unemployment and poverty.

The advancements of black-owned enterprises within the municipal area must therefore constitute an important developmental aspect.

Based on the existing policy and legal framework environment the role of the Ditsobotla Local Municipality may be summarized as follows:

- Formulating local economic strategy and leading LED initiatives;
- Conducting research on economic development and growth and maintain a database;

- Work in partnership with all spheres of government to coordinate economic development and related programmes;
- Developing infrastructure for business activities in previously disadvantaged areas;
- Facilitate sustainable community projects.

The indirect role that the Ditsobotla Local Municipality could play includes:

- Creating an enabling environment by providing better services and infrastructure;
- Attracting and facilitating development funding for the municipal area; and
- Creating a strong marketing strategy for information dissemination on LED matters.

5.7.3. Tourism

Traditionally, a key aspect of local government support to tourism promotion has been the setting up of investment incentives. In terms of the IDP process, considering incentives promotion as a strategy for tourism promotion would need to investigate their viability and feasibility. Further, the developmental role of government in supporting emerging entrepreneurs and small enterprises would need to be considered, in particular in respect of project proposals that stimulate local community involvement and community-based tourism projects.

Similarly, considering the environmental management aspects of tourism development incentives of private enterprises and communities may be used to promote and encourage sustainable and responsible tourism development. Integrated Environmental Management procedures for all new tourism projects should be mandatory and social and environmental audits of tourism projects should be undertaken. In particular the policy strongly suggests that neighbouring communities should participate in and benefit from economic activities generated in and around conservation areas.

Cultural heritage is an aspect of tourism development, which needs to be managed. For municipalities in particular, this requires the effective protection and sustainable utilization of cultural resources, in all land use planning and development projects.

In terms of infrastructure planning, the focus for tourism should be on the maintenance and upgrading of infrastructure in order to improve accessibility and

mobility, in particular in respect of rural areas. The expansion of tourism infrastructure should be considered as part of a long-term strategy rather than on an ad hoc basis. The negative environmental impacts that the provision of bulk infrastructure for tourism may have must always be considered in the planning process.

If there are specific tourism resources in an area, municipalities have a responsibility to play an active role in specific tourism-related activities and functions including planning for the provision and maintenance of tourist services, sites and attractions, such as camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services. In this way they can support and encourage tourist-related local economic development initiatives.

Local government can proactively explore marketing and promotion possibilities for tourism development. Further, municipalities can also play an important role in tourism planning, and lobby the national and provincial tourism organizations to promote their local tourist facilities to the international and national market. Municipalities can promote and financially support the establishment of local publicity associations/community tourism and marketing organizations to facilitate, market, co-ordinate and administer tourism initiatives in their areas of jurisdiction.

5.7.4. Implication of Policy for Ditsobotla Local Municipality

The Ditsobotla Local Municipality's direct involvement in the local economy includes:

- Formulating policy and leading integrated economic development;
- Collating and interpreting economic information through economic research and maintain an economic database;
- Coordinating government's economic development and related programmes;
- Providing infrastructure for business activities in previously disadvantaged areas;
- Facilitating sustainable community projects;
- Supporting small, medium and micro-enterprises by facilitating access to funding and training; and
- Developing incentives for local municipal investments.

OBJECTIVES AND STRATEGIES KPA 3: LOCAL ECONOMIC DEVELOPMENT

CORPORATE OBJECTIVE: CREATING AN ENABLING ENVIRONMENT FOR ECONOMIC GROWTH						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Increase the number of direct job opportunities created (KPI)	1,174	2,000	2,100	2,200	2,400	2,500
Number of job opportunities created through the Expanded Public Works Programme to contribute to the reduction of poverty and unemployment (Output Indicator)	736	800	900	900	1,000	1,100
% development applications finalized within the statutory time-frames in terms of municipality's Land Use Management Policies (Output Indicator)	New	70%	75%	80%	95%	95%
% of rand value of purchase orders allocated to SMME/HDI Suppliers or service providers (Output Indicator)	New	45%	50%	55%	60%	60%
Number of training sessions offered to SMMEs/HDI suppliers/service providers (Output Indicator)	0	3	4	4	4	4
Number of hydroponic projects rolled out (Output Indicator)	New	2	2	3	4	4
Number of municipality's owned land parcels released to emerging farmers (Output Indicator)	New	Land audit	Land audit			

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

CORPORATE OBJECTIVE: MANAGEMENT OF FINANCIAL AND GOVERNANCE AREAS SUCH AS INCOME, CASH-FLOW, INDIGENT SUPPORT, ASSETS AND RISK MANAGEMENT						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
Net debtors to annual income (ratio of outstanding service debtors to revenue actually received for services) (NKPI) (Input Indicator)	New					
Debt coverage by own billed revenue (NKPI) (Input Indicator)	New					
Percentage of the municipality's capital budget spent (NKPI) (Input Indicator)	70%	95%	95%	95%	95%	95%
Percentage of the municipality's operating budget spent (Output Indicator)	80%	95%	95%	95%	95%	95%
Percentage of audit finding resolved as per follow up audits (Input Indicator)	Municipality received a Disclaimer for 2009/2010 financial year from Auditor General	100%	100%	100%	100%	100%
Revenue collected as a percentage of billed amount (Input Indicator)	84%	90%	90%	95%	90%	90%
Percentage completion of annual asset verification process (Input Indicator)	65%	100%	100%	100%	100%	100%
% progress of contracts awarded according to demand management plan (advertised tenders) (Input Indicator)	100%	100%	100%	100%	100%	100%
Number of current assets cover current liabilities (Input Indicator)	1:1	2:1	2:1	2:1	2:1	2:1

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

CORPORATE OBJECTIVE: GOOD GOVERNANCE						
CORPORATE INDICATORS	BASELINE	TARGET 30/06/2013	TARGET 30/06/2014	TARGET 30/06/2015	TARGET 30/06/2016	TARGET 30/06/2017
% progress towards review of the Supply Chain Management Policy (Input Indicator)	Supply Chain Policy is in place	100% policy review	100% policy review	100% policy review	100% policy review	100% policy review
Number of IGR Sessions held (Output Indicator)	No IGR Strategy in place	4 sessions	4 sessions	4 sessions	4 sessions	4 sessions
% progress made towards conducting customer satisfaction survey (Input Indicator)	No customer satisfaction survey previously carried out	50%	100%	100%	100%	100%

NATIONAL KEY PERFORMANCE INDICATORS

Priority Areas	Objectives	Strategy	Indicator	Baseline	TARGETS				
					30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Water, Sanitation and Related Services	Provision of basic water services and sanitation to acceptable quality	Provide water services as per planned projects	Increase in number of households with access to minimum basic standards of sanitation	70% 26,904 households)	70.5%	80%	80.5%	90%	90.5%
			Increase in number of households with access to minimum basic standards of water	75%	80%	90%	95%	100%	100%
Electricity	Electrify all low income RDP formal dwellings	Electrify RDP dwellings in terms of the housing programme through Eskom	Number of households with access to basic level of electricity	26,254	26,400	27,000	28,000	28,500	28,500
Solid Waste	To ensure that all households of Ditsobotla Local Municipality live in a clean, safe and healthy environment by providing efficient and effective solid waste management service	Increase the number of households with access to refuse removal services	Number of households with access to refuse removal services	21,685	22,000	22,200	22,300	23,000	24,000
			Number of areas in urban and rural areas to which refuse removal is extended	New	100	200	200	200	300
Human Resources	Address Employee Equity imbalances in terms of gender and disabilities	Increase in the number of people from employment equity target groups employed in the three highest levels in compliance with the approved Employment Equity Plan	Number of people from employment equity target groups (women) employed in the three highest levels in compliance with the Employment Equity Plan	8	10	12	14	16	18
	Develop organizational staff and promote skills development	Prioritise skills development based on the needs of the organization	% payroll allocated to skills development	1%	1.25%	1.3%	1.3%	1.4%	1.4%

					TARGETS				
Priority Areas	Objectives	Strategy	Indicator	Baseline	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Indigent	Roll out indigent scheme to all indigent households in Ditsobotla Local Municipality	Implement Indigent Policy	Percentage of households earning less than R1 100 per month with access to free basic services	6,000	8,000	10,000	12,000	13,000	14,000
	Job Creation	Provision of job opportunities for the unemployed residents of Ditsobotla Local Municipality	Number of jobs created through municipality's local economic development in initiatives including capital projects	1,174	2,000	2,100	2,200	2,400	2,500
Projects Implementation	Expenditure of all grants or capital infrastructure funding for service delivery in the applicable financial year	Accelerate implementation of grant or capital projects	Percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP	60%					

SECTION D: MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK

6. Municipal Spatial Development Framework

The Ditsobotla Local Municipality through the financial assistance of the Department of Rural Development is in the process of reviewing the current municipal Spatial Development Framework. A copy of the current document is available electronically and will be attached to the final IDP document.

The summary contents of the SDF are reflected in the next paragraphs.

The Ditsobotla Local Municipality adopted its Spatial Development Framework and Strategic Environmental Assessment Documents during 2006 as a guiding tool aimed at informing all municipal planning decisions and land use management.

6.1. Purpose and Structure of the SDF

The primary purpose of the Spatial Development Framework is to present the spatial development goals of the municipality that result from the integrated consideration and sifting of spatial implications and of different sectoral issues. It must provide decision-makers with a clear frame of mind on how and where development should occur within identified resource frames.

According to the White Paper on Spatial Planning and Land Use Management, the Spatial Development Framework consists of four important components:

- Policy for land use and development;
- Guidelines for land use management;
- A capital expenditure framework showing where the municipality intends spending its capital budget; and
- A Strategic Environmental Assessment.

The Municipal Spatial Development Framework applies to the entire municipal area of Ditsobotla. The overall SDF serves as an informant of the local spatial development frameworks contained in this section.

6.2. Development Concept

This spatial framework takes the approach of development clusters which refers to a grouping of more than one distinctive settlement area within a specific geographical location. These clusters are:

- Lichtenburg cluster which includes Lichtenburg, Boikhutso, and Blydeville.
- Coligny cluster includes Coligny and Tlhabologang.
- The Itsoseng cluster includes Sheila, Verdwaal 1 and 2, and Itsoseng.
- The Bodibe cluster includes Bodibe, Springbokpan, Welverdiend and Matile/Meetmekaar.

6.3. Settlement Patterns

The Lichtenburg-Boikhutso cluster is the core area of the municipality and is also located at the spatial centre of the municipality.

The majority of households and population are concentrated in the western quadrant of the municipality in the area between Lichtenburg, Itsoseng and Bodibe. Approximately 60% of the total population of the municipality resides within this area.

A significant proportion of the population of the municipality resides on farms in the rural areas of the municipality (approximately 28% of the total population). This figure is also somewhat higher than the comparative figures in surrounding municipalities. It implies that the planning of service delivery (with specific reference to social services) will also have to consider the rural areas.

The location of a number of land reform projects in the southern parts of the municipality could influence future spatial development and infrastructure requirements. These are the areas:

- The Putfontein claim area consists of farms Putfontein 62 IP, Vogelstruisknop 479 IP, Sterkfontein 155 IP and Omega 478 IP. The total area of this claim is 7668ha (Post Settlement Phase).
- The Bakolobeng claim, including the farms Rooirantjiesfontein 98 IP, Koppiesfontein 87 IP and Rhenosterdoorns 88 IP, constituting a total land area of 6173ha (Post Settlement Phase).
- The Rietfontein claim area consisting of portions 3, and 12 of portion 3 of the farm Rietfontein 54 IP, totaling 422ha.
- The Monamaladi land claim area located on the farm Holgat 63 IP constituting a total land area of 3033ha (Post Settlement Phase).

- The Rietkuil land claim is currently in the pre-settlement phase and is located on portions 11, 12, 13, 36 and 37 of the farm Rietkuil 53 IP.
- The Mafethe community claim involving 104 portions of Biesiesvlei 149 IO.

6.4. Road Network

There is one national road traversing the study area (N14) which connects the western parts of Gauteng with the central parts of the North West Province. A section of this national route between Ventersdorp and Sannieshof traverses the southeastern parts of the Ditsobotla Local Municipality through Coligny and Biesiesvlei.

There are a number of important main roads which links the Ditsobotla Local Municipality with surrounding municipalities and which converges on Lichtenburg as the core area. These include:

- Road R52 from Koster to Lichtenburg and further westwards from Lichtenburg to Mafikeng (R503). This road traverses the municipality in an east-west direction and carries high traffic volumes.
- The R503 connects Lichtenburg in a southeastern direction with Coligny and ultimately to Klerksdorp.
- The R505 traverses the study area in a north south direction. In a northern direction, it connects Lichtenburg with Ottoshoop and southwards to Gerdau and Ottosdal.
- The R52 connects Lichtenburg in a southwestern direction with Itekeng and Biesiesvlei.
- Parts of route R53 (which connects Ventersdorp and Swartruggens) transverses the eastern parts of the study area.

6.5. Open Space System

The development of an open space system for the Ditsobotla Local Municipality is aimed at linking all natural elements of value and the “High Environmental Control Zones” through a continuous open space system. An isolated open space surrounded by urban settlements or other types of development has little chance of sustaining its biodiversity and it is only when the areas are linked into an integrated system that it increases its ability to sustain biodiversity.

Elements which could be included in such an open space system include ridges and mountains, proclaimed nature reserves, protected areas, river environments and other potential environmentally sustainable areas. This open space system area could consist of a number of main components:

- A corridor along the northern boundary of the municipality from Molopo Eye conservancy, including the northern parts of the municipality up to the intersection of R53 and the R52 in the eastern parts of the municipality. The possible further westward extension of this open space system to link up with the Malmanies Eye Natural Reserve in the Mafikeng area could be considered.
- The Lichtenburg Game Breeding Centre is located immediately north of Lichtenburg. It will be ideal to create a continuous open space network within the elements outlined above. There are however, an area of extensive diamond mining operations in the vicinity of Bakerville, Grasfontein and Carlsonia (located north of Lichtenburg Game Breeding Centre) which militates against this proposal.
- The upper catchments of the Hartsriver are located in the area southwest of Lichtenburg (between Lichtenburg and Itekeng/Biesiesvlei). This area is important from the point of view that it is the origin of Hartsriver that traverses a number of other municipalities in the western parts of the North West Province. The Hartsriver also feeds Barberspan which is an international RAMSAR site. It is thus necessary to protect the river and the adjacent area within this catchment area from inappropriate forms of development.

6.6. Mining and Quarrying

There are two important types of mining and quarrying activities which impacts on the spatial development of the Ditsobotla Local Municipality. These are:

- The quarrying of limestone deposits associated with the manufacturing activities of Lafarge and AfriSam.

The most notable areas in this regard include the following:

- The limestone quarries and operations of AfriSam around Dudfield.
- The limestone quarry of Lafarge between Bodibe and Springbokpan.

- The quarrying areas of Lafarge immediately west of Lichtenburg and in the area northeast of the main Lafarge plant at the Lichtenburg industrial area.
- Extensive diamond mining activities occur in the northwestern parts of the municipality specifically in the areas around Bakerville, Grasfontein, and Welverdiend. Many of these operations have long been abandoned and have not been rehabilitated.
- State quarries are found in the northern part of the municipality.

6.7. Agriculture

The landscape of Ditsobotla Local Municipality is largely dominated by commercial agricultural activities mainly consisting of two components:

- Commercial dry-land and irrigated agricultural activities which dominates the entire southern part of the municipality (located roughly south of the Koster-Lichtenburg-Mafikeng road). A large percentage of the total land area within this zone is utilized for commercial dry-land or irrigated farmland activities.
- The areas located northeast and northwest of Lichtenburg are generally characterized by more extensive farming activities mostly focusing on cattle and grazing areas.

7. SPATIAL DEVELOPMENT STRATEGIES

7.1. Urban integration

This strategy aims to move away from the fragmented urban structure currently existing within the Ditsobotla Local Municipality and aims to consolidate the individual settlement located within the various settlement clusters with each other and the Lichtenburg core area. This can be achieved by filling in the unpopulated areas between these settlements with future growth where feasible. A more compact and integrated structure also form the basis for providing more cost-effective municipal services and public transportation infrastructure.

At a macro municipal planning level, the integration of the various settlement clusters in the Ditsobotla area will be difficult to achieve in practice. The extent of the expected future growth will also not facilitate the physical integration of various settlement clusters. However, at an individual settlement cluster level, the strategy of urban integration could actively be pursued. This concept is more fully explored and implemented in the three local level spatial development frameworks.

7.2. Bulk infrastructure development

Providing bulk infrastructure could be an important tool to achieve a more compact and integrated spatial pattern and will, in turn, result in cost saving when developing the bulk infrastructure. The provision of future bulk infrastructure development will guide urban development. In this manner, bulk services will force future urban development into a more rational and desirable urban pattern. At the same time, the location, implementation and functioning on the bulk services network will be rationalized.

A further aspect of bulk infrastructure development would be to ensure that the existing bulk infrastructure networks (specifically in areas such as Lichtenburg and Itsoseng) have sufficient capacity to deal with existing and expected future development pressures. The upgrading of existing bulk infrastructure networks in Lichtenburg as the economic core area of the municipality should ensure that the expected residential and economic growth in this area could be accommodated by existing bulk infrastructure networks.

7.3. Equitable access to social services

A significant proportion of households in the municipality reside on farms in the rural parts of the municipal area, located far from the social services provided in the various settlements clusters and within the Lichtenburg core area. This results in high public transport costs for the poor living in these areas to access these services. It is important these services also be made available to the rural communities through the development of Service Delivery Centres.

A hierarchy of such SDCs, containing facilities such as clinics, police stations and community centres, will make these facilities accessible in both rural and urban areas.

7.4. Land use and transportation integration

Land use development and public transportation are interlinked and affect each other significantly. Public transportation works most effectively in a linear pattern, as opposed to winding its way through a wide spread urban area. Such a linear land use pattern also benefits commuters, because it implies that residential settlements are located in close vicinity to the corridor road, placing commuters within short walking distances of such public transportation termini.

Future development, in the municipal area should thus strive to focus development, and especially infill development, in areas around important public transport routes. The overall function and condition of the public transport network also need to be improved.

7.5. Greater housing typology mix

The Ditsobotla municipal area is characterized by the grouping and concentration of housing units according to housing typologies. A greater mix of housing typologies should thus be pursued in line with national government policy. Of importance is the location of these typologies within the different settlement clusters. Its location in each cluster should take into account the location needs of the households living in those housing types, as well as other factors such as property values and accessibility to public transport services where applicable.

It is generally challenging to create a greater housing typology mix within existing areas. Opportunities do however present themselves in proposed future residential developments to create areas catering for a wider range of housing typologies.

7.6. Protection of High Environmental Control Zone

The management and monitoring of future spatial development within the Ditsobotla Local Municipality should protect the identified high environmental control zones within the municipality. Development applicants should also be appropriately informed of location of high environmental control zones and the management guidelines for these areas.

7.7. Land Use Budget

The purpose of the land use budget is to estimate overall land requirements of the main space occupying land uses over a 10 year period. Components addressed within the land use budget are:

- Housing/residential areas;
- Education facilities;
- Health facilities;
- Community centres;
- Business space;
- Open space and recreation; and
- Street network.

A detailed outline of the Land Use Budget is contained in the Spatial Development Framework and Strategic Environment Assessment document (Section 3.3.).

7.8. Roads and Transport

Proposal for the improvement of roads and transportation network largely revolve around the improved integration of the surrounding settlements with the Lichtenburg core area. There is currently no rail commuter service provided by the rail network within the Ditsobotla Local Municipality. The existing rail network mainly provides freight transport and specifically caters for the needs of the cement manufacturing plants of AfriSam and Lafarge located within the municipality.

Regarding the improved integration of the surrounding settlements with the Lichtenburg core area the following is recommended:

- The upgrading of the non-surfaced secondary road from its intersection from Lichtenburg-Mafikeng road (R503) through Grasfontein and Bakerville to the intersection of the Lichtenburg-Ottoshoop road (R505).
- The upgrading of the existing non-surfaced secondary road from its intersection just north of Bakerville with the road R505 through Carlsonia and southwards to the intersection of this road with the non-surfaced secondary road entering Lichtenburg from a north eastern direction.

The upgrading of these two roads will improve the accessibility to Grasfontein, Bakerville and Carlsonia/Welverdiend and contribute towards the improved integration of the Lichtenburg core area and the surrounding settlements.

There are three existing main roads within the municipal areas which should be prioritized for upgrading in view of the traffic volumes on these roads, as well as their regional and district importance:

- The upgrading of road R52 between Lichtenburg and Koster. The amount of traffic, especially heavy traffic, on this road has increased over the previous years and especially since the inception of a tollgate at Swaruggens as part of the N4 toll route. A significant volume of heavy vehicles responsible for transporting cement products from a number of plants in the Lichtenburg area to the main centres in Rustenburg and Gauteng uses this route.
- The R503 linking Coligny with Lichtenburg. The amount of traffic on this road providing access to Mafikeng from a southeastern direction via the N14 is significant and warrants the consideration for upgrading.

- The R503 between Lichtenburg and Mafikeng should also be regarded as a priority due to the traffic volumes on this road, particularly over weekends when this route carries large numbers of commuters between Mafikeng and Gauteng.

7.9. Social Amenities

There is a need for 13 schools, 31 clinics and 7 community centres across Ditsobotla Local Municipality over the next 10 years. The provision is based on future population growth projections, as well as norms and standards for the provision of these facilities as outlined in the Guidelines for Human Settlement Planning and Design. The total estimated land requirement for social facilities is approximately 53,6ha for the education facilities, 6,23ha for the clinics and 3,5ha for community centres.

8. PROPOSED SERVICE DELIVERY CENTRE HIERARCHY

There are four types of SDCs are proposed for the Ditsobotla Local Municipality. The hierarchy takes into account certain key variables, such as its intended function, the population size it serves and the geographical location. In turn, the order of the SDC determines its size and type of facilities located within it.

8.1. First Order SDC

The Lichtenburg CBD is identified as a first order SDC, not only because of the town's population size, but also because it contains the only significant number of retail, offices, industrial, and commercial uses in the Ditsobotla Local Municipality. Due to this dominance of social and economic activities, Lichtenburg provides services and employment opportunities for the entire municipal area.

A first order centre provides social services for the municipal area as a whole, providing the area with higher-order social services. It is the only centre that provides the entire range of social facilities. With regard to educational facilities, the first order SDC should accommodate a number of primary and secondary schools as well as the region's tertiary education facilities. It should provide health facilities such as the region's hospital, as well as other high order medical facilities. Other social facilities to be provided by the centre include a community hall, library, police station, post office and a large bus and taxi rank.

8.2. Second Order SDC

A second order SDC provides medium-order social services to settlement clusters. It thus provides services to settlements located beyond the border of the settlement in which it is located. Such a centre should ideally consist of primary schools, a secondary school, a community hall, a clinic and a police station on a smaller scale than those provided in the first order SDC. A reasonably sized bus and taxi rank should be provided.

- A second order SDC in the Itsoseng-Bodibe area to service both Itsoseng-Sheila-Verdwaal and Bodibe-Matile-Meetmekaar clusters.
- A SDC in Coligny-Tlhabologang to serve this cluster.

It is proposed that two second order SDCs be provided in the Ditsobotla Local Municipality:

8.3. Third Order SDC

A third order SDC provides low-order, day to day social services to smaller settlement clusters. As with the second order SDCs, this SDC provides services to more than a single settlement, only on a smaller scale than the second order SDCs. A third order SDC should comprise a secondary school, a primary school, post office, as well as a small square and a bus and taxi stop.

The provision of three third order SDCs are proposed:

- One in Itekeng-Biesiesvlei settlement cluster;
- Ga-Motlatla; and
- A third order SDC in Bakerville to service Bakerville, Grasfontein and Carlsonia.

8.4. Rural SDCs

Rural SDCs provides low-order, day-to-day social services to surrounding agricultural areas and scattered rural settlements. The typical service radius of a rural SDC is approximately 10km and the service to be provided could include a secondary school, a primary school and a small post office or postal point.

It is proposed that in rural areas, SDCs be developed for the following purposes:

- A rural SDC in the Grootpan area to serve the northeastern quadrant of the municipality, with specific focus on the rural areas within these parts of the municipality.

- In Bodenstein area to serve the southeastern quadrant of the municipality, and possibly also providing services to the land reform areas in this vicinity.
- In Gerdau to serve the southern and southwestern rural parts and potentially also the land reform areas. Although outside the boundaries of the Ditsobotla Local Municipality, it should be pursued in partnership with the Tswaing Local Municipality.
- In the Rooigrond area to service the concentration of rural population in this area, in partnership with the Mafikeng Local Municipality.

8.5. Housing and Land Tenure

The municipal land requirement for future settlement is based on the existing housing backlog and expected future population growth. Other factors such as prevailing residential densities, the socio-economic status and physical characteristics also have an impact on the overall extent of land requirements.

The overall land requirement for settlement expansion over the period 2005 to 2015 indicates a requirement of approximately 1020ha of land.

SECTION E: MTREF BUDGET, PROJECTS AND PROGRAMMES

9. Capital and Operating Budget Estimates

The Ditsobotla Local Municipality during its strategic planning session decided to focus on ensuring that the municipality is financially viable to carry out its constitutional mandate. The outcomes of the planning session illustrated the municipality's commitment to realistic budgeting in an effort towards meeting the competing needs within the limited financial resources.

The schedule of the municipal budget by source of revenue, expenditure (operational and capital) is reflected below.

BUDGET SUMMARY

9.1. Budgeting Consideration and Assumptions

Section 18 of the Municipal Finance Management Act prescribes that an annual budget may only be funded from realistically anticipated revenues collected.

The following aspects were considered during the budgeting process:

(a) According to circular 58 the following headline inflation forecast are applied for the MTREF period.

Fiscal Year	2011	2012	2013	2014
% estimates	5	5.4	5.6	5.4

(b) The average payment levels for the past three years have been 80%;

(c) Eskom price of bulk electricity supplied to municipalities will increase by 13.5% as from the 1st July 2012 as per Circular 59 of National Treasury. The total cost of providing the electricity has been taken into account in setting the tariff increase at proposed 16% which is cost to municipality for an increase in bulk purchase from Eskom.

(d) Revenue generated from electricity is R127 000 000 and estimated costs is R94 900 000, contributing R32 100 000 towards general expenditure.

9.2. Revenue Base Identification

During the budget process it was crucial to identify the revenue base of the municipality. This processes included the following activities:

- An assessment of options for increasing user charges and fees based on factors such as the impact of inflation, other costs increases, the adequacy of the coverage of costs and current competitive rates. In addition an assessment was made of the implication of increasing service charges and fees, including the financial impact on households, particularly the indigents.
- Review of existing service charges and fees. Fees and charges are used to fund the provision of services.
- Review the nature, extent, purpose and predictability of national and provincial grants;
- Consideration of the effect of non-existence of a Rates Policy and credible valuation roll on the budget;
- Identification of revenue constraints, such as maximum service charges and poor payment levels; and
- Compilation of a revenue schedule based on daily operations and normal income sources. This process incorporates the tariff policy as the basis for determination of operational revenue.

9.3. Operating Budget

The multi-year projections for the MTREF are prepared on an incremental basis, with adjustments for known variances. A summary of the operational budget setting out planned financing for the 2012/2013 financial year and projections for 2013/2014 and 2014/2015.

9.3.1. Property Rates

The property rates have been increased by R5million that will be recovered from data cleansing exercise in progress (i.e. this amount is rates from properties that were not previously billed.). Furthermore, the rates tariff increase is 10%.

9.3.2. Electricity

Eskom price of bulk electricity supplied to municipalities will increase by 13.5% as from the 1st July 2012 as per Circular 59 of National Treasury. The total cost of

providing the electricity has been taken into account in setting the tariff increase at proposed 16% which is cost to municipality for an increase in bulk purchase from Eskom.

Revenue generated from electricity is R127 000 000 and estimated costs is R94 900 000, contributing R32 100 000 towards general expenditure.

9.3.3. Water

Previously, the Ditsobotla Local Municipality was charging extremely low rates compared to national averages on water services. During the 2010/2011 and 2011/2012 budget the approved tariff was 30% respectively in line with DWAF directives. The municipality has registered tremendous progress in addressing the national average rates gap for water services and therefore determines the 2012/2013 tariff at 15%.

The revenue generated from water is R31 million and estimated costs is R14,4 million contributing R16,6 million towards general expenditure.

9.3.4. Sanitation

No increase in sanitation tariffs is proposed. Revenue generated from sanitation is R6,9 million and estimated costs is R2,9 million, contributing R4 million towards general expenditure.

9.3.5. Solid Waste

No solid waste tariff increase is proposed. Revenue generated from solid waste is R10 million and estimated costs is R6,9 million contributing R3,1 million towards general expenditure.

9.3.6. Conditional Grants

Since National Treasury has not issued a Division of Revenue Bill shortly after the tabling of the national budget on the 22 February 2012, the budget is based on indicative figures of 2011 Division Revenue Act.

A new Infrastructure Skills Development Grant amounting R5,4 million is allocated to the municipality for the 2012/2013 financial year.

Table: Operational Budget

	2011/2012	2012/2013	2013/2014	2014/2015
Primary Class	185,150,000	214,019,840	226,004,951	238,209,218
Property Rates	30,000,000	39,119,840	41,310,551	43,541,321
Water	28,810,000	31,000,000	32,736,000	34,503,744
Electricity	109,440,000	127,000,000	134,112,000	141,354,048
Sewerage/Sanitation	6,900,000	6,900,000	7,286,400	7,679,866
Waste Management	10,000,000	10,000,000	10,560,000	11,130,240
Secondary Class	21,980,000	24,341,000	25,059,936	26,413,173
Traffic Fines	10,000,000	10,000,000	10,560,000	11,130,240
Property Rates (Penalties)	0	0	0	0
Interest & Investment Income	2,000,000	2,000,000	2,112,000	2,226,048
Interest: Outstanding Debtors	8,790,000	11,120,000	11,742,720	12,376,827
Fines for Late Payments	110,000	116,000	122,496	129,111
Income: Community Services	470,000	495,000	522,720	550,947
Rental of Facilities	500,000	500,000	528,000	556,512
Sundries/Other Income	110,000	110,000	116,160	122,433
Borrowings	20,000,000	20,000,000	0	0
Provincial/District Grants	14,800,000	6,550,000	6,916,800	7,290,307
Conditional Grant: Health	1,866,000	0	0	0
Libraries	950,000	350,000	369,600	389,558
Disaster Management	5,784,000	0	0	0
Skills Development	1,000,000	1,000,000	1,056,000	1,113,024
Water	5,200,000	5,200,000	5,491,200	5,787,725
Division of Revenue Act	97,305,000	120,799,000	120,242,000	126,735,068
Equitable Share	65,496,000	79,407,000	85,348,000	89,956,792
FMG	4,250,000	1,500,000	1,500,000	1,581,000
MIG	25,393,000	30,804,000	32,494,000	34,248,676
MSIG	1,200,000	1,200,000	900,000	948,600
Infrastructure Skills Development Grant	0	5,400,000	3,800,000	4,005,200
EPWP	966,000	2,488,000	0	0
TOTAL REVENUE	339,235,000	385,709,840	378,223,687	398,647,766

9.4. Expenditure

9.4.1. Salaries, Wages and Allowances

The period of salary and wage collective agreement 2009/2010 to 2011/2012 has ended. In the absence of information from the South African Local Government Bargaining Council (SALGBC), National Treasury advised that the municipality apply a 5% cost of living increase (inflation rate).

The employee-related cost did not take into account the proposed structure developed from the Strategic Workshop and still to be approved by Council.

9.4.2. Cash backing provided in Capital Replacement Reserves

The municipality has an accumulated surplus of R113 million as at 30 June 2010 which is not cash backed, therefore the municipality is not in the position to replace aging including those that were originally financed by conditional grants assets from internally generated funds. Therefore, this proposed budget has taken into account the fact that no major capital expenditure will be appropriated in 2012/2013 financial year.

9.4.3. Total Costs of Providing Services

As the municipality uses cost method to account for assets under GRAP 17 depreciation costs are based on carrying costs not on valuation value of assets. The depreciation expense on carrying cost is included in the cost of providing the service.

9.4.4. District Transferring Funds to Local Municipalities

The equitable share for water service which the district is a service authority has been budgeted for in terms of section 80 and 81 of the Municipal Systems Act (i.e. funds for subsidization of service to the poor).

Health and emergency services are not budgeted for as these services have been transferred to the district.

9.4.5. Repairs and Maintenance

Repairs and maintenance is budgeted at 6% of operating costs. No provision of depreciation is made in the draft budget as it is anticipated that the completion of the compilation of the infrastructure asset register will be done before May 2012 which could result in a non-cash budget deficit.

9.4.6. Provision for Bad Debt

The provision of bad debt is at 16% of basic services revenue based on the current collection rate of 84%. Free basic services have been budgeted for, to cover 8000 indigents in 2012/2013 amounting to R21 million and increasing at 20% over the MTREF period. This is as a result of amending the indigent policy threshold from R2 200 to R2 500 and a more aggressive indigent campaign.

Table: Operating Expenditure by Vote

	2011/2012	2012/2013	2013/2014	2014/2015
Mayoral Executive	2,808,141	4,559,676	4,857,257	5,119,549
Municipal Council	23,885,021	23,280,370	24,584,070	25,911,610
Office of the Accounting Officer	4,092,650	5,223,855	5,516,391	5,814,276
Budget and Treasury Office	44,398,842	44,240,778	46,718,262	49,241,048
Infrastructure	127,867,349	149,987,069	158,386,344	166,939,207
Community and Social Services	49,488,760	55,217,519	58,309,700	61,458,423
Corporate Services	11,925,034	16,768,099	17,707,112	18,663,296
Local Economic Development	9,100,200	10,699,962	11,299,160	11,909,315
Total Expenditure	273,565,997	310,017,327	327,378,297	345,056,725

Table: Operating Expenditure by Type

	2011/2012	2012/2013	2013/2014	2014/2015
Employee-related Costs	97,680,000	115,967,661	122,461,850	129,074,790
Administration Expenditure	72,536,213	77,891,925	82,253,873	86,695,582
Repairs and Maintenance	19,868,285	19,675,035	20,776,837	21,898,786
Professional Services	7,786,500	9,027,707	9,533,259	10,048,055
Acquisition of Bulk Services	71,100,000	82,760,000	87,394,560	92,113,866
Contribution to Capital Budget	4,694,9999	4,694,999	4,957,919	5,225,647
Total Operating Expenditure	273,565,997	310,017,327	327,378,297	345,056,725

9.5. CAPITAL BUDGET

The capital budget for Ditsobotla Local Municipality for the financial 2012/2013 amounts to R75 692 513. Projects identified during the IDP review process to which no funding is secured are not part of the budgeted amount.

However, the schedule for projects without funding will be used to source funding from external sources. Adjustment to the budget arising due to external funding will be made in accordance to applicable legal provisions.

9.5.1. IDP Projects: Committed Funding for the 2012/2013-2016/2017

The capital projects which appear in this document are purely funded from Municipal Infrastructure Grant. The municipality together with the Department of

Minerals and Energy is still considering social Plans of various investors. The agreed projects arising from such Social Plans will be incorporated into the IDP once finalized.

9.5.2. Financing capital Budget through long term debt 2012/2013

Section 46 of the Local Government: Municipal Finance Management Act (Act No.56 of 2003) empowers the municipality:-

“to incur long-term for the purpose of capital expenditure on property, plant and equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution...”

The Ditsobotla Local Municipality for the purpose of increasing electricity supply in the Lichtenburg area as part of creating a conducive environment for economic growth intends acquiring a R20 million loan to finance the 2012/2013 capital budget over a period of three years.

Capital Expenditure by GFS

	2012/2013	2013/2014	2014/2015
Mayor's Office	1,000,000	1,056,000	1,113,024
Municipal Council			
Office of the Speaker	150,053	158,456	167,013
General Council Expenditure	0	0	0
Administration	705,000	744,480	784,682
Office of the Accounting Officer			
Office of the Accounting Officer	250,000	264,000	278,256
Communication	0	0	0
IDP	150,000	158,400	166,954
PMS	0	0	0
Budget and Treasury Office			
Financial Planning, Budget and Administration	120,000	21,120	22,260
Expenditure and Supply Chain	30,000	31,680	33,391
Revenue and Debt Collection	50,000	52,800	55,651
Administration and Finance Governance	400,000	528,000	556,512
Infrastructure			
Electricity (Projects)	20,000,000		
Electricity (Departmental Needs)	8,059,500	8,542,512	9,003,308
Water	0	5,491,200	5,787,725
Water	1,530,326	1,616,024	1,703,290
Sewerage	1,688,636	1,783,200	1,879,492
Sanitation	0	0	0
Roads	30,804,000	32,529,024	34,285,591
Roads	4,212,000	4,447,872	4,688,057
PMU	0	0	0
Administration	0	0	0
Community and Social Services			
Libraries	20,000	21,120	22,250
Community Facilities	763,000	5,557,728	5,857,845
Health and Environmental Services	500,000	528,000	556,512
Traffic and Licensing	1,101,000	5,914,656	6,234,047
Fire and Emergency Services	0	0	0
Parks	659,998	14,952,958	15,760,418
Cemeteries	0	0	0
Administration	0	0	0
Corporate Services			
Human Resources	225,000	237,600	250,430
Legal Services	500,000	528,000	556,512
IT	1,600,000	1,689,600	1,780,838
Corporate Administration	0	0	0
LED			
LED	524,000	553,344	583,225
Housing	20,000	21,120	22,260
Planning and Development	600,000	5,913,600	6,232,934
Administration	0	0	0
Tourism	0	0	0
Capital Expenditure by Vote	75,692,513	93,342,494	98,362,988

9.6. Reconciliation of IDP Objectives and Capital Budget

The following tables illustrate alignment of IDP Objectives to both the operating and capital budgets.

Table: Reconciliation of IDP Strategic Objectives and Budget (Revenue)

		Medium Term Revenue & Expenditure Framework		
Strategic Objective	Goal	2013/2014	2014/2015	2015/2016
Financial viability and sustainability	Sustainable budgeting and capacitated financial administration.	R51,739,840	R54,553,271	R57,499,148
Quality living environment	Provision of free basic services of water and sanitation, electricity and refuse removal.	R79,407,000	R85,348,000	R89,956,792
	Ensuring community access to water and sanitation, electricity, and roads infrastructure services including social amenities.	R230,904,000	R222,679,600	R234,704,299
Safe and healthy environment	Promote the safety of communities; minimization of environmental pollution and maintenance of social amenities.	R11,455,000	R12,096,480	R12,749,690
Good governance	Creating effective, efficient and accountable administration.	R12,204,000	R3,546,336	R3,737,837
Total Revenue		R385,709,840	R378,223,687	R398,647,766

Table: Reconciliation of IDP Strategic Objectives and Budget (Expenditure)

		Medium Term Revenue & Expenditure Framework (R)		
STRATEGIC OBJECTIVE	GOAL	2012/2013	2013/2014	2014/2015
Financial viability and sustainability	Sustainable budgeting and capacitated financial administration.	44,240,778	46,718,262	49,241,048
Quality living environment	Provision of free basic services of water and sanitation, electricity and refuse removal.	21,000,000	20,400,000	24,480,000
	Ensuring community access to water and sanitation, electricity, and roads infrastructure services including social amenities.	128,987,068	137,986,344	142,459,207
Safe and healthy environment	Promote the safety of communities; minimization of environmental pollution and maintenance of social amenities.	55,217,519	58,309,700	61,458,423
Good governance	Creating effective, efficient and accountable administration.	21,367,775	22,564,369	23,782,845
	Promotion of good governance and accessibility to information.	23,380,370	24,584,070	25,911,610
	Improve integrated development planning, performance management and monitoring for better service delivery.	5,223,855	5,516,391	5,814,276
Economic development and job creation	Attraction of new businesses and retention of existing investments.	10,699,962	11,299,160	11,909,315
TOTAL EXPENDITURE		310,017,327	327,378,297	345,056,725

Table: IDP and Budget Reconciliation (Capital Budget)

STRATEGIC OBJECTIVE	GOAL	2012/2013
Good governance	Promotion of good governance and accessibility to information	R100,000
	Creating effective, efficient and accountable administration.	R855,053
	Improve integrated development planning, performance management and monitoring for better service delivery.	R2,725,000
Financial viability and sustainability	Sustainable budgeting and capacitated financial administration.	R600,000
Quality living environment	Provision of free basic services of water and sanitation, electricity and refuse removal.	R66,324,462
Safe and healthy environment	Promote the safety of communities; minimization of environmental pollution and maintenance of social amenities.	R3,043,998
TOTAL CAPITAL EXPENDITURE		R75,692,513

10. Finance Management Policies

The Ditsobotla Local Municipality has adopted a number of policies aimed at enhancing its financial viability and management processes.

10.1. Indigent Policy

There is an Indigent Policy in place and procedures manual for consumers qualifying as indigent within policy provisions. The municipality is set to review the policy and communicate it so that qualifying households can benefit from the municipal social package.

10.2. The implementation of the Property Rates Policy

The municipality has adopted a Property Rates Policy and will be subjected to regular review as part of municipal budgeting processes.

10.3. Debt Management Policy

This policy will be submitted as part of the budget related policies after review during the set Policy Conference. This will ensure that the municipal revenue is enhanced through:

- Ensuring customer care is placed at the top of the service delivery through prompt responses to queries, and accurate billing.
- Enhancing communication with all customers and potential clients/investors; and
- Customer education and information campaigns.

10.4. Uniform Tariff Policy

The Ditsobotla Local Municipality has a policy in place aimed at addressing fairness and in tariff charges in all areas.

10.5. Customer Incentive Programmes

As part of the Debt Management Policy, Council provides incentives for loyal customers who bring their accounts to date.

10.6. Investment Policies

The municipality has an Investment Policy in place.

10.7. Asset Management Policy

The Ditsobotla Local Municipality has adopted the Asset Management Policy to prescribe the accounting and administrative policies and procedures

relating to property, plant and equipment, which are fixed assets of the municipality.

11. Revenue Raising Strategies

Though the municipality has adopted a Credit Control and Debt Collection Policy it is yet to implement programmes within the policy that will enhance revenue collection. The target for the implementation of the policy has been set at 1 July 2012.

12. Asset Management

The municipality is currently in the process of verifying all Council property and assets in compliance with GRAP 17 provisions.

DITSBOTLA MIG FUNDED PROJECTS 2012/2013 – 2014/2015

Project Name	Costs (R)	2011/2012	2012/2013	2013/2014	2014/2015
Construction of Roads in Tlhabologang	8,000,000	4,000,000			
Installation of Highmast Lights in Blydeville Ext	2,752,047	2,752,047			
Installation of Highmast Lights in Grasfontein	1,452,244.29	145,224.40			
Installation of Highmast Lights in Coligny	3,330,000	2,000,000			
Installation of Highmast Lights in Bakerville	1,018,566.60	1,018,566.60	800,000		
Construction of Roads in Boikhutso Ext 2	8,000,000	1,000,000	3,500,000	1,000,000	
Bodibe Construction of Internal Roads and Stormwater	9,450,000	2,734,073.74			
Meetmekaar Highmast Lights	1,600,000	1,600,000			
Highmast Lights Ga-Maloka	1,600,000	1,600,000			
Highmast Lights Grasfontein	600,000	600,000			
Highmast Lights Bakerville	2,000,000	2,000,000			
Highmast Lights Matile	600,000	600,000			
Highmast Lights Itsoeng	12,000,000	6,000,000	3,640,804.23	2,359,195.77	
Highmast Lights Sheila	3,500,000	0	3,500,000	640,804.23	
Refurbishment of Lichtenburg Internal Roads	7,200,000	0	6,857,142.86	342,857.14	
Construction of Roads in Blydeville	4,000,000	0	3,809,523.81	190,476.19	
Construction of Roads in Itsekeng	4,000,000	0	3,809,523.81	190,476.19	
Refurbishment of Coligny Internal Roads	3,000,000	0	2,857,142.86	142,857.14	
Itsoeng Solid Waste Disposal Site	6,000,000	0	0	6,000,000	
Biesiesvlei Solid Waste Disposal Site	3,000,000	0	0	3,000,000	
Fencing of Cemetery: Burgersdorp	821,239.40	821,239.40			
Fencing of Cemetery: Tlhabologang	400,045.80	400,045.80			
Fencing of Cemetery: Boikhutso	400,000	400,000			
Fencing of Cemetery: Bodibe (Dithwaneng & Ga-Motuba)	1,296,417.76	1,296,417.76			
Fencing of Cemetery: Itsoeng	960,000	960,000			
Construction of Thusong Centre in Bodibe	4,000,000		500,000	3,500,000	
Blading of Gravel Roads in Rural Areas				1,269,665.44	
Construction of SMME Stalls in Lichtenburg			1,543,800		
Construction of Roads and Stormwater in Bodibe				11,000,000	
Construction of Roads and Stormwater in Sheila				2,857,667.89	
Lichtenburg Roads and Stormwater					10,000,000
Itsoeng Roads and Stormwater					9,000,000
Fencing of Graveyards around Ditsobotla					8,000,000
Construction of Roads and Stormwater in Coligny					4,000,000
Upgrading of Verdwaal Stadium					1,000,000
Upgrading of Itsekeng Stadium					2,373,000
TOTAL		25,393,000	30,876,000	32,494,000	34,373,000

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY FUNDED PROJECTS (MIG)

PROJECT NAME	PROJECT VALUE
WATER	
Bulkwater Supply at Blydevile	R5,774,000
Water supply at Ga-Motlatla	R3,000,000
Water supply at Grasfontein	R3,000,000
TOTAL WATER	R11,774,000
SANITATION	
Itekeng & Biesiesvlei Bulk Sanitation	R5,300,000
Tlhabologang Bulk Sanitation (WWTW, M&E, AND OUTFALL SEWER)	15,300,000
Blydeville Outfall Sewer	R9,000,000
TOTAL SANITATION	R29,600,000
TOTAL ALLOCATION	R35,074,000

SCHEDULE OF UNFUNDED INFRASTRUCTURE PROJECTS

PROJECT DESCRIPTION	ESTIMATED VALUE (R)
Grootfontein Highmast Lights	2,500,000
Upgrading & Maintenance of Streetlights in Tlhabologang	2,500,000
Grasfontein Highmast Lights	2,500,000
Itsoseng Highmast Lights	7,600,000
Itsoseng Streetlights Maintenance	100,000
Blydeville Ext 3 Highmast Lights	5,000,000
Boikhutso Sports Field Electrification	1,500,000
10 MVA Supply Increase at the Main-Substation	10,000,000
10MVA Reticulation to Industrial Site and Midtown	5,320,000
Cable for Boikhutso Substation to 3 rd Supply Point	1,080,000
Cable for 3 rd Supply Point to Thabo Mbeki Drive	1,020,000
Cable for Thabo Mbeki Drive Substation to Lang Street Substation	528,000
Cable for Main Substation to Lang Street Substation	780,000
Cable: Main Substation to 4 th Avenue Substation	780,000
Cable: 4 th Avenue Substation to 12 th Avenue Substation	660,000
Cable: 3 rd Supply Point to 12 th Avenue Substation	900,000
Cable: NWK Silos to Showground	600,000
Switch Gear Replacement at Main Substation	2,400,000
Upgrade ten Main Substations and Lines	4,200,000
Cable: 12 th Avenue Substation to 8 th Avenue Substation	600,000
Cable: 8 th Avenue Substation to 6 th Street	504,000
	44,572,000

PROJECT DESCRIPTION	FUNDER
Provision of Household Electricity: Boikhutso Ext 3	Eskom
Provision of Household Electricity: Tlhabologang	Eskom
Provision of Household Electricity: Bodibe	Eskom
Provision of Household Electricity: Matile	Eskom
Provision of Electricity Vending Facility at Itsoseng	Eskom
Provision of Household Electricity: Putfontein	Eskom
Provision of Household Electricity: Blydeville Ext 3	Ditsobotla LM

PROJECT DESCRIPTION	ESTIMATED VALUE (R)
Construction of Internal Roads in Tlhabologang/Coligny	10,000,000.00
Springbokpan Construction of Roads	5,000,000
Sheila Construction of Roads	9,500,000
Boikhutso Ext 2 Construction of Roads	9,000,000
Lichtenburg Upgrading of Roads	10,000,000
Itsoseng Construction of Roads	10,000,000
Bodibe Construction of Bus Route	10,000,000
Blydeville Construction of Roads	6,000,000
Verdwaal 1 & 2 Construction of Roads	6,300,000
Itekeng Construction of Roads (RDP Extension)	10,000,000
Ga-Motlatla Upgrading & Construction of Internal Roads	2,100,000
Bodibe Upgrading & Maintenance of Internal Roads	9,450,000
Coligny Upgrading & Maintenance of Internal Roads	3,000,000
Tlhabologang Construction of New Internal Roads	4,000,000
Bakerville & Grasfontein Upgrading on Internal Roads	4,000,000
Tlhabologang (proper) Taxi Rank	11,000,000

PROJECT DESCRIPTION	ESTIMATED VALUE (R)
Springbokpan Bulk and Internal Water Supply	5,500,00
Sheila Bulk and Internal Water Supply	6,500,000
Grasfontein Bulkwater Supply	2,500,000
Coligny/Tlhabologang Eradication of Buckets	3,800,000
Verdwaal Water Supply	4,500,000
Sheila Water Infrastructure Upgrade	4,500,000
Bakerville Water Reticulation & Yard Connections	1,500,000
Grootfontein Water Reticulation & Yard Connections	1,500,000
Bokkraal/Vlakpan Water Reticulation & Yard Connections	1,500,000
Bodibe Water Supply Network Upgrade	4,000,000
Bodibe Individual Yard Water Connections	3,000,000
Grasfontein/Malegaga/Rietvlei Water Reticulation & Yard Connections	1,000,000
Ga-Motlatla Upgrade & Extension of Existing Water Network	3,000,000
Boikhutso Individual Water Connections	4,000,000
Sheila Sewerage/Sanitation	4,000,000

PROJECT DESCRIPTION	ESTIMATED VALUE (R)
Provision of Rebuilding Tennis courts and Basketball in Burgersdorp	2,000,000
Provision of Two Tennis courts in Boikhutso	400,000
Provision of additional sport facilities in Blydeville	600,000
Rehabilitation of parks and playing grounds in Lichtenburg	30,000
Provision of basic Sport and Recreation facilities in Sheila	300,000
Upgrade basic Sport and Recreation facilities in Tlhabologang	300,000
Upgrade of basic Sport and Recreation facilities in Verdwaal	300,000
Provision of basic Sport and Recreation facilities & upgrade soccer/netball fields Grasfontein/Bakerville	400,000
Provision of additional Sport facilities in Boikhutso	300,000
Provision of basic Sport and Recreation facilities in Springbokpan	300,000
Provision of basic Sport and Recreation facilities and upgrade soccer/netball fields in Welverdiend/Rietvlei/Malegaga	400,000
Provision of basic Sport and Recreation facilities and upgrade soccer/netball fields in Bokkraal/Vlakpan/Grootfontein	400,000
Upgrade/expand sport and recreation facilities at Sonop Hall	400,000
Upgrading existing sport field in ltekeng	100,000
Upgrading & extending Sport Complex in Itsoseng	1,000,000
Upgrading of existing parks in Boikhutso	280,000
Upgrading and maintenance of parks in	100,000
Maintenance of existing parks in Itsoseng	50,000
Upgrading of parks in Itsoseng. (Ward 9)	100,000
Multi-Purpose sport facility (Indoor Sports) in Coligny	2,600,000
Fencing & ablution facilities at Cemeteries in Boikhutso	180,000
Upgrading & Fencing of Cemeteries in Lichtenburg/Burgersdorp	200,000
Cleaning of Cemeteries in Itsoseng (Ward 7)	30,000
Provision of Cemetery Site in Itsoseng	400,000
Upgrading & fencing of cemetery in Springbokpan	30,000
Upgrading & fencing of cemetery in Bakerville & Grasfontein	100,000
Upgrading & fencing of cemetery in Welverdiend, Rietvlei/Malegaga	100,000
Upgrading & fencing of cemetery in Bokkraal/Vlakfontein/Grootfontein	100,000
Upgrading & Fencing of cemetery in Bodibe	400,000
Building of ablution blocks at Bodibe Cemetery (Ga-Motuba)	200,000
Upgrading and fencing cemetery in Matile	30,000
Upgrading of Coligny Testing Station	3,000,000

PRIORITY PROJECTS AS IDENTIFIED BY COUNCIL FOR POSSIBLE FINANCING THROUGH EXTERNAL MECHANISMS/PARTNERSHIPS

ROADS AND STORM-WATER	
PROJECT DESCRIPTION	ESTIMATED VALUE
Refurbishment of Lang Street: Lichtenburg (3km x 7.2m)	R12,000,000
Refurbishment of Scholtz Street: Lichtenburg (2.9km x 24m)	R12,000,000
Refurbishment of Burgers Street (2.9km x 14m)	R12,000,000
Refurbishment of Pretorius Street: Boikhutso (1.1km x 7.2m)	R4,500,000
Refurbishment of Bergsma Street: Lichtenburg (1.1km x 7.2m)	R4,500,000
Refurbishment of 13 th Avenue: Burgersdorp (1.7km x 7.2m)	R25,000,000
Refurbishment of 6 th Street: Burgersdorp (2.4km x 7.2m)	
Refurbishment of 2 nd Street: Burgersdorp (2.4km x 7.2m)	
Refurbishment of 7 th Avenue: Burgersdorp (1.2km x 7.2m)	
Refurbishment of 6 th Avenue: Burgersdorp (1.7km x 7.2m)	
Burgersdorp Internal Roads (10km)	R15,000,000
Bakerville Internal Roads (4km)	R6,000,000
Resurfacing of Internal Roads in Boikhutso (3km)	R6,000,000
Refurbishment of Khudu and Tilo Streets: Boikhutso (200m x 8m)	R1,200,000
Refurbishment of Vincent Street: Coligny (100m x 9m)	R5,000,000
Refurbishment of Brits Street: Coligny (600m x 7m)	
Refurbishment of Lubbe Street: Coligny (800m x 7m)	
Refurbishment of 9 th Street: Coligny (600m x 7m)	
Pothole Repairs and Resurfacing: Coligny (7km x 7m)	R20,000,000
Construction of New Roads: Coligny (4km)	R10,000,000
Refurbishment of Roads (next to Cemetery in Itsoseng) (1.3km x 7m)	R5,000,000
Refurbishment of Roads (from Taxi Rank to SAPS) (2.5km x 7m)	R9,000,000
Resurfacing of Existing Roads: Itsoseng (6km)	R10,000,000
Construction of Internal Roads: Itsoseng (6km)	R15,000,000
Construction of Internal Roads and Storm-water Drainage: Bodibe (3km)	R6,000,000
Pothole Repairs and Resurfacing of Roads: Blydeville (5)	R800,000
Refurbishment of Orchard Street: Blydeville (400m x 7m)	R1,000,000
Pavement and Storm-water Management System: DLM	R2,500,000
Construction of Internal Roads: Verdwaal (4km)	R6,000,000
Construction of 2km Palisade Wall along N14	R2,000,000
TOTAL ESTIMATES	R190,500,000

SPORT FIELDS	
PROJECT DESCRIPTION	ESTIMATED VALUE
Construction of Sports Field: Ga-Motlatla	R3,000,000
Construction of Sports Field: Ga-Maloka	R3,000,000
Construction of Sports Field: Biesiesvlei	R3,000,000
Construction of Sports Field: Bakerville	R3,000,000
Upgrading of Coligny Stadium	R3,000,000
Upgrading of Itsoseng Stadium	R3,000,000
Construction of Sports Facility in Bodibe	R3,000,000
TOTAL ESTIMATES	R21,000,000

HUMAN SETTLEMENT	
PROJECT DESCRIPTION	ESTIMATED VALUE
Installation of Pre-paid Electricity & Renovations: Boikhutso Hostel	R600,000
TOTAL ESTIMATES	R600,000

STREET LIGHTING	
PROJECT DESCRIPTION	ESTIMATED VALUE
Installation of Highmast Lights: Ga-Motlatla (6)	R2,000,000
TOTAL ESTIMATES	R2,000,000

WATER	
PROJECT DESCRIPTION	ESTIMATED VALUE
Water Conservation and Demand Management: DLM	R2,500,000
TOTAL ESTIMATES	R2,500,000

SUMMARY COST ESTIMATES	
Roads & Storm-water	R190,500,000
Sports Field	R21,000,000
Human Settlement	R600,000
Street Lights	R2,000,000
Water	R2,500,000
AGGREGATE	R216,600,000

SECTION F: OPERATIONAL FRAMEWORK & STRATEGIES

This section provides an overview on the operations of the Ditsobotla Local Municipality towards meeting its constitutional mandate of providing services to its communities. Established after the 2000 Local Government elections in terms of Section 12 Notice, the municipality engaged in a rigorous amalgamation process that saw the erstwhile local authorities of Lichtenburg, Coligny and Biesiesvlei translates into a single service delivery institution. The operational framework presented in this section explains how the current structure responds to the municipality's inherent constitutional mandate while at the same time presenting a shift from a fragmented, planning approach to a coordinated approach at both the technical and political levels.

As mentioned in the section dealing with strategies and objectives, it is imperative that the Ditsobotla Local Municipality review the current organizational structure to adequately address the service delivery and administrative challenges it face. This integrated development plan commits the municipality towards fast tracking implementation of its key performance objectives and priority areas by moving from traditional methods of convening Council meetings to endorse decision on matters that need to be covered within the Integrated Development Plan.

13. The Political Structure

The Ditsobotla Local Municipality is a collective Executive Committee system with the Mayor and Speaker designated as fulltime Councillors. The Municipal Council is made up of 42 (forty-two) Councillors of which an equal number of 21 (twenty-one) are elected on a proportional representative basis (PR) and wards (Ward Councillors) respectively. A list of Councillors is attached as an annexure.

14. Ward Committees

Section 72 – 78 of the Local Government: Municipal Systems Act (Act No.32 of 2000) requires the establishment of ward committees as a means of complementing representative governance with participatory democracy. In response to this requirement and the underpinning notion of making developmental government work through meaningful participation of the diverse municipal constituencies, the Ditsobotla Local Municipality established 21 (twenty-one) ward committees. These committees serve as an important link between Council and the community on matters such as municipal budgeting, integrated development planning, consideration of policies and by-laws and other matters directly affecting communities.

Community Development Workers complement the work of ward committees and through their unique skills base communicate and respond to challenges faced by vulnerable sectors of the municipal community such as the disabled, women and the aged.

15. Municipal Portfolio Committees

The Portfolio Committees have been established in terms of sections 79 & 80 of the Local Government: Municipal Structures Act (Act No.117 of 1998) to assist the Mayor in performing his/her duties. The following portfolio committees have been created:

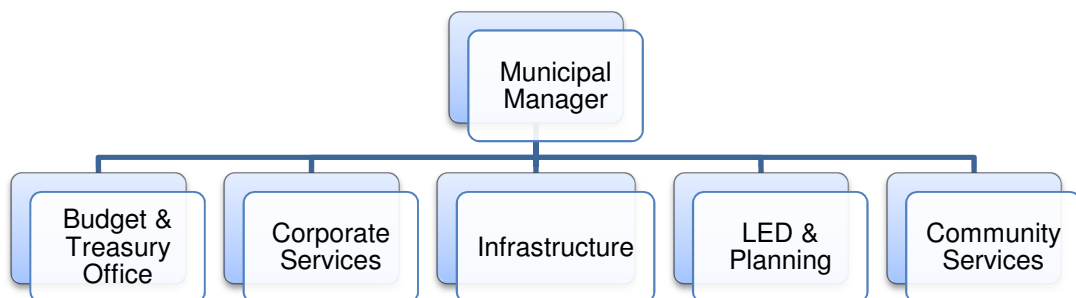
- Corporate Services and Human Resources;
- Infrastructure, Roads and Electricity;
- Finance;
- Local Economic Development, Conservation, Tourism, and Agriculture Development;
- Planning and Development;
- Public Safety, Health and Disaster Management; and
- Special Projects, Education, Sports, Arts and Culture.

16. The Ditsobotla Local Municipality’s Administration

The Integrated Development Plan of the Ditsobotla Local Municipality is implemented by the administration headed by the Municipal Manager. The municipality has the following Directorates:

- Office of the Municipal Manager;
- The Budget and Treasury Office (BTO)/Office of the Chief Finance Officer;
- Directorate: Corporate/Support Services;
- Directorate: Infrastructure;
- Directorate: Local Economic Development & Planning; and
- Directorate: Community Services.

Figure: Administrative Structure of Ditsobotla LM



All positions in the current structure are funded. All section 56 managers' positions are vacant except for CFO and Municipal Manager who are on an acting capacity.

Figure: Economic Development Structure

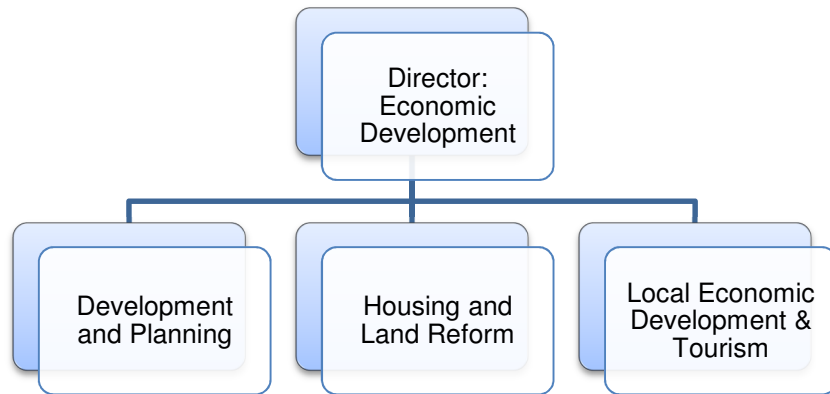


Figure: Corporate Services Structure

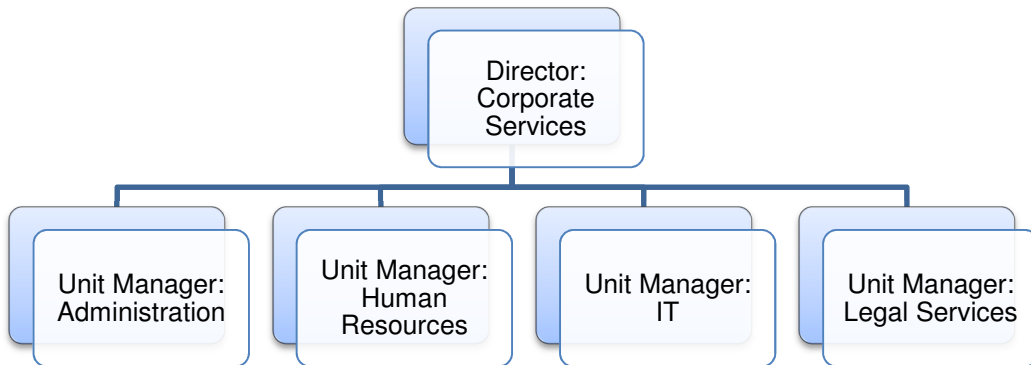


Figure: Infrastructure Directorate Structure

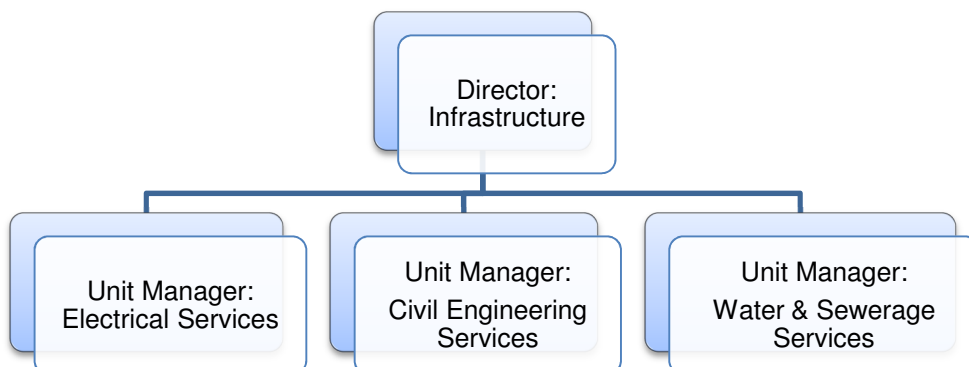


Figure: Community Services Structure

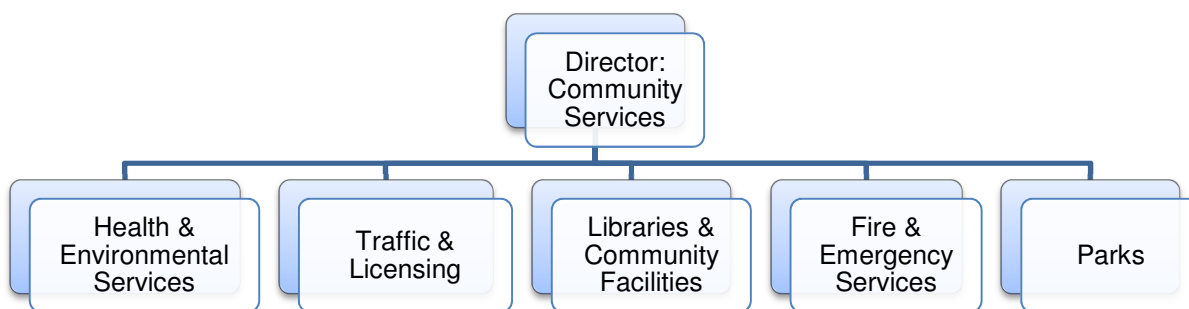
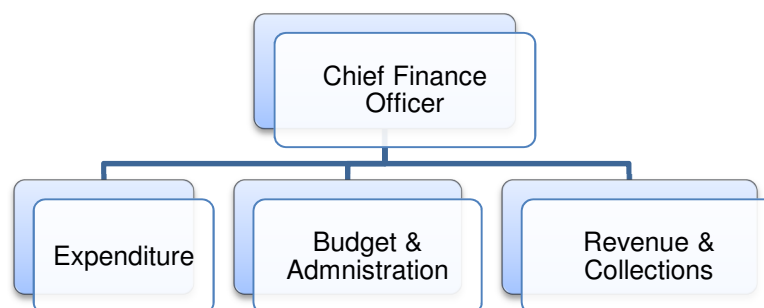


Figure: Budget and Treasury Office



Office of the Municipal Manager

The following business units are located within the Office of the Municipal Manager:

- Integrated Development Planning;
- Performance Management; and
- Communication

17. Political and Administrative Inter-face

In achieving greater integration and effective relationship between the political and administrative wings of the municipality it would become important to implement the following mechanisms:

- (a) Alignment of the Portfolio Committee to the Directorates;
- (b) Adopt a cluster planning approach that will ensure that decisions around planning is done in a more integrated manner;
- (c) Ensure consistency in the frequency of Senior Management Meetings; and
- (d) Budget Steering Committee.

18. Technical Working Committees

The technical working committees are established to ensure that issues raised at all levels are addressed in a holistic manner and allows the Ditsobotla Local Municipality to enhance intergovernmental relations with national and provincial governments. The objectives and strategies contained in this IDP are borne from this notion of inter-directorate coordination and fast tracked decision making at both the administrative and political levels.

The working groups will meet on a monthly basis to address issues of mutual importance especially on cross cutting planning matters.

The following technical committees are therefore established:

- (a) Corporate Services and Human Resources;
- (b) Infrastructure, Roads and Electricity;
- (c) Finance;
- (d) Local Economic Development, Conservation, Tourism, and Agriculture Development;
- (e) Planning and Development;
- (f) Public Safety, Health and Disaster Management; and
- (g) Special Projects, Education, Sports, Arts and Culture.

19. Senior Management Meeting

The Senior Management meetings between the Municipal Manager and senior managers should consistently occur on a weekly basis as a means of enhancing inter-directorate coordination. These meetings must be geared at making an assessment of the implementation of the municipal strategic objectives and setting operational imperatives/reviews.

20. Project Implementation Teams

The Ditsobotla Local Municipality will need to establish multi-disciplinary project implementation teams to fully implement IDP projects. The teams will ideally be led by the Director and/or Unit Manager to which the project responsibility resides. The municipality further adopts the Organizational Development to develop its operational strategies as it encourages cross sectional planning. For purposes of reporting, these teams will be table reports (written) to the Municipal Manager on a weekly basis.

SECTION G: FRAMEWORK FOR PERFORMANCE MANAGEMENT

A reviewed Performance Management Framework Policy for 2012/2013 will be adopted by Council as part of the budget-related policy on the 30th May 2012. Below is a summary of the key issues addressed by the policy framework.

21. Legislative Framework for PMS

The Ditsobotla Local Municipality as part of its endeavor towards achieving its strategic development goal developed and adopted a Performance Management Framework Policy to measure organizational and individual performance. Pursuant to the provision of the Constitution of South Africa this performance framework seeks to instill a culture of performance management aimed at the economic, effective and accountable provision of service delivery and governance.

The Local Government: Municipal Systems Act 32 of 2000 requires that the performance of a municipality be in line with the priorities, objectives, indicators and targets contained in its integrated development plan. The other key informants of the municipal performance management framework are:

- The Constitution of South Africa Act, 1996 (Section 152);
- The Local Government: Municipal Systems Act 32 of 2000 (Chapter 6);
- The White Paper on Local Government, 1998;
- White Paper on Service Delivery (Batho Pele);
- Performance Management Regulations Guidelines, 2001; and
- Performance Management Regulations Guidelines, 2006.

22. Delegation and Institutional Arrangements

The delegation, responsibilities and institutional arrangements for Municipal Performance Management is as per table below.

Role-player	Role Description
Mayor	Facilitates the development of a long term vision, IDP and PMS.
Executive Committee	Provides strategic direction and manage the development of the IDP.
Portfolio Committee	Manage the implementation of the strategy; and Review and monitor the implementation of the IDP.
Council	Adopts Performance Management Framework; and approve the IDP.
Municipal Manager	Ensures implementation of the IDP & PMS; and Communicate with the Mayor and management team.
Management Team	Manage departmental business plans and performance.
Line Managers	Implement business plans and monitor progress of individual performance plans.
Employees	Execute their performance plans.
Internal Audit	Assesses functionality and legal compliance of the PMS.
Community	Inform the priorities of the IDP.

23. Key Performance Areas

The Key Performance Areas that are used in the municipal integrated development plan (presented in clusters) as well as its Performance Management System can be defined as:

- Basic Service Delivery;
- Municipal Institutional Development and Transformation;
- Local Economic Development;
- Municipal Financial Viability and Management; and
- Good Governance and Public Participation.

For each of the above Key Performance Areas, the Council set objectives to be met within a period of the IDP with the key objectives describing the main tasks to be done. The objectives set in terms of the Key Performance Areas need to be outcome and impact focused.

24. Setting Key Performance Indicators

The Key Performance Indicators provides the details of the evidence that must be provided to show that a key objective has been achieved. Inputs, outputs and indicators are set for each objective. The Indicator must be measurable, simple, precise, relevant, and objective.

25. National Key Performance Indicators

The following national key performance indicators are crucial in any municipal planning processes:

- % households with access to basic levels of water, sanitation, electricity and solid waste removal.
- % households earning less than R1 100 per months with access to free basic services of water, sanitation, electricity and solid waste removal.
- % of a municipality's budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.
- Number of jobs created through the municipality's local development initiatives including capital projects;
- Number of people from the employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan, short and long-term employment.
- % of the municipality's budget actually spent on implementing workplace skills plan.
- Financial viability, bank balances, investments, outstanding debtors to revenue, creditor payments, credit rating, external loans, aggregate for bad debts.

26. Setting Performance Targets

The Ditsobotla Local Municipality will set realistic, measurable targets that are in correspondence with the available resources and capacity within defined time-frames.

27. Service Delivery and Budget Implementation Plan

The municipality will assign the execution of the SDBIP to departments, divisions and individuals within the institution.

28. Linking the Performance Management to the Budget

The municipality will develop indicators and strategies which will inform its budget. The budget allocations and other alternative funding strategies developed under the IDP process will be done by Council.

29. Monitoring Performance

Performance monitoring remains an important aspect of planning and runs parallel to the implementation of the IDP. The collection of data is thus important in tracking

performance of each department, division or individual. Evidence of performance has to be gathered and presented to substantiate claims of meeting or not meeting performance standards.

30. Performance Measurement

Performance management is a process of analyzing data provided by the Performance Management System. At an organizational level, performance measurement will occur on a monthly basis and on a quarterly basis.

31. Performance Review

This is a process where the municipality, after measuring its own performance, assesses whether it is giving effect to the IDP. The review of performance will occur quarterly and annually.

32. Performance Reporting

This table on the next page provides the frequency, information sources and recipients of performance reports.

Table: Performance Reporting

FREQUENCY & NATURE OF REPORT	SOURCES OF INFORMATION	RECIPIENTS
Monthly Performance Reports	Outcomes of performance management meetings, statistics, surveys and other sources.	Management, Employees and Internal Auditor.
Quarterly Performance Progress Reports	Consolidated performance reports including financials; Overview on status of NKPI; Management Action Plan on matters arising from the report of the Auditor-General.	Mayor, Top management, Audit Committee, and Internal Auditor.
Mid-year Performance Assessment Report	Consolidation of performance report for six month period; Financial Statements; Review of past year's Annual Report; and other reports as prescribed by legislation.	Management, Mayor, Internal Audit, Provincial Treasury, and National Treasury.
Annual Report	Municipal Manager; Mayor; All Directors; Managers; Audited Financial Statements; Audit Committee report; and other prescribed information.	Mayor; Council; Audit Committee; Auditor-General; Provincial Treasury; National Treasury; and local communities.

33. Auditing and Quality Control

All performance audits will occur within the framework of the Municipal Planning and Performance Management Regulations, 2001 & 2006. The Internal Unit function and the External Audit will continuously audit the performance reports and produce a quarterly and annual audit report respectively.

34. Performance Agreements

The Ditsobotla Local Municipality enters into a performance contract with its section 57 employees (Municipal Manager, Chief Finance Officer, and Directors). The essence of contracting performance over and above legal compliance is to specify objectives and targets with the employee and communicate the employer's expectations of the employee's performance.

It details accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan and the Municipal Budget.

35. Performance Evaluation Structures

The Municipal Manager's annual performance is conducted by a panel consisting of the Mayor, Chairperson of the Performance Audit Committee, Member of the Executive Committee, Mayor/Municipal Manager from another municipality; Member of the ward committee as nominated by the Mayor.

The panel changed slightly in the case of evaluating Managers directly accountable to the Municipal Manager.

36. Schedule for Performance Reviews

Performance reviews will be conducted during the following intervals:

First Quarter	: July – September
Second Quarter	: October – December
Third Quarter	: January – March
Fourth Quarter	: April – June

37. Performance Agreements for Public Scrutiny

Section 46 of the Local Government: Municipal Finance Management Act, 2003 requires that the performance agreements be made available to the public.

