

Letsemeng Local Municipality



Final:

Integrated Development Plan (IDP) 2010/2011

Letsemeng Local Municipality –IDP

Contents Page

No	Item	Page No
Section A – Executive Summary		
1.1	Who are We	3
1.2	What are the issues we face	4
1.3	What opportunities do we offer	4
1.4	What are we doing to improve ourselves	5 – 6
1.5	What could you expect from us over the next 5 years	6 – 7
1.6	How will our progress be measured	7 – 8
1.7	How was this plan developed	8 – 10
1.8	IDP Process Plan	11
Section B – Situational Analysis		
2.1	Introduction and Overview of the Municipality	12
2.2	Demographic Overview	12 – 13
2.3	Socio Economic Profile	13 – 14
2.4	Infrastructure and Housing	14 – 15
2.5	Population and distribution per town	15 – 16
2.6	Institutional Profile	16 – 23
Section C - Vision		24
Section D – Mission		24
Section E – Strategic Objectives		25 – 28
Section F – Development Strategies		29 – 57
Section F1 – Spatial Perspective		58 – 59
Section F2 – Basic Service Delivery		60 – 62
Section F3 – Local Economic Development		63 – 64
Section F4 – Municipal Transformation and Organisational Development		65
Section F5 – Municipal Financial Viability and Management		66 – 68
Section F6 – Good Governance		69 – 72
Section G – Projects		73 – 77
Supporting and Sector Plans		78

1. Executive Summary:

1.1 **Who are We?**

Letsemeng Local Municipality is situated in the South Western Free State and forms part of the Xhariep District, a rather geographical rich area with limited natural economical resources. The local municipality area measures 10180.71km² in extend and compromises the former TLCs of Koffiefontein, Petrusburg, Jacobsdal, Oppermansgronde and Luckhoff as well as a part of the former South west and Central South TRCs. The individual sizes of these areas are:

- Koffiefontein: 2.33 km²
- Petrusburg: 22.1 km²
- Jacobsdal: 60.36 km²
- Oppermansgronde: 335.18 km²
- Luckhoff: 30.52 km²
- Farmland: 9730.22 km²

The total population in Letsemeng is estimated at approximately 37073 people with 11 127 of the residents living in rural areas. Koffiefontein has a population of 13224 Luckhoff has 6042 people, Jacobsdal has 8102 residents, Oppermansgronde has 1541 residents and Petrusburg has a population of 8164 people. Population growth has constantly been taking place for the past few years as people have been moving from the farming areas to towns. The growing patterns are however difficult to measure and to keep track off as it has been taking place in an informal way, no coordination or monitoring of any kind.

The terrain morphology indicates that most of the Letsemeng jurisdiction consists of lowlands with hills. Slightly irregular plains and pans characterize to Jacobsdal, Petrusburg, Koffiefontein and Luckhoff areas. The Vaal River Drainage Region drains the most part of Letsemeng; Letsemeng falls in the rainfall area of between 350 mm and 500 mm mean annual rainfall. Temperatures are extremely, and the area experiences hot mid-summer conditions and very cold winters. The geology of Letsemeng consists mainly of Kalahari sands formations.

1.2 What are the issues we face?

Letsemeng Local Municipality is currently faced with a number of issues, varying from financial constraints to incomplete staff complements. We are further challenged by a number of community dynamics resulting in instability and periodical formation of concerned groups.

1.2.1 As a municipality situated in a poverty stricken area we are still faced with challenges like:-

- Attracting economic investment opportunities to improve the economy of the municipal area;
- Capacity building of staff to execute their tasks effectively in attempting to render efficient government services to the people as per the electoral mandate;
- Creating adequate job creation opportunities in attempting to alleviate poverty;
- Upliftment of economic development of individuals, like your SMME and BEE development;
- Provide alternative means of support to rural/informal population in order to decrease dependencies on the subsistence agricultural environment;
- Improvement of the road networks (internal and external roads);

Almost all or most of the challenges mentioned above are as a result of financial resources and effective management of resources because no matter how limited the resources; with effective management thereof change can still be made and people's lives can still be changed for the better. However, all is not lost because enormous change is currently taking place and some improvement can be seen in the economic strives and poverty alleviation programmes in our municipality.

1.3 What opportunities do we offer?

Despite the challenges we are faced with as a municipality we also offer a number of opportunities, not only to the broader public domain but also institutional transformation and development of the staff complement. In our adopted first Strategic document we have resolved to become one of the most developmental municipalities in the Country and we have adopted a motto saying "**We Sparkle**" and we intend to do exactly that in terms of executing our mandate and key performance areas of our municipality.

Thought our business sector is being dominated by private individuals it shows significant growth more especially in Jacobsdal which has showed enormous competitive trends in its business locality. The business growth is steadily growing more especially with the property development in the form of building of town houses that has been taking place.

1.4 What are we doing to improve ourselves?

The approach or methodology that we used for the development of our Strategic document was more output orientated and it is aimed at improving the standard of service excellence in Letsemeng Municipality.

1.4.1 The purpose of the plan was directed towards the following outputs:-

- Business Definition
- Vision
- Business Entity Mission
- Strategic Goals and Objectives Framework
- Core Business Values
- Stakeholder Framework
- Product and Service Portfolio
- SWOT Analysis
- Target Perspective
- Strategy Perspective
- Risk Management Plan

This endeavour and initiative showed the willingness and desire from the current Management and Council to bring effective change in our municipality in both the Administrative and Political wings of Letsemeng Municipality. In fact internal cohesion seems to be at the order of the day, hence the collectiveness of minds during the development of the Strategic document. This was a clear sense of improvement but it did not just end there, the Acting Municipal Manager identified the need for institutional transformation to effect drastic changes in our municipality hence the newly proposed Organogram as contained further down in this document.

1.4.2 We has gone further an aligned ourselves to the development of:

- The Anti – Corruption Strategy – our plight and commitment towards rooting out corruption in Government;
- Operation Clean Audit;
- 5 Year Local Government Strategic Agenda;
- Municipal Turn Around Strategy;

As Letsemeng Municipality we have committed towards the effective implementation and execution of the abovementioned strategies as per National Legislation.

1.4.3 In terms of practically putting all “Hands on Deck” we have successfully launched the following poverty and job creation initiatives in our municipality:-

- War on Poverty Campaign;
- Operation Hlasela;
- Working for Water Programme;
- Expanded Public Works Programme;
- Local SMME development;
- NYS & DWA Learnership Programme;

These initiatives have brought about enormous change in our endeavours to relieve the plight of the poor and to accelerate job creation opportunities. Not only that but it has also given us an opportunity to have a analytical look at the real issues on the ground, understanding what challenges our people are faced with on a daily basis. Implementation of the abovementioned programmes have also put into practice “Intergovernmental Relations” and not only relations but rather working relations and cooperative governance. All spheres of government have come to learn and experience that the one hand need the other hand, no matter the size of the hand but rather the impact of this “modus operandi” a rather more effective and more visible way of rendering government services to the people. Putting the limited resources and rich diversity of minds and commitments into one basket has brought light at the end of the dark tunnel, indeed it has brought hope to those in despair and has provided to those in need.

1.5 What could you expect form us over the next five years?

- An in depth diagnosis of our IDP document;
- Redesigning and redeveloping our IDP to close the gaps as identified in the diagnosis;
- Effective implementation of our IDP document as the most strategic document of the municipality;
- A detailed, deep and rigorous analysis of the status quo of the municipality with respect to the internal and external environment needs;
- Using the KPAs, while organised as they are to facilitate ease of all our planning and performance;
- Spatial Analysis and Rationale (to serve as a sixth focal area)
 - Basic Service Delivery
 - Local Economic Development
 - Municipal Transformation and Organisational Development
 - Municipal Financial Viability and Management
 - Good Governance and Public Participation

1.5.1 Development of a:-

- **Five Year Programme**

Unpacking the strategies into a five year programme of projects with definable outputs for realization over a five year horizon with some budget projections;

- **Three Year Plan**

A more detailed project list with financial and other resources allocated;

- **Annual Plan**

A very detailed plan which corresponds to the Service Delivery Budget Implementation Plan;

- Setting of very detailed quarterly (monthly if possible) objectives, activities and outputs based on the five and three year plans;
- These objectives, activities and outputs should serve as the main source of Organisational and Individual Performance Management Systems;
- Review at the end of each financial year with community, intergovernmental and non-state actor input;

1.5.2 In further breaking down our planning down to the level of assessing Sustainability and Viability of our plans we would:-

- Prioritise community needs per ward;
- Align ourselves with policy and strategy;
- Develop a brief profile of priority areas;
- Conduct an institutional and financial viability assessment;
- Do a SWOT analysis;
- Assess existing and envisaged backlogs and service delivery status;
- Do a Spatial Analysis;
- Write a Problem statement, Challenges and Recommendations;

1.6 How will our progress be measured?

In measuring our progress and performance in terms of implementation of the abovementioned plans we would:

1.6.1 As required by Section 38 of the Local Municipal: Systems Act No. 32 of 2000, we will:

- Establish a Performance Management System that is, among other things:
 - i. in line with priorities, objectives, indicators and targets contained in its IDP;
 - ii. develop an alignment model which will remain confined to the principles of a **Balanced Score-Card [BSC] PMS Methodology and Approach**;
 - iii. adapted and customised for Local Government Sector and, in particular, to unique challenges and circumstances of Letsemeng LM

We will also undertake the following six (6) activities to ensure an implementable PMS and yielding better results:

<p>1. Preliminary Research into current PMS</p>	<ul style="list-style-type: none"> • Conduct preliminary desktop research into the existing PMS • Identify gaps and loopholes in terms of PMS alignment with IDP priorities, objectives, indicators and targets
<p>2. Validation of PMS Objectives</p>	<ul style="list-style-type: none"> • Validation of PMS Policy Objectives (Batho Pele White Paper & White Paper on Local Government in line with section 24(2) (c) (iii) [Measurable Performance Objectives) of the MFMA (2003).
<p>3. Alignment of PMS with IDP</p>	<ul style="list-style-type: none"> • Meaningful, active and formal linkage and alignment of PMS with IDP priorities, objectives, indicators and targets
<p>4. Validation of the Key Performance Areas (KPA's)</p>	<ul style="list-style-type: none"> • Validation and Alignment of KPA's in line with section 152 of the 1996 Constitution of RSA, PMS Regulations (2001), 2009/2014 National Government's Medium-Term Strategic Framework and Free State 5-Year Local Government Strategic Agenda (LGSA).
<p>5. PMS Capacity-building</p>	<ul style="list-style-type: none"> • Capacity-building through workshops, action-learning and hands-on support in terms of the current system (manual and automated/computerized) and its usage by: <ul style="list-style-type: none"> - Councillors; - Performance Audit Committee; - Management Team; - Performance Management System (PMS) Officer/Manager - Relevant units/sections/components using the system

- The ultimate output of this exercise will ensure that the municipal PMS that is validated and well-aligned with priorities, development objectives, indicators and targets as contained in the IDP;
- It will also give us ample opportunity to measure our performance in terms of implementation of our IDP;
- Identify our challenges, improve on them and measure our progress effectively;

1.7 How was this plan (IDP) developed?

This plan is currently in its review process and has actually seen the last year of the 2005 -2010 IDP cycle and was done in accordance with the process plan as adopted by Council in October 2009. This is our first draft and which makes ample provision for improvement in accordance with the said process plan.

1.7.1 Letsemeng Local Municipality: IDP Process Plan:

In terms of the Local Government Municipal System Act (Act 32 of 2000) Chapter 5, Subsection 28, the municipality must adopt a process set out in writing to guide the planning, drafting adoption and review of its integrated development plan.

Subsection 27 of the System Act prescribes and obliges that the District Council follow a consultative process with the Local municipality must adopt a framework that will binds its Local Municipalities. A framework was provided by the district that sets clearly the development and priorities of the district to ensure alignment with the local municipalities.

The process plan of the Municipality would also take into consideration, the key principles within the District framework and in - cooperate it in its review process to ensure alignment

The process to be followed before the IDP document is adopted by Council, there must be consultation with the local community.

The key components in the methodology of the process plan are based on the following:

1.6.2 The National Spatial Development Framework and a Local Spatial Framework which must cover the following:

- (i) How the previously separated areas would be integrated;
- (ii) Space needed for activities such as business or hawkers area;
- (iii) Provision for direction for future growth;
- (iv) Land use management;

1.6.3 National priorities that impact on Local Municipalities

- (i) The review process will seek to address the mechanisms and procedures to how to meet the deadlines;

1.6.4 Millennium development goals

- (i) How far is the Local Municipality in meeting those goals;
- (ii) What is it that the Municipality is doing to align itself with other Municipalities or adopting best parties;

- (iii) Environmental changes such as global warming what contingency plan are underway?
- (iv) Audit queries from the management report as this will also impact on development as remedial action must be instituted to enable growth;
- (v) State of address of the President of the ruling party as he sets developmental goals which must be entrenched by all;
- (vi) Priorities set out in the Provincial Growth and Development Strategy (PGDS);
- (vii) State of the Provincial address by the Provincial Premier;

The process in reviewing the IDP involves a systematic sequence of planning activities, interrogating the status quo, analysis of the strength and weakness of the Municipality both internally and externally and coming up with strategies to address whatever challenges. The other critical aspect is to assess the progress made in implementation of the previous IDP looking specifically at the Service Delivery Budget Implementation Plan (SDBIP) identifying gaps that existed in none reaching of the Municipality's goals.

The process plan will serve as a business plan and serve as a tool, for the management of the whole process

1.6.5 The process plan will deal with the following aspects in details:

1.6.5.1 Institutional Arrangements

This will entail the assessment of the status quo; look at systems in place how they function, do they need to be upgraded or what. Lack of compliance as set out in the audit queries is a critical matter to consider coming up with an action plan, implementation of the new (GRAP & GAMAAP) budget reforms, organization performance and personnel performance and discussing roles played by various stakeholders and availability of the budget.

1.6.5.2 Public Participation

Chapter 4 of the System Act encourages a culture of community participation and to create such conditions that enables community participation. Councilors are mandated and obliged to put the interests of their communities first and hence involvement of community member, various stakeholders, ward committee member is encouraged in IDP formulation and review processes.

PROGRAMME AND TIME FRAMES OF IDP REVIEW – 2009/2010

	Activities	Role Players	Venue	Date
1	Drafting and discussing process plan	M.M, Section 57 employees	M.M.'S office	September 2009
2	Process Plan Consultation with the community	Mayor, Councillors, M.M. and Section 57 employees	Consultation meetings in Luckhoff, Jacosdal, Petrusburg, Koffiefontein and Oppermansgronde with representatives of five towns	Early October 2009
3	Process Plan submission to Council for approval and Performance Management Framework	M.M., Section 57 and Mayor	Council	15 October 2009
4	Role – players by various stakeholders, baseline information, setting objectives, analysis by municipality, vision objectives	M.M; Section 57 employees; Rep Forum; All Councillors and CDW'S		End October 2009
5	Project feasibility strategies Remuneration of projects	M.M; Section 57 employees; Rep Forum; Councillors and CDW'S		November 2009 till January 2010
6	Project feasibility with all Sector departments	All Sector departments and M.M	Koffiefontein	January 2010
7	Integration and alignment with budget and PMS			January 2010
8	Draft IDP			March 2010
9	Advertise for comments			April 2010
10	Ratification and approval of final IDP			End May 2010

2. Situational Analysis:

2.1 Introduction and Overview of the Municipality

Letsemeng Municipality is situated in the South Western Free State and forms part of the Xhariep District Municipal area. The municipality (FS 161) covers a total of 10.180.71 Km in extent and comprises of Koffiefontein which constitutes the Head Office of the municipality, Jacobsdal, Petrusburg, Luckhoff and Oppermansgronde. Petrusburg forms the gateway between Bloemfontein (Free State Province – Capital City) and Kimberley (Northern Cape Province – Capital City) as the N8 pass through Petrusburg. A piece of land adjacent to the N8 has been identified for the establishment of a filling station, a food court and cultural villages. Planning, surveying, rezoning and subdivision of the land are in progress. The Letsemeng municipal area is dominated by the agricultural and farming sectors.

2.2 Demographic Overview

2.2.1 **Population distribution per town**

The statistics below indicates that the largest population is located in Koffiefontein where the Head Office of Letsemeng Municipality is situated, it consist of three Wards of the five Wards of Letsemeng Municipality and the rest of the community resides in Luckhoff, Jacobsdal, Petrusburg and Oppermansgronde.

The population per town are in the following sequence:-

Koffiefontein (Koffiefontein, Dithlake and Diamanthoogte) – **13 224**

Petrusburg (Petrusbug and Bolokanang) – **8164**

Jacobsdal (Jacobsdal and Ratanang) – **8102**

Luckhoff (Luckhoff and Relebohile) – **6042**

Oppermans - **1541**

The estimates also impacts on allocation of equitable share and the allocation of funding for projects and the budget allocated as figures used dated from nine years back despite expansion of the towns.

Source: STATS SA, 2001

Area	Black Africans	Coloured	Indian/Asian	White	Total
Jacobsdal	668	1102	0	550	2320
Ratanang	5100	657	20	5	5782
Koffiefontein	271	344	10	1000	1625
Diamanthoogte	356	854	0	0	1210
Ditlhake	8869	1500	20	0	10389
Luckhoff	887	1910	5	400	3202
Relebohile	1200	1640	0	0	2840
Petrusburg	100	50	0	660	810
Bolokanang	6799	539	10	6	7354
Oppermans	30	1500	1	10	1541
TOTAL	24280	10096	66	2631	37073

2.3 Socio Economic Profile

According to the figures in the table below, 9 510 of the people are in formal employment in the area, the remaining 27563 need to be brought into the mainstream of the development and economy of the area. The balance of the population which is 27563 derives their livelihoods from the informal sector including pensions, disability grants as well as seasonal work. The challenge is to revisit the employment sector or job creation initiatives and endeavour to increase them by harnessing the local resources. This poses a mammoth challenge to Letsemeng Local Municipality to develop support programmes and job creation initiatives that will reduce the number of dependants significantly. The other endeavour will be to create a business enabling environment to the area which will automatically attract investors to the area, which will bring significant economic growth to the municipal area. Self employment initiatives and SMME development which has been kick start through the Local Economic Development Unit of Letsemeng Municipality has brought a meaningful impact to the job creation component of the municipality. However, the challenge is the sustainability thereof due to limited financial resources.

Source: STATS SA, 2001

	Black African		Coloured		Indian or Asian		White	
	M	F	M	F	M	F	M	F
Agriculture; hunting, forestry and fishing	2381	297	960	117	0	0	470	79
Mining and quarrying	545	25	105	10	0	0	143	30
Manufacturing	135	24	45	15	0	0	26	23
Electricity; gas and water supply	97	3	33	0	0	0	6	6
Construction	187	4	93	3	0	0	29	5
Wholesale and retail trade; repairs, hotels and restaurants	233	209	96	77	3	0	87	75
Transport, storage and communication	73	12	16	6	0	0	28	26
Financial intermediation; insurance; real estate and business services	91	37	49	23	0	0	25	70
Community; social and personal services	355	263	159	141	0	4	107	187
Private households	340	1176	117	441	0	0	10	15
Other and not adequately defined	0	0	0	0	0	0	3	0

2.4 Infrastructure & Housing

Over 32% of people are properly housed in formal housing; this however reflects the housing situation of number of people above the age of 35. The challenge lies in housing provision for the relatively youthful population in the age group 15-35. There is a portion of these, 11% who have settled in informal settlements. Most of them have been on the housing waiting list for the local municipality for a very long period, the municipality is thus challenged with an influx of informal settlements more especially by the youth and this change the whole scenario.

Source: STATS SA, 2001

	Coloured	Black African	Coloured	Indian or Asian	White
FS161: Letsemeng	House or brick structure on a separate stand or yard	5500	2062		1223
	Traditional dwelling/hut/structure made of traditional materials	165	88		23

Flat in block of flats	11	3		3
Town/cluster/semi-detached house (simplex: duplex: triplex)	47	19		3
House/flat/room in back yard	61	16		3
Informal dwelling/shack in back yard	508	127		0
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	1650	430		6
Room/flatlet not in back yard but on a shared property	10	0		0

2.5 Population distribution per town

A high number of 9510 people hold no formal education at all interlinked with only a number 967 people with Tertiary education. The remaining figures are shared between primary education and secondary education. This sketches an alarming picture of a need to promote and advance the level of education optimal.

Source: STATS SA, 2001

		African/Black		Couloured		Indian or Asian		White	
		Male	Female	Male	Female	Male	Female	Male	Female
FS161: Letsemeng Local Municipality	No schooling	2160	2424	687	771	0	0	12	12
	Some primary	2188	2282	860	912	0	0	15	27
	Completed	562	729	258	315	0	0	8	13

	primary								
	Some secondary	1809	1768	712	849	3	3	302	398
	Grade 12/Std 12	633	537	210	202	3	4	705	692
	Higher	129	124	58	70	0	0	298	288

2.6 Institutional Profile

2.6.1 Letsemeng Local Council

The Letsemeng Local Council constitutes of a component of 10 elected Councillors, 8 from the ruling party and the remaining 2 from two respective opposition parties. 5 of the 10 Council members are Ward Councillors serving in their respective wards, with the remaining five serving as PR Councillors. Mr. A.M. Mpatshela is the political office bearer of the Council and occupies the Mayor/Speaker seat in Council and Councillor V.A. Mona serves as the Council Whip. The Council of Letsemeng Local Council has established its Section 79 Committees in accordance with the Municipal Structures Act of 2000.

2.6.2 Letsemeng Municipal Administration

The Municipal Manager is the Accounting Officer of the municipality; the position is currently being occupied by an Acting Municipal Manager, Mr. Itumeleng E. Poë. The municipality is made out of three departments which are the Finance, Technical and Corporate Departments and are being managed by three Sections, 56 Managers which accounts directly to the Accounting Officer.

The office of the Accounting Officer is directly responsible for the Performance Management, Local Economic Development, Internal Audit, Shared Services Support and Intergovernmental Relations.

The core responsibilities of departments are structured in a way to fulfil its mandate according to the following divisions in the Municipality: Financial Services, Corporate Services and Technical and Infrastructural Services.

Sections 156 and 229 of the Constitution outline the powers and functions of the Municipality.

National legislation applicable to the functions of Local Government

GENERAL MANAGEMENT	
Constitution of South Africa (Act 108 of 1996)	a) To introduce a new constitution for the Republic of South Africa and to provide matters incidental thereto.
Local Government: Municipal Systems Act, 2000 as amended To be read with: Local Government: Municipal Planning and Performance Management Regulations, 2001	a) To give effect to “developmental Local Government b) To set principles, mechanisms and processes to promote social and economic development of communities and to ensure access to affordable services for all. c) To set a framework for planning, performance management, resource mobilization and organizational change and community participation.
Local Government: Municipal Structures Act, 1998 as amended Consumer Affairs (Unfair Business Practices) Act, 1996	a) To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities, the division of powers and functions between municipalities and appropriate Electoral systems. b) To regulate internal systems, structures and office-bearers. a) To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers.
Local Government Crossboundary Municipal Act, 2000	a) To authorize the establishment of cross-boundary municipalities, to provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith.
Local Government: Municipal Demarcation Act, 1998	a) To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities.
Local Government: Municipal Electoral	a) To regulate municipal elections. b) To amend certain laws and to provide for matters

Act, 2000	connected therewith.
Organized Local Government, 1997	a) To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces.
Promotion of Local Government Affairs Act, 1983	a) To provide for the coordination of functions of general interest to local authorities and of those functions of local authorities which should in the National interest be coordinated.
Promotion of Local Government Affairs Act, 1983	a) To provide for the coordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be coordinated.
Local Government: Transition Act, 1993 (Repealed except Section 10G, i.e. Financial provisions)	a) To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of councillors and officials.
Occupational Health & Safety Act, 1993	a) To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place.
Promotion of Access to Information Act, 2000	a) To control and regulate the right of all persons to information.
Promotion of Fair Administrative Justice Act, 2000	a) To give effect to the right to administrative act that is lawful, reasonable and procedurally fair in terms of the Constitution of the Republic of South Africa.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	a) To give effect to Section 9 to be read with Section 23(1) of Schedule 6 of the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment. b) To promote equality and to eliminate unfair discrimination and prevent and prohibit hate speech and to provide for matters connected therewith.
White Paper on Local Government, 1995 To be read with: A Policy Paper on Integrated Development Planning, 2000	a) Spells out the framework and programme in terms of which the existing local government system will be transformed. b) Establishes the basis for a system of local government which is centrally concerned with working with citizens and communities to find sustainable ways to meet their needs and improve the quality of their lives.

FINANCE	
Appropriation of Revenue Act, 2000	a) To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2000/2001 financial year and for matters connected therewith.
Business Act, 1991	a) To repeal certain laws regarding the licensing of businesses. b) To provide for the licensing and operation of certain businesses, shop hours and related matters.
Debt Collection Act, 1998	a) To provide for controlled debt collection.
Income Tax Act, 1962	a) To provide for the payment of taxes on incomes of persons and taxes on donations.
Insolvency Act, 1936	a) To consolidate and amend the law relating to insolvent persons and their estates.
Local Authorities Capital Development Fund Ordinance, 1978 To be read with: Local Government Affairs Second Amendment Act, 1993	a) To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto.
Municipal Accountants Act, 1988	a) To provide for the establishment of a Board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession.
Municipal Consolidated Loans Fund Ordinance, 1952 To be read with: Local Government Affairs Second Amendment Act, 1993	a) To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier
Local Government: Municipal Finance Management Act, 2003	a) To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith.
Pension Benefits for	a) To provide for pension benefits for councilors.

Councillors of Local Authorities Act, 1987	
Public Finance Management Act, 1999	a) To regulate financial management in the national and provincial governments and inter alia, provincial public entities.
Prescribed Rate of Interest Act, 1975	a) To prescribe and regulate the levying of interest from debtors.
Value Added Tax Act, 1991	a) To provide for the taxation in respect of the supply of goods and services.
Reporting by Public Entities Act, 1992	a) To provide for the reporting to parliament by public entities.
Local Government : property Rates Act, 2004	a) To regulate general property valuation
ADMINISTRATION/CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	a) To manage and regulate elections on national, provincial and local government level.
Expropriation Act, 1975	a) To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Housing Arrangements Act, 1993	a) To provide for the establishment of a national and regional housing boards and the abolition of certain existing boards.
Rental Housing Act, 1999	a) To define the responsibility of government in respect of rental housing.
Residential Landlord and Tenant Act, 1997	a) To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of certain land for settlement, 1993	a) To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereto.
Black Communities Development Act, 1984 (Annexure F)	a) To control the land use rights within the former black areas.
Development Facilitation Act, 1995 (Chapter 1)	a) To provide for IDP, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	a) To provide guidelines for the drafting of urban development plans.
Subdivision of Agricultural Land Act, 1970	a) To control the subdivision of farm land and agricultural holdings.

Town and Regional Planners Act, 1984 Planners	a) To provide for the training and registration of Professional Town
White Paper on Integrated Development Planning, 2000	
ENVIRONMENTAL	
Environmental Conservation Act, 1982	a) To provide for environmental impact assessments and exemption, noise control areas etc.
National Environmental Management Act, 1998	a) To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide matters connected thereto.
ENGINEERING/TECHNICAL SERVICES	
Advertising on Roads & Ribbon Development Act, 1940	a) To control advertising on national and regional roads.
Regulations on Advertisements on or Visible from National Roads, 1998	a) To control all advertising on national and regional roads.
National Building Regulations and Building Standards Act, 1977	a) To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	a) To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	a) To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans.
SAFETY AND SECURITY	
Criminal procedure Act, 1977	a) To consolidate and regulate procedure and evidence in criminal proceedings.
Disaster Management Act, 2003	a) To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters.
Fire Brigade Services Act, 1987	a) To provide for the rendering of fire brigade services and certain conditions to the rendering of services

Gatherings and Demonstration Act, 1993	a) To control public gatherings and procession marches.
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
National Land Transport Transition Act, 2000 as amended	a) To Transform and to structure the Republic's land transport system. b) To give effect to the national policy concerning the first phases of the process. c) To achieve a smooth transition to the new system applicable nationally.
National Land Transport Interim Arrangements Act, 1998	a) To make arrangements relevant to transport planning and public road transport services.
Urban Transport Act, 1977, (as amended)	a) To promote planning and provision of adequate urban transport facilities.
National Road Traffic Act, 1996	a) To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers including fitness requirements and incidental matters.
Road Traffic Management Corporation Act, 1999	a) To provide in the public interest for coordinated and cooperative strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith.
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	a) To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions.
Regulations on Gatherings Act, 1993	a) To control public gatherings and procession of marches.
South African Police Services Act, 1995	a) To provide, inter alia, for a municipal (city) police.
HEALTH AND WELFARE	
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
Health Act, 1977	a) To provide for the promotion of health of the inhabitants of the Republic, for the rendering of health services, to define duties, powers and responsibilities of certain authorities which render such services and for the coordination of services.
National Policy for Health Act, 1990	a) To provide for control measures to promote health of the inhabitants of the Republic and for matters of connected thereto.

HUMAN RESOURCES	
Employment Equity Act, 1998	<p>a) To promote the constitutional rights of equality and the exercise of true democracy.</p> <p>b) To eliminate unfair discrimination in employment.</p> <p>c) To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population.</p>
Basic Conditions of Employment Act, 1997	<p>a) To give effect to the right to fair labour practice.</p> <p>b) To provide for the regulations of the basic condition of employment.</p>
Compensation of Occupational Injuries and Diseases Act, 1993	<p>a) To regulate the categories of persons entitled to compensate for occupational injuries and diseases, and to determine the degree of disabled employees.</p>
Labour Relations Act, 1995 (As amended)	<p>a) To regulate the organizational rights of trade unions, the right to strike and lock-outs.</p> <p>b) To promote and facilities collective bargaining and employee participation in decision making.</p> <p>c) To provide simple procedure for labour disputes.</p>
Skills Development Act, 1998	<p>a) To provide for the implementation of strategies to develop and improve the skills of the South Africa workshop, to provide for learnerships, the regulation of employment services and the financing of skills development.</p>
South African Qualifications Authority Act, 1999	<p>a) To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof.</p>
Unemployment Insurance Act, 1966	<p>a) To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of employment.</p>
ELECTRICITY	
Electricity Act, 1987	<p>a) To provide for and regulate the supply of electricity and matters connected thereto.</p>

VISION

“MAXIMIZED QUALITY SERVICE TO LOCAL COMMUNITIES”

MISSION

“BY PROVIDING THE BEST RESOURCE MANAGEMENT CAPABILITY AT OUR DISPOSAL”

4.1 VALUES

- COMMITMENT
- VISIONARY
- INNOVATIVE
- CREATIVE
- INTEGRITY

Added to this the Letsemeng Council has adopted a Motto reading “We Sparkle” to live out the strategic objectives that it has set for itself.

The intention of the Strategic Plan developed by the Letsemeng Council was to achieve the following outputs:-

- Vision
- Business Entity Mission
- Strategic Goals and Objectives Framework
- Core Business Values
- Stakeholder Framework
- Product and Service Portfolio
- SWOT Analysis
- Target Perspective
- Strategy Perspective

5.1.1 Strategic Objectives

To successfully achieve the abovementioned vision, the strategic objectives were developed and added into the IDP, the following factors were taken into consideration when the Strategies were developed with an output orientated approach:-

- The development strategy must be sustainable and should therefore address the provision of services in an accelerated and qualitative manner;
- The strategy should build on the strengths of the municipal area and minimise the weaknesses, take advantage of development opportunities and address identified threats or risks as identified in the SWOT analysis;
- The strategy must comply with the constitutional obligations and electoral mandate of the municipality towards its residents and must contribute towards the development objectives of the Letsemeng Council.

The Strategic objectives that the Letsemeng Council has set are as follows:

Strategic Objective	Objective	Goals
1	To provide democratic & accountable municipal services to local communities	<ul style="list-style-type: none"> • broaden local democracy • local government accountability • administrative support to council • effective execution of council decisions
2	To provide services to communities in a sustainable manner	<ul style="list-style-type: none"> • infrastructure services • social services • economic services
3	To ensure good governance practices	<ul style="list-style-type: none"> • corporate governance • business leadership • resource management

		<ul style="list-style-type: none"> • programme management • project management • performance management • risk management
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Further to this the Letsemeng Council has developed new Strategies since March 2010 in accordance with the National Municipal Turn Around Strategy developed by the office of the Minister for COGTA, Mr. S. Sicheka which is applicable to all local municipalities.

The MTAS focuses on the five key performance areas of the municipality which are as follows:

	Key Performance Area	Key Performance Indicator
1	Basic Service Delivery	<ul style="list-style-type: none"> • Access to water • Access to sanitation • Access to electricity • Refuse removal and solid waste disposal • Access to municipal roads • Formalisation of informal settlements • Access to housing • Disaster management • Municipal Health Services (Environmental Health)
2	Public Participation	<ul style="list-style-type: none"> • Functionality of Ward Committees • Broader public participation plans and policies • Public communication systems • Complaints management system • Feedback to communities

3	Governance	<ul style="list-style-type: none"> • Political Management and Oversight <ul style="list-style-type: none"> ○ Stability of Councils ○ Delegation of functions between political and administrative offices • Administration <ul style="list-style-type: none"> ○ Recruitment and selection policies procedures and developed ○ Policy on suspension of employees developed • Vacancies (Top 4 - MM, CFO, Planner and Engineer) • Vacancies other S5 • All S56 with signed Performance Agreements • Organisational Performance Management System developed • Skills Development Plan for employees (Workplace Skills Plan - WSP) • Labour Relations <ul style="list-style-type: none"> ○ LLF meetings convened as planned ○ Organisational Rights Procedure developed
4	Financial Management	<ul style="list-style-type: none"> • Revenue enhancement programme developed • Debt management programme developed • Cash flow management model developed • Funding plan shows capital expenditure • Clean audit plan developed • Submission of Annual Financial Statement • % MIG expenditure by end of financial year • Asset management register developed • Supply Chain Management policy applied in a fair and transparent manner (e.g. open tenders, Bid Adjudication Committee established) • Indigent register updated
5	Local Economic Development	<ul style="list-style-type: none"> • LED Plan aligned to the FSGDS and adopted by Council • Municipal contribution to LED

The objectives of the MTAS are developed to:

- Address immediate financial and administrative problems in municipalities;
- Prevent indiscriminate hiring and firing;
- Ensure the implementation of a transparent municipal supply chain management system;
- Strengthen ward committee capacity and implement new Ward Committee Governance model;
- National and Provincial commitments in IDPs;
- Differentiated responsibilities and simplified IDPs;
- Funding and capacity strategy for municipal infrastructure;
- Intergovernmental agreement with metro's on informal settlement upgrade including alignment of MIG (Cities) and Housing subsidy grants;
- Capacity grants & programmes reviewed and rearranged, including Siyenza Manje support for a more effective support and intervention programme including Rapid response teams and technical Support Units;
- Upscale Community Works Programme to ensure ward based development systems;
- Implement the Revenue Enhancement – Public Mobilisation campaign;
- Launch the “Good Citizenship” campaign focusing on governance values to unite the nation and mobilize involvement in local development affairs;
- Preparations for next term of local government, inspire public confidence including commitment by political parties to put up credible candidates for elections;

Letsemeng Municipality has committed itself to the effective and efficient implementation of its own MTAS and has thus aligned its MTAS to its IDP and Budget for the 2010/2011 financial year.

6. Development Strategies

6.1.1 Development Strategies

Letsemeng Municipality has set its development strategies and objectives in accordance with the Strategy that it has developed, which are as follows:

Strategic Goal 1: To Provide Democratic & Accountable Municipality for Local Communities

OBJECTIVES	PERFORMANCE INDICATOR	TARGET	TARGET	TARGET
		09/10	10/11	11/12
Broaden Local Democracy	Approved Good Governance Masterplan Planned vs Required (n)	1	-	-
	Good Governance Master Plan Targets met (%)	75	85	100
	Community Perception Satisfaction Rating (n)	1	2	2
	Monitoring Reports required vs Available (%)	75	85	100
	Committees Planned vs Established (%)	80	90	100

	Committee Functionality Rating (%)	80	90	100
	Approved Community Stakeholder Plan Required vs Available (n)	1	-	-
	Community Stakeholder Plan Targets met (%)	60	80	100
	Monitoring an Evaluation Systems Aligned (n)	1	-	-
	Intervention Strategies Developed (%)	20	40	60
	Implement Integrated Ward Committee Based Systems as outlined by COGTA (%)	70	80	90
Local Government Accountability	Regulatory Framework Reports Required vs Submitted (%)	50	100	-

	Compliance to Audit (%)	60	80	100
	Community Queries Received vs Resolved (%)	70	80	100
	Municipal Council Support Plan Required vs Planned (n)	1	-	-
	Municipal Council Oversight Plan Developed vs Required(n)	1	-	-
	Municipal Council Master Resource Plan Developed (n)	1	-	-
Effective Execution of Council Decisions	Council Resolutions made vs Executed (%)	100	-	-
	Municipal Average Lead Time Performance Measures Plan Developed - SMART (n)	1	-	-
	Average Lead Time Targets Met (%)	95	95	95
	Monitoring Reports Required vs Available (%)	100	100	100

Strategic Goal 2: To Provide Services to Communities in a Sustainable Manner

OBJECTIVES	PERFORMANCE INDICATOR	TARGET 09/10	TARGET 10/11	TARGET 11/12
INFRASTRUCTURE SERVICES	Infrastructure Master Plan Fully Aligned (%)	70	100	-
(Cemeteries)	Cemetry Maintenance and Development Plan Developed vs Required (n)	1	-	-
	Cemetry Targets Met (%)	80	90	100
Municipal Buildings	Blueprint Implementation Required vs Executed (%)	100	-	-
	New Municipal Buildings Developed (n)	-	5	10
	Inspections Requested vs Planned (n)	-	4	4
Library	Review & Align Library Plan with relevant and applicable Legislation (n)	1	-	-
	New Library Building Planned vs Required (n)	-	1	1

Sanitation	Sanitation Plan Developed vs Required (n)	1	-	-
	Sanitation Plan Target Met (%)	60	70	80
Sports & Recreation Facilities	Sports & Recreation Facilities Upgrade Plan Availability (n)	1	-	-
	Sports & Recreation Facilities Required vs Developed (n)	-	1	1
Parks	Parks Development Plan Required (n)	1	-	-
	Parks Development Plan Targets Met (%)	60	80	100
Waste Facilities	Municipal Waste Management Plan Reviewed (n)	1	-	-
	Waste Reduction Targets Met (%)	60	80	100

	Municipal Integrated Waste Management Plans Fully Aligned (%)	60	80	100
Roads	Approved Roads Development and Management Plan (n)	1	-	-
	Roads Management Plan Targets Met (%)	-	20	40
	Roads Monitoring & Evaluation Reports Submitted (%)	-	20	40
Energy	Approved Energy Management Plan Required vs Developed (n)	1	-	-
	Energy Management Plan Targets Met (%)	-	60	80
Community Halls	Approved Community Hall Development Plan Required vs Developed (n)	1	-	-
Street Trading	Approved Street Trading Plan (n)	1	-	-
Water	Approved Water Management Plan (n)	1	-	-

Environment)	Integrated Environmental Programme Reviewed	1	-	-
(Pound Services	Approved Pound Services Management Plan Required vs Developed			
Local Disaster Management	Local Disaster Management Plan Aligned	-	60	80
	Existing Plan Reviewed	-	60	80
Traffic And Licensing	Approved Traffic Licensing Plan			
	Traffic and Licensing Targets met	-	60	80
	Trafficing and Licensing Monitoring and Evaluation System Developed	20	40	60
Building Inspection & Licensing)	Building Inspection & Licensing Management Plan Required vs Developed			
	Building Inspection & Licensing Targets met	-	60	80
	Monitoring and Evaluation			

	Reports Submitted			
Human Settlement	Human Settlement Plan Required vs Developed (n)	1	-	-
ECONOMIC SERVICES	Municipal Wide Business Masterplan Developed			
	Economic Services Targets Met	-	60	80
	Economic Services Monitoring and Evaluation Reports Submitted	-	60	80
(Business Opportunities	Business Forum Planned vs Required (n)	1	-	-
Business Forums	Business Forums Required vs Established	-	40	60
	Business Forum Functionality Rating	-	40	60
	Emerging Farmer Policy Developed vs Aligned (n)	1	-	-

Commonage Services	Commonage Leasing Strategy Developed	1	-	-
	Commonage Management and Monitoring and Evaluation System Develop	-	60	80
Land Use Management	Integrated Land Use Management Plan Required vs Available			
Trading	Trading Zoning Plan Developed			
SMME Development	Municipal Smme Plan Developed and Aligned with relevant Stakeholders vs Required			
Business Licensing	Business Licensing Guidelines			

Strategic Goal 3: To Ensure Good Governance Practices

OBJECTIVES	PERFORMANCE INDICATOR	TARGET 09/10	TARGET 10/11	TARGET 11/12
CORPORATE GOVERNANCE	Corporate Governance Compliance Plan Required vs Developed (n)	1	-	-
	Corporate Governance Strategy Targets Met (%)	60	80	100
BUSINESS LEADERSHIP	Strategic Positioning Plan Developed (n)	1	-	-
	Organisational Capacity Assessment Plan Required vs Implemented			
	Community / Organisational Climate / Employee Satisfaction Survey (n)	3	-	-
	Stakeholder Management Plan Developed vs Required			
	Business Performance Reviews (n)	1	-	-
	Audit Reports Responses Recorded (%)	100	100	100

	Organisational Structure Responsiveness Rating (%)	60	80	100
	Funded and Unfunded Mandates Rating			
RESOURCE MANAGEMENT (Human Capital, Finance, Facilities, ICT and Equipment)	Integrated Human Capital Management Plan Developed (n)	1	-	-
	HR Management Framework Availability (n)	1	-	-
	HR Acquisition Strategy Developed (n)	1	-	-
	HR Development Strategy (n)	1	-	-
	HR Maintenance Strategy Developed (n)	1	-	-
PROGRAMME MANAGEMENT	Programme Management Plan Developed (n)	1	-	-
	Programme Management Infrastructure Availability (n)	1	-	-
	Programme Management Nerve Centre System Availability	1	-	-

	Programme Management Regulatory Framework Developed	1	-	-
	Programme Management Targets Met	60	80	100
	Programme Management Monitoring and Evaluation Reports Submitted			
PROJECT MANAGEMENT	Project Management Plan Developed			
	Project Management Infrastructure Availability			
	Project Management Regulatory Framework Developed			
	Project Management Targets Met			
	Projects Management Monitoring and Evaluation Reports Submitted			
PERFORMANCE MANAGEMENT	Performance Management Plan Developed	1		
	Performance Management Infrastructure Availability	1		

	Performance Management Regulatory Framework Developed	1		
	Performance Management Targets Met	1		
	Performance Management Monitoring and Evaluation Reports Submitted	1		
RISK MANAGEMENT	Risk Management Plan Developed	1		
	Risk Management Infrastructure Availability	1		
	Risk Management Regulatory Framework Developed	1		
	Risk Management Targets Met			
	Risk Management Monitoring and Evaluation Reports Submitted			

The municipality has gone further and has set out its strategic perspectives in line with the strategic objectives set; further to it the municipality has aligned it to the Provincial Growth and Development Strategy.

6.1.2 Powers and Functions assigned to Letsemeng Local Municipality

Chapter 3 of Municipal Systems Act, 2000 states that a municipality has all the functions and powers assigned to it in terms of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act, 1998. Furthermore, a municipality is empowered by legislation to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers.

Against this legislative directive, Letsemeng Local Municipality understands and interprets its powers and functions aligned with objects of local government as set out in section 152 of the Constitution as follows and as further authorised by the responsible MEC:

Powers and Functions: Letsemeng Local Municipality [FS161]

Objects of Local Government	Municipalities Powers and Functions
<ul style="list-style-type: none"> To provide democratic and accountable government for local communities 	<ul style="list-style-type: none"> Developmental municipal planning
<ul style="list-style-type: none"> To ensure the provision of services to communities in a sustainable manner To promote a safe and healthy environment 	<ul style="list-style-type: none"> Building regulations Municipal airports (Landing Strip) Storm water drainages Cemeteries Local amenities Municipal roads Water and sanitation services Street lighting Traffic and parking Refuse removal and refuse dumps Cleansing Fire fighting Licensing of dogs Pounds Local sport facilities Municipal parks and recreation
<ul style="list-style-type: none"> To promote social and economic development 	<ul style="list-style-type: none"> Local tourism Street trading Trading regulations Sell food to the public Public places
<ul style="list-style-type: none"> To encourage the involvement of communities and community 	<ul style="list-style-type: none"> Community participation Fair, equitable and transparent supply

organizations in the matters of local government	chain practices
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6.1.3 Alignment Process

This final IDP document has undergone robust and iterative alignment processes in order to ensure vertical and horizontal alignment to the district, provincial and national plans and programme as well as due cognisance of the local municipal proposed developments.

6.1.4 The Free State Growth and Development Strategy (FSGDS)

The FSGDS is guided by the National policy thrusts identified for the Millennium Development Goals (2004 – 2014). This document strives to balance development of economic sectors and spatial localities. The FSGDS principles are as follows:

- a) Apply the principles of sustainable development
- b) Acknowledge the ecological limitation of the environment
- c) Ensure alignment between all spheres of government
- d) Ensure integrated development planning and implementation
- e) Actively address economic and social inequalities
- f) Promote economic infrastructure investment and development spending in areas of potential and need according to the principles of the NSDP
- g) Acknowledge the importance of BEE, as well as the need to broaden access to the economy
- h) Promote labour intensive approaches to development.

6.1.5 Based on the social and economic development challenges of the Free State province has identified the following as primary development objectives:

- a) Stimulate economic development;
- b) Develop and enhance infrastructure for economic growth and social development;
- c) Reduce poverty through human and social development;
- d) Stimulate economic development;

- e) Ensure a safe and secure environment for all people of the province;
- f) Promote effective and efficient governance and administration

6.1.6 2014 Targets of the Free State Province

- a) To achieve an annual economic growth rate at least equal to the national average economic growth rate;
- b) To reduce unemployment from 38, 9% to 20%;
- c) To reduce the number of households living in poverty by 5% per annum;
- d) To improve the functional literacy rate from 69, 2% to 85%;
- e) To reduce infant mortality for children under five years to 65 per 1000 live births;
- f) To reduce the obstetrical maternal mortality rate from 65, 5% to 20, 06% per 100000 women in the reproductive age group
- g) To stabilize the prevalence rate of HIV and AIDS and reverse the spread thereof;
- h) To provide shelter for all the people of the province;
- i) To provide free basic services to all households;
- j) To reduce crime rate by at least 7% per annum;
- k) 11. To provide adequate infrastructure for economic growth and development;

7. Alignment of the Letsemeng LM Integrated Development Plan with the Free State Growth and Development Plan Strategy

1. ECONOMIC DEVELOPMENT, EMPLOYMENT AND INVESTMENT

FSGD STRATEGY	FSGDS PROGRAMME	LETSEMENG STRATEGY	LETSEMENG PROGRAMME
Expanding the manufacturing sector in key sub-sectors	Beneficiation of agricultural products - Bio-diesel - Cherries - Asparagus - Meat - Maize / Wheat - Potatoes • Beneficiation of petrochemicals • Beneficiation of mining products • Facilitate expansion of other	<ul style="list-style-type: none"> • To promote the creation of sustainable jobs in the municipality; • To strengthen poverty alleviation initiatives; • To create a conducive environment for partnerships among various stakeholders involved in local economic 	Local Economic Development • Tourism Growth • Agriculture and Land Reform / Rural Development

	<p>manufacturing</p> <ul style="list-style-type: none"> • High-value products as well as innovation and experimentation • Mass produced goods 	<p>development in the municipality;</p>	
<p>Focusing on diversification in agricultural development</p>	<p>Improve tourism marketing and business support</p> <ul style="list-style-type: none"> • Develop tourism support structures • Develop and increase tourism products • Promote all forms of tourism 		<p>Agro processing</p> <ul style="list-style-type: none"> • Development of agricultural activities • Commonage development & management
<p>Focusing on diversification in agricultural development</p>	<p>Improve tourism marketing and business support</p> <ul style="list-style-type: none"> • Develop tourism support structures • Develop and increase tourism products • Promote all forms of tourism 	<ul style="list-style-type: none"> • To promote the creation of sustainable jobs in the municipality; • To strengthen partnerships with existing local tourism initiatives in the municipality like the Diamond and Wine Route; • To Develop tourism infrastructure in the municipality; • Increase PDI participation in commercial farming in the municipal area; 	<ul style="list-style-type: none"> • To optimise the utilization of land and improve nutrition • Support future agro Processing initiatives
<p>Facilitate and ensure enabling and economic infrastructure</p>	<p>Expand online learner technology</p> <ul style="list-style-type: none"> • Expand utilisation of iCAM • Facilitate advanced ICT infrastructure • Facilitate improved air transport access to the Free 	<ul style="list-style-type: none"> • Ensure the provision of the bulk supply of water and electricity 	

	<p>State</p> <ul style="list-style-type: none"> • Upgrade and maintain road infrastructure • Supply bulk water and electricity infrastructure 		
Emphasising SMME Development	<p>Facilitate and improve access to funding sources</p> <ul style="list-style-type: none"> • Provide formal and informal training for SMMEs • Establish local business-support infrastructure • Develop institutional capacity for SMME development • Maintain central business-support infrastructure (including a business database) 	<ul style="list-style-type: none"> • Providing Technical Assistance to emerging and informal businesses; • Conduct feasibility studies for SMME development; 	<ul style="list-style-type: none"> • Support emerging and informal business to prepare business plans for funding/loans; • Mobilize financial resources of existing institutions and cooperate social responsibility programmes; • Coordinate that SMMEs acquire more adequate and up to date technology e.g. farming equipment;
B3. Promoting human resource development (emphasis on human resource skills required regarding economic growth – Agriculture, Manufacturing, Tourism, and Transport and Distribution services	<p>Implement learner ships</p> <ul style="list-style-type: none"> • Implement internships • Formal and informal training agriculture, manufacturing and tourism (Support small-scale farmers) • Support to beneficiaries of land redistribution and restitution programmes • Support farmers to Comprehensive Agriculture Support Programme • Non-formal training for farmers in agriculture management 	<ul style="list-style-type: none"> • Promote the Learnerships Programme; • Develop a local LED strategy; • Develop a Local Growth and Development Strategy; • Support and implement ASGISA related programmes; • Support local tourism initiatives; • Promote heritage and events tourism; 	<ul style="list-style-type: none"> • Implement LGSETA Programme; • Implement JIPSA related programmes; • Develop N8 business and tourism corridor;

	<ul style="list-style-type: none"> • Repositioning of the FET to support economic drivers 		
Create conducive environment	<ul style="list-style-type: none"> • Develop enabling strategies (e.g. LED strategies, investment promotion strategies) • Establish develop zones and corridors as well as urban development nodes • Facilitate completion of land restitution programme • Buy land for the establishment of PDI farmers • Transform government's property ownership (BBBEEE) • Secure land tenure rights in the Free State • Ensure designated funding and maintenance of government property • Upgrade and maintain all government buildings 	<ul style="list-style-type: none"> • Conduct a State of the Environment Report (SoER); • Establish the LLM Development Agency; • Promote job retention and creation of sustainable jobs; 	<ul style="list-style-type: none"> • Establish a local business chamber; • Implement anchor and high impact projects • Implement EPWP Projects;

2. JUSTICE CRIME PREVENTION AND SECURITY

FSGD STRATEGY	FSGDS PROGRAMME	LETSEMENG STRATEGY	LETSEMENG PROGRAMME
Facilitate an improved and effective integrated criminal justice system	Coordination of an integrated criminal justice system <ul style="list-style-type: none"> • Victim empowerment • Service programmes for children in conflict with the law • Reduce time to finalize cases in court • Increase in cases to court • Develop and implement integrated Crime prevention programmes 	<ul style="list-style-type: none"> • Promote intergovernmental programmes on effective integrated criminal justice system; 	
Ensure and efficient and effective police service system the province	Effective visible police service <ul style="list-style-type: none"> • Encourage community participation • Encourage community participation • Encourage community participation • Maintain rural safety • The combating of corruption in SAPS 	<ul style="list-style-type: none"> • Promote Community Policing; 	Support the establishment of vibrant and effective Community Policing Forums;
Implement Provincial Emergency Medical Services Plan	Provide medical rescue, pre- and inter-hospital Emergency Medical Services	<ul style="list-style-type: none"> • Coordinate effective EMS between the Department and the community; 	<ul style="list-style-type: none"> • Facilitate the request for more ambulances for the municipal area;

Ensure a safe and secure environment at all institutions	Implement safety programmes at all institutions	<ul style="list-style-type: none"> • To utilise the Institutional Capacity within the Disaster Management field in the municipality; • To establish Disaster Management Structures in the Local Area; • To Develop the Risk Assessment Strategies; • To Develop the Risk Reduction Strategies; 	<ul style="list-style-type: none"> • Development of landfill management plans for sites in the municipality;
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3. SOCIAL AND HUMAN DEVELOPMENT

FSGD STRATEGY	FSGDS PROGRAMME	LETSEMENG STRATEGY	LETSEMENG PROGRAMME
Social and Human Development		Investing in the development of the people Providing Sustainable Infrastructure	
Improving housing and basic Services	Provide Housing <ul style="list-style-type: none"> • Provide sanitation • Eradicate bucket system • Provide water • Provide electricity • Provide cemeteries • Provide solid-waste disposal sites • Provide 	<ul style="list-style-type: none"> • Identify housing needs in the municipality; • To eradicate Sanitation backlogs • To eradicate Water backlogs; • Develop storm water management; 	<ul style="list-style-type: none"> • Review the housing Sector plan; • Implement water services development plan; • Ensure provision of sufficient bulk water supply; • Construct

	storm-water drainage	<ul style="list-style-type: none"> • Provide support to initiatives intended at water conservation and water demand management; • To eradicate the electricity supply backlogs; 	<p>and maintain storm water infrastructure;</p> <ul style="list-style-type: none"> • Enhance the provision of free basic electricity and free basic alternative energy; • Electrification and Area lighting in all towns;
C2. Improving health-care services	<p>Provide health infrastructure</p> <ul style="list-style-type: none"> • Upgrade health infrastructure • Implement and monitor comprehensive plan on care, treatment, and management of HIV and AIDS • Implement the national TB strategy • Improve the immunisation coverage of children • Implement HIV and AIDS prevention and support programme • Provide an integrated service to people affected and infected by HIV and AIDS • Implement integrated management of Childhood Illnesses Strategy • Expand free health services • Implement and monitor continuous quality improvement programme 	<ul style="list-style-type: none"> • Promote effective and efficient PHC services rendered in the Municipality; • To reduce the prevalence of HIV/ AIDS in the municipality; • Implementation and establishment of occupational health, safety and wellness Programme for Letsemeng Local Municipality employees; 	<ul style="list-style-type: none"> • Conduct need analysis in clinics(PHC); • Conduct assessment on functionality of Health structures; • Ensure effective and functional Local Clinic Committees;

	<ul style="list-style-type: none"> • Improve access to health care for people in rural areas 		
C3. Improving education and educational services and skills	<p>Implement adult literacy and numeracy programmes</p> <ul style="list-style-type: none"> • Provide ABET in accordance with the ABET Act • Implement skills development programmes • Capacity building of clients incorporated in service delivery • Implement learnership Programmes <p>Address critical gaps in identified areas (emphasis on mathematics, science, and technology)</p> <ul style="list-style-type: none"> • Implement GETC • Implement FET Certificate • Implement ECD Programmes • Provide education infrastructure • Upgrade, rehabilitate, and renovate education infrastructure and facilities • Eliminate backlog in basic services in schools • Provide transport for farm schools • Provide accommodation for learners from non-viable farm schools 	<p>Management of capacity building and skills development programmes;</p> <ul style="list-style-type: none"> • Ensure Skills development workshops and courses; • Management of discretionary fund (LGSETA) 	<ul style="list-style-type: none"> • Approved work skills Plan; • Ensure Skills development workshops and courses;

	<ul style="list-style-type: none"> • Implement school nutrition Programmes 		
Improving social-development services	<ul style="list-style-type: none"> • Increase to social assistance programme • Provide emergency food security to needy families and individuals • Provide pay-point facilities • Increase access to commonage • Implement community-development projects • Implement training programmes to support care and protection of the vulnerable • Provide early-childhood development services • Implement programmes targeting the unemployed and out-of-school youth • Promote social integration and empowerment of people with disabilities • Promote special programmes for the vulnerable in government • Implement the moral regeneration programmes for the community • Implement moral regeneration programmes within 	<ul style="list-style-type: none"> • To effectively advocate and implement programmes aimed at advancing youth development; • Promote youth service programmes in the municipality; Promote and implement programmes aimed at addressing gender issues within the municipality; To raise awareness, offer support and implement programmes aimed at addressing the plight of people with disabilities; 	

	<p>government</p> <ul style="list-style-type: none"> • Implement income-generating projects for youth, women, and persons with disabilities 		
<p>C5. Improving cultural, sport, and recreational services</p>	<p>Provide arts and culture centres</p> <ul style="list-style-type: none"> • Provide other government accommodation/buildings • Provide library infrastructure • Provide sport facilities • Provide multi-purpose centres • Provide library and information services • Provide special services • Promote major cultural events • Provide museum and heritage services • Build capacity in visual and performing arts • Facilitate mass participation in sport and recreation activities • Render sport science, exercise rehabilitation, and sport development services 	<ul style="list-style-type: none"> • Assist and Develop Special Projects and Programs and Events relating to Arts, Culture, Heritage and Sporting; • Develop and support Poverty Alleviation Programs and Projects in towns; • Assist in identifying the facilities backlog on Social Services in communities; • Coordinate and facilitate the improvement of safety on Community Social Services; 	<p>Participate in Arts, Cultural and Heritage projects and events;</p>

4. EFFECTIVE GOVERNANCE AND ADMINISTRATION

FSGD STRATEGY	FSGDS PROGRAMME	LETSEMENG STRATEGY	LETSEMENG PROGRAMME
E1. Improving integrated development planning and implementation	<p>Align and co-ordinate IDPs and FSGDS</p> <ul style="list-style-type: none"> • Improve a cluster system across the two spheres of government in the province • Ensure effective implementation of intergovernmental relations • Coordinate strategic programmes (EPWP, ISRDP, Project Consolidate. e Promote the involvement of traditional leadership) • Coordinate PPPs • Implement the National and Provincial Programme of Action • Implement Community Based Ward Planning through Ward Committees 	<ul style="list-style-type: none"> • To ensure full participation of relevant stakeholders within the municipality; To promote and encourage alignment of the NSDP, PDGS and SDF in the municipalities IDP; 	<ul style="list-style-type: none"> • Monitor the Implementation of the Local IDP Framework; • Develop a schedule of IDP Representatives Forum; • Develop the IDP Process Plan; • Implement and Monitor the LLM Public Participation Strategy; • Ensure the Implementation of the IGR Policy;
E2. Ensuring effective communication with stakeholders and clients	<p>Improve interaction between government and the people</p> <ul style="list-style-type: none"> • Implement one-stop government services • Implement e-governance • Create BBEE opportunities for women, youth, and 	<ul style="list-style-type: none"> • Development of a communications policy; Implementation and development of the Customer Care Policy; • Facilitate the Implementation and development 	<ul style="list-style-type: none"> • Develop a centralized communication and information system; • Embark on community/media road shows;

	<p>people with disabilities</p> <ul style="list-style-type: none"> • Review procurement system 	<p>of Language Policy;</p> <ul style="list-style-type: none"> • To establish an effective Council Support system in Letsemeng Municipality; • To ensure effective management of the political environment at Letsemeng Municipality; • To provide Support and Assistance for Councillors to participate and deliberate on council matters; • To Support Councillors to perform their constituency work; • To facilitate interaction among Councillors within Letsemeng Municipality; • To facilitate the process of capacity building of the Councillors; 	
<p>E4. Ensuring effective Human Resource Development and Management</p>	<p>Implement integrated human resource development strategy</p> <ul style="list-style-type: none"> • Implement employment equity plan • Implement retention strategy • Implement employee assistance programme 	<ul style="list-style-type: none"> • Capacity building and skills development; • Promotion of employee wellness/assistance programme; • Management of Labour Relations; • To enhance political, 	<ul style="list-style-type: none"> • Conduct LLM skills Audit; • Conduct Training Needs Assessment; • Implement Employee Performance Appraisals; • Implement Employee Performance Plans;

	<ul style="list-style-type: none"> • Coordinate bursaries and Learner Support Programme 	<p>administrative and labour relations and improve motivation of the workforce;</p> <ul style="list-style-type: none"> • To promote the performance management system; • Ensure institutional compliance to relative legislation; 	
E5. Ensuring improvement in financial management	<p>Improve and coordinate revenue measures and mechanisms</p> <ul style="list-style-type: none"> • Strengthen financial management capacity in departments • Implement credit control systems 	<ul style="list-style-type: none"> • Institutional Financial Plan; • Municipal Finance Management Act; 	<ul style="list-style-type: none"> • Implement the MFMA • Implement LLM Financial Plan;
E6. Promoting integrity in Government	<p>Implement anti-corruption and fraud strategy</p> <ul style="list-style-type: none"> • Promote ethical behaviour (Code of Conduct) in government 	<ul style="list-style-type: none"> • Implement and Monitor Code of Conduct of both the Staff and Elected Political Office Bearers; 	
E7. Establishing proper management information and records management systems	<p>Improve record management services in departments</p> <ul style="list-style-type: none"> • Secure information within departments 	<ul style="list-style-type: none"> • To provide secretarial services; • To provide effective Document Management; 	<ul style="list-style-type: none"> • Implement a Record Management Policy; • Provide Total quality management of document reproduction;
E8. Improve asset management	<p>Improve control over assets and resources</p>	<ul style="list-style-type: none"> • Institutional Assets Register 	<ul style="list-style-type: none"> • Effective Implementation and management of assets register;
E9. Building government's capacity in critical areas	<p>Improve financial management capacity</p> <ul style="list-style-type: none"> • Improve strategic-planning training monitoring and 	<ul style="list-style-type: none"> • Municipal Finance Management Act; • Establish customer care unit; 	<ul style="list-style-type: none"> • Implement a toll free Hotline; • Conduct community Perception surveys;

	<p>evaluation capacity</p> <ul style="list-style-type: none"> • Develop information technology skills • Enhance Batho Pele skills • Provide capacity-building programme for all staff 	<ul style="list-style-type: none"> • Manage Capacity Building and Skills Development Programmes; 	<ul style="list-style-type: none"> • Implement Electronic Information System;
E11. Monitoring, evaluating and reviewing FSGDS	<p>Implement FSGDS Monitoring and Evaluation</p>	<ul style="list-style-type: none"> • To ensure that the performance of the municipality is monitored; • To ensure that a service delivery and budget implementation plan is developed for the whole municipality; • To ensure that quarterly organizational reports are compiled; • To ensure annual performance organizational improvement plan is compiled 	<ul style="list-style-type: none"> • Implement Service Delivery Plan; • Compile quarterly organizational Performance reports; • Compile Mid-Term Budget and Performance Assessment Reports; • Compile Annual Performance Improvement Plan;

8. Spatial Rationale

8.1 National Spatial Development Perspective (NSDP)

8.1.1 National Spatial Development Vision

The Government's National Spatial Development vision is as follows: *“South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives”*

- (a) By fostering development on the basis of local potential;
- (b) By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- (c) By supporting restructuring where feasible to ensure greater competitiveness;
- (d) By ensuring that development institutions are able to provide basic needs throughout the country.

8.1.2 Normative Principles

The NSDP proposes the following normative principles to be used as a guide by all spheres of government when making decisions on infrastructure investment and development spending:

- Government spending on fixed investment, beyond constitutional obligations to provide basic services to all citizens, should be focused on localities of economic growth and/or potential for sustainable economic development in order to attract private sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities. In these areas government's objective of both promoting economic growth and alleviating poverty will best be achieved.

- In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.

In localities with low development potential, government spending beyond basic services should focus social investment, such as human resource development, labour market intelligence and social transfers, so as to give people in these areas better information and opportunities. This will enable people to become more mobile and migrate, if they so choose, to localities that are more likely to provide sustainable employment or other economic opportunities. The further concentration of people in need in areas of low potential should therefore not be encouraged.

8.1.3 *NSDP Categories of Development Potential*

Categories of development potential proposed by the NSDP are:

- Innovation and experimentation;
- Production – high value, differentiated goods (not strongly dependent on labour costs);
- Production – labour intensive, mass-produced goods (more dependent on labour costs and/or natural resource exploitation);
- Public services and administration;
- Retail and services;
- Tourism.

9. Basic Service Delivery

9.1.1 Identification and Prioritisation of Community Needs

To give effect to the principle of a transparent and consultative government to the people the Letsemeng Local Municipality has on three instances consulted with communities and community representatives on the identification of community needs and subsequent session to do the prioritisation of their respective needs. Letsemeng Municipality has gone an extra mile in getting their communities to understand that not all needs can be achieved at once but rather over a period of five years aligned to the timeframe of an IDP document and the term of office of Elected Office Bearers and Section 56 Managers. The needs has been identified per towns respectively but has also been identified as common needs which is applicable to all towns and its residents.

	Area	Performance Area	Needs
1	Common Needs (applicable to all towns)	Health	<ul style="list-style-type: none"> • Ambulances for all five towns • Shading for passengers at collection points • More doctors for the municipal area (1 per town) • Hiring of more nurses (more especially local one's)
	Koffiefontein		
	Jacobsdal		<ul style="list-style-type: none"> • Building of local clinic in Ratanang/Saundershoogte
	Petrusburg		
	Luckhoff		<ul style="list-style-type: none"> • Building of local clinic in Relebohile/Teisesville
	Oppermansgronde		
2	Common Needs (applicable to all towns)	Sports and Recreation	<ul style="list-style-type: none"> • Development of parks and recreational facilities in all towns
	Koffiefontein		<ul style="list-style-type: none"> • Community access to stadium in town • Renovation of swimming pool in Diamanthoogte
	Jacobsdal		<ul style="list-style-type: none"> • Upgrading and completion of Ratanang Sport Complex for optimal usage
	Petrusburg		<ul style="list-style-type: none"> • Full access to Bolokanang Sport Complex
	Luckhoff		<ul style="list-style-type: none"> • Building of Sport Complex in

			<p>Relebohile/Teisesville</p> <ul style="list-style-type: none"> • Community access to stadium in town
	Oppermansgronde		<ul style="list-style-type: none"> • Building of Sport Complex in Oppermans
3	Common Needs (applicable to all towns)	Streets and Stormwater	<ul style="list-style-type: none"> • Building of proper storm water canals in all towns • Upgrading of road infrastructure – road building through proper gravelling in all towns (short term) • Paving and tarring of streets • Resealing of current tar roads • Paving of sidewalks • Erecting of street names • Building of speed bumps and pedestrian crossing • Upgrading of road signs and signals
4	Common Needs (applicable to all towns)	Job creation, Poverty Alleviation & Local Economic Development Projects	<ul style="list-style-type: none"> • Outsourcing of: • Digging of graves (graveyard management) • Appointment of security officers at dumping sites, water plants, community facilities (halls and stadiums) and waste disposal sites • Manufacturing of community gardens in all towns • Youth empowerment projects • SMME development • Development and appointment of local contractors at projects
5	Common Needs (applicable to all towns)	Streetlights	<ul style="list-style-type: none"> • Provision of high mast lights in all newly developed areas as well as areas without lights • Repairs and regular maintenance of current street and high mast lights
6	Common Needs (applicable to all towns)	Housing	<ul style="list-style-type: none"> • Building of more RDP houses in all five areas • Upgrading of existing low quality RDP houses • Completion of incomplete RDP houses • Compiling of living waiting lists in conjunction with local Housing Committees • Prioritisation of housing allocations
7	Common Needs (applicable to all towns)	Electricity	<ul style="list-style-type: none"> • Provision of electricity to all households without electricity • Changing of service provider in

			Koffiefontein – preferably Eskom and not the municipality
8	Common Needs (applicable to all towns)	Community facilities	<ul style="list-style-type: none"> • Community halls in Oppermans, Khayelitsha and Diamanthoogte • Building of libraries in Luckhoff and Jacobsdal – preferably in Ratanang/Sandershoogte and Relebohile/Teisesville
9	Common Needs (applicable to all towns)	Land Availability	<ul style="list-style-type: none"> • Provision of more residential sites in Diamanthoogte, Ratanang, Relebohile, Bolokanang and Dithlake • Provision of more business sites • Conducting of land audit • Allocation of vacant sites • Formalisation of informal settlements
10	Common Needs (applicable to all towns)	Water and Sanitation	<ul style="list-style-type: none"> • Provision of water and taps for all sites • Application for bulk water supply in areas with water shortages • Provision of sanitation for all sites • Replacement of all bucket systems
11	Fostering partnerships with Private Sector in Koffiefontein – Petra Diamonds	Public Private Partnerships and Social Responsibility Plan of Petra Diamonds	<ul style="list-style-type: none"> • Engagements with Petra Diamonds to look at the possibility to fund high impact projects, like the brick making factory and any other possible projects • Talks to Petra Diamonds to discuss the housing issue which they intend to turn into a retirement village • Petra Diamonds to be engaged to sell houses to their employees and members of the public who can afford

This exercise has opened a gateway for communities to voice their opinions in terms of their exact needs in terms of the different areas, however this table above is not cast and stone and is subject to change during the quarterly reviews and annual IDP review processes of the municipality.

Further to this a number of basic service delivery improvement objectives have been set as part of the Municipal Turn around Strategy of Letsemeng Municipality.

10. Local Economic Development

Letsemeng Local Municipality has identified its key challenges with regard to Local Economic Development in its locality. The challenges vary from the development of a Local Economic Development Strategy to issues of limited contribution because of limited financial resources at our disposal. However an intervention mechanism in the form of the Municipal Turn around Strategy has been developed to address the issues of LED and is as follows:-

Key Performance Indicator	Current Baseline	Indicators	Funding Source	Performance Target	
				10/11	11/12
LED Plan aligned to the PGDS; adopted by Council	No LED strategy and implementation plan developed	Develop LED Strategy and Implementation Plan - request funding to finance services of service provider	DTEEA	300 000	
	No functional Municipal LED Forum	Identify stakeholders and convene inaugural meeting Stakeholder mobilisation for support and participation	LLM	25 000	25 000
Municipal contribution to LED	LED Unit established but consists only of the LED Officer Only salary of LED officer have been budgeted for in the 2009/10 budget	Reviewed organogram – establishment of fully functional LED Unit			
	Spatial Development Framework (SDF) developed but is not implemented	Review the current SDF	LLM		
	LED initiatives and implementation of projects	Develop and implement terms of reference (TORs) for the	LLM		

	(social investments and poverty alleviation/sustainable livelihood projects) not coordinated effectively	Municipal LED Forum or LED coordination processes between the municipality and other stakeholders			
	Draft commonage management plan developed and not yet considered by Council	Table draft Commonage Management Plan for consideration by management and Council	LLM		
Youth development	No youth development policy or strategy	Develop youth development strategy (research and develop strategy – involve youth stakeholders)	LLM		

The abovementioned issues are not exhaustive and more of it is contained in the Municipal Turn around Strategy. Projects anticipated over an IDP time frame of five (5) years is contained in the IDP project list. Other critical issues like creating an economic conducive environment and hive will be covered in the Local Economic Development Strategy of the municipality.

11. Municipal Transformation and Organisational Development

The municipality is currently faced with a number of challenges as institutional development has not seen much light of day; however a newly proposed organogram has been tabled to Council for consideration. Council has tasked the Management to identify critical posts as identified in the organogram and has given the go ahead that only critical posts be filled because of financial constraints. However it has become clear to the Council and Management that a fully fledged staff component and establishment of certain critical Units is fundamental in realising the developmental objectives set by Council. Attached as Annexure "A"

12. Municipal Financial Viability and Management

12.1 Letsemeng Local Municipality - Financial Sustainability

Since the advent of local government system in 2000, the Letsemeng Local Municipality, has maintained its position as one of the most viable municipalities in the Free State Province. The Council has over the years displayed a sound financial profile, as evidenced by its healthy discretionary cash flows and high level of investments. Furthermore, the municipality has in the recent past exhibited negligible levels of gearing and a strong net cash position. Capital projects have been funded from internal funds (reserves) over the years. The Council is however, no longer in a position to continue the practice of financing capital out of own funds. The turnaround has been brought about by a number of fundamental challenges that include:

- Insufficient revenue growth in operating and capital requirements;
- Rising debtors books and dwindling investments;
- Expenditure pressure due to ageing infrastructure;
- Maintenance backlogs in respect of Council's assets through lack of development of a long-term maintenance plan and adequate funding of infrastructural assets;
- Level of provision for bad debts; and,
- Insufficient provision for the impact of the bucket eradication programme on the operating budget linked to:
 - Capacity of the sewerage treatment plants;
 - Possible increase on the debtors book (more than free basic water usage);
 - Overtime for maintenance work; and
 - Personnel capacity to maintain the network.

12.2 Overview of Financial Performance

The actual revenue as at **30 June 2009** amounts to **R 56 068 133** million against the budgeted amount of **R 49 664 226** million.

The expenditure for the **2009** financial year amounts to **R 56 294 671** million against the budgeted amount of **R 56 527 380** million.

The net results of the 2009/10 budget indicate substantial improvements in terms of the budgeted amount for the financial year ending on 30 June 2010. As part of the municipality's strategy to continue meeting the ever increasing demands of addressing the existing infrastructural backlog, **the Municipality put more emphasis on:**

- Paying attention to debt collection as means of improving the cash flow situation;
- Prioritization of competing capital investment projects;
- Leveraging of available cash resources in order to meet increased service delivery demands;
- Investigating the possibilities of obtaining external funding.

The municipality has and will still embark on the following strategies to maintain financial viability and capability to sustain services:

- Commissioning a data-cleansing project to authenticate our consumer accounts database and timeous consumer billing.
- A water leakage project, aimed at fixing leakages in areas where there is high consumption of water due to wastage, resulting in high household accounts.
- Strengthen oversight of the business entity on behalf of Council for the enhancement of shareholder's value and efficiencies.
- Development and updating of Financial Policies so as to ensure compliance to internal controls.
- Implementation of cost cutting measures in an effort to relieve pressures on the operating budget

INCOME AND EXPENDITURE FOR 2009/10 FINANCIAL YEAR

2009/10	DEBITS		INCOME		CREDITS	
Month	Levy	Equitable Share	Cash	Equitable Share	TOTAL	Payment Rate
July	2, 458, 686.00		1, 005, 267.21	660, 412.04	1, 665, 679.25	67.74
August	2, 670, 200.75		1, 171, 225.13	731, 849.41	1, 903, 074.54	71.27
September	2, 545, 550.50			733, 095.25	2, 071, 900.28	81.39
October	2, 503, 705.35		1, 216, 532.76	739, 232.25	1, 955, 765.01	78.11
November	2, 648, 485.75		1, 497, 346.47	756, 966.63	2, 254, 313.10	85.11
December	2, 580, 711.55		1, 203, 445.58	743, 324.50	1, 946, 770.08	75.43
January	2, 759, 182.60		1, 301, 309.08	744, 403.68	2, 045, 712.76	74.14

February	2,639,327.70		1,417,013.18	741,649.00	2,158,662.18	81.79
March	2,467,388.65		1,466,419.65	1,011,506.19	2,477,925.84	100.43
April	2,509,430.50		1,410,526.07	747,866.20	2,158,392.27	86.01
May	2,476,403.80		1,288,519.57	748,278.92	2,036,798.49	82.25
June						
TOTAL	28,259,073.15		14,316,409.73	8,358,584.07	22,674,993.80	

13. Good Governance

The Municipality has developed a number of corrective measures intervention mechanisms with regard to Good Governance in line with the Municipal Turn around Strategy template, and are as follows:-

Key Performance Indicator	Current Baseline	Indicators	Funding Source	Performance Target	
				10/11	11/12
Functionality of Ward Committees	All five Ward Committees established but not meeting regularly as per scheduled meetings	<p>Induction and training of Councillors, Ward Committees and CDWs by 30 June 2010</p> <p>Council approved schedule of meetings and programmes by 30 June 2010</p> <p>Monthly and quarterly reports to management and Council</p>	LLM	50 000	
	Confusion regarding roles and responsibilities of Councillors, Ward Committees and CDWs	<p>Induction and or training of Councillors, Ward Committees and CDWs by 30 June 2010</p> <p>Monthly and quarterly reports to management</p>	LLM	70 000	
	Ward Committee funding model not implemented – payment of stipends to Ward Committee members	Implementation of Ward Committee funding model by 01 July 2011	MSIG		300 000
Broader public participation policies and plans	<p>No public participation policy or plan developed</p> <p>Public Hearings not conducted with regard to municipal policies or by-laws</p>	Develop public participation policy and implementation plan – include public hearings	LLM		

	Intergovernmental relations (working together with other sector departments and SOEs)	Establish Mayor's Inter-sectoral Forum Coordinate the establishment of a Speakers Forum – include CDWs			
Public Communication systems	Ward constituency meetings, notices and loudhailers are used to communicate with communities – no council approved communication system	Develop and approve Communications Policy and implementation plan that are inclusive of public communication systems	LLM		
	Municipality does not have a language policy	Develop and implement language policy	LLM		
Complaints management systems	No complaints management system developed	Develop a complaints management policy and implement the systems – include customer care personnel, suggestion or complaints registers and boxes, response time and linkages with provincial and national government complaints hotlines	LLM		
Feedback to communities	Feedback to communities is done through Ward Councillor constituency meetings (Ward Meetings)	Implement participation and communication policy by 1 July 2010	LLM		
Stability of Council	Council is currently stable, more especially after the by-elections in January 2010	Develop schedule of all Council and related meetings and present to Council for consideration and adoption Speaker/Mayor and Council Section 79 Committee Chairpersons convening meetings as per adopted schedule Keeping records of	LLM		

		meetings and attendance of councillors at all meetings – minutes, execution list and attendance registers ANC Proportional Representation vacancy in Council filled			
	PR Councillors are not deployed to Ward Committees	PR Councillors deployed into Ward Committees – clarified roles and responsibilities for effective participation	LLM		
	Speaker / Mayor and Municipal Manager are meeting regularly but on ad-hoc basis	Develop schedule of meetings between the Speaker / Mayor and the Municipal Manager	LLM		
Delegation of functions between political and administrative offices	Draft policy regarding system of delegations developed and not yet tabled in Council	Council approved system of delegations by 30 June 2010 Signed acknowledgement of written delegations by responsible Senior and Middle Managers by 31 July 2010	LLM		
Recruitment and selection policies and procedures developed	No selection and recruitment policy in place	Appropriate HR policy approved and implemented by Council before 30 September 2010	LLM		
Organisational Performance Management System developed	Draft Organisational Performance Management System (OPMS) was considered by Council in March 2010 – envisaged system may not be automated	OPMS framework to be reviewed and be implemented by 31 July 2010 Quarterly OPMS reports developed and submitted to Management and Council Automated OPMS by 31 December 2010 Quarterly OPMS reports to Council and Management by 31 July 2010	LLM		
Skills development	Workplace Skills Plan (WSP)	Training Committee established by 31	LLM		

<p>plan for employees (Workplace Skills Plan - WSP)</p>	<p>developed and implemented</p> <p>Training Committee not established</p> <p>Training Plan for councillors and employees not developed</p> <p>Skills Development Facilitator (SDF) designated and not appointed</p>	<p>May 2010</p> <p>TORs for the Training Committee adopted by LLF by 30 June 2010</p> <p>Complete Skills Audit by 30 April 2010</p> <p>Approve and submit 2010/11 WSP by 30 June 2010</p> <p>Dedicated SDF appointed by 31 July 2010</p> <p>Monthly and quarterly implementation reports to management and Council</p>			
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14. Projects

The Municipality has divided its projects into three categories/plans:-

Category 1 (Annual Plan) – projects aimed at for the 2010/2011 financial year, with dedicated funding. This category also shows the alignment of the Letsemeng IDP with projects from Sector Departments also with dedicated funding, the only difference is that the funding for those projects are not aligned to the budget of the municipality because the funding thereof will be administered by Sector Departments. These projects are absolute infrastructural development projects.

Category 2 (Three year plan) – projects aimed at for the 2011/2012 financial year till the 2012/2013 financial years, practically over a period of three years. The financial projections are stated and will most definitely be covered by MIG funding and own municipal funding. The projects list is however subjected to changes based on the annual IDP review process as priorities might change from year to year based on the needs analysis and public participation perspectives.

Category 3 (Five year plan) – projects aimed at a period of five years commencing from the 2010/2011 financial year till the 2014/2015 financial years. These projects focuses broadly on all types of projects and are not very specific and encompasses all types of projects, more especially high impact, job creation and poverty alleviation projects. These projects are unfortunately not funded and implementation thereof is subjected to sourcing of funding from both Government and private funding, the municipality will thus have to go an extra mile in search of these funding. Funding Agencies, Youth development Agencies, and State Owned Enterprises, Sector Departments (both Provincial and National) as well Public Private Partnerships will have to be considered for funding of these projects. This project is however not static and implementation thereof is not guaranteed.

IDP Project Lists 2010/2011 - Financial Year

No	Project Description	Area	Funding Source	Project Amount
1	Petrusburg: Upgrading of waste water treatment works	Bolokanang	MIG	6 031 908
2	Upgrading of Streets and Storm Water Systems in Koffiefontein	Koffiefontein	MIG	2 606 352
3	Petrusburg elevated pressure water tank	Bolokanang	MIG	385 586
4	Koffiefontein/Dithlake: Upgrading of sports complex (MIS:122922)	Dithlake	MIG	2 131 899
5	Upgrading of Mathibela & Roselove Street (Dithlake)	Dithlake	MIG	3 225 000
6	PMU	All	MIG	760 000
Total				15 140 745

Projects from Sector Departments 2010/2011 - Financial Year

Town/Ward	Project Description	Source of funding	Project duration		Amount
			Start date	Finish date	
Department of Agriculture					
Letsemeng	Poultry – Blydskap Chicken House	CASP – Agriculture	01/04/2010	31/03/2010	600 000.00
Letsemeng	Livestock – Douberend	CASP – Agriculture	01/04/2010	31/03/2010	500 000.00
Letsemeng	Vegetables – New Beginnings	CASP – Agriculture	01/04/2010	31/03/2010	200 000.00
All Municipalities	Provincial Marketing Infrastructure Projects	CASP – Agriculture	01/04/2010	31/03/2010	2 894, 985.00
All Municipalities	Provincial Female Poultry Project	CASP – Agriculture	01/04/2010	31/03/2010	1 000, 000.00
All Municipalities	Provincial Pre-planning Project – CASP 2011/12	CASP – Agriculture	01/04/2010	31/03/2010	4 000, 000.00
Letsemeng	ITERELENG CPA(09-10/436)CAP – Itereleng	CASP – Agriculture	01/04/2010	31/03/2010	1 200, 000.00
Letsemeng	MAHAU TRUST (08-09/383)CAP – Crops	CASP – Agriculture	01/04/2010	31/03/2010	100 000.00
Letsemeng	PHINDISO(09-10/441)CAP – Mixed Farming	CASP – Agriculture	01/04/2010	31/03/2010	650 000.00
Letsemeng	XHPR OSTRICH PR(09-10/445)CAP – Livestock	CASP – Agriculture	01/04/2010	31/03/2010	746 986.00
All	Training and Capacity	CASP –	01/04/2010	31/03/2010	

Municipalities	building – Training	Agriculture			
All Municipalities	Veterinary Project	CASP – Agriculture	01/04/2010	31/03/2010	3 009, 850.00
All Municipalities	LANDCARE ADMIN FEE(08-09/333)CUR – Admin & Top Ups	LandCare	01/04/2010	31/03/2010	48 000
All Municipalities	TRAIN&CAPACIT BUIL(08-09/319)CUR – Training	CASP	01/04/2010	31/03/2010	6 019 700
All Municipalities	EXT RECOVERY PLAN(08-09/424)CUR – Extension support	CASP	01/04/2010	31/03/2010	18 952 000
All Municipalities	VKB CROPS (09-10/508)TRNS CUR – Dry land Crops	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	OVK CROPS (09-10/509)TRNS CUR – Dry land Crops	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	DRY LAND CROP(09-10/510)TRNS CUR – Dry land Crops	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	ILIMA XHARIEP(09-10/511)TRNS CUR – Mixed farming	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	ILIMA MOTHEO(09-10/512)TRNS CUR – Mixed farming	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	ILIMA LEJWEL(09-10/513)TRNS CUR – Mixed farming	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	ILIMA T/M (09-10/514) TRNS CUR – Mixed farming	Ilima/Letsema	01/04/2010	31/03/2010	
All Municipalities	ILIMA F/D(09-10/515)TRNS CUR – Mixed farming	Ilima/Letsema	01/04/2010	31/03/2010	
Department of Education					
Letsemeng	Building of new Administration block – Luckhoff Combined School	C/S	01/04/2010	31/03/2011	3 000, 000.00
Letsemeng	Building of additional class rooms – Ikanyegeng Combined School	C/S	01/04/2010	31/03/2011	1 000, 000.00
Letsemeng	Building if additional class rooms – Diamanthoogte Combined School				
Letsemeng	Building of school hall – Luckhoff Combined School	C/S	01/04/2010	31/03/2011	2 000, 000.00
Department of Land Affairs					
Letsemeng	Upgrading and completion of Ratanang Sport Complex	WOP Campaign	01/02/2010	01/07/2010	2 000, 000.00
Letsemeng	Renovation Sandershoogte	WOP Campaign	01/02/2010	01/07/2010	2 000, 000.00

	Community Hall into Recreational facility				
Letsemeng	Fencing of yards/sites in Jacobsdal	WOP Campaign			

IDP Project List – 2011/2012 – Financial Year

No	Project Description	Area	Funding Source	Project Amount
	11-12 Ward 2 Internal streets upgrading	Ward 2	MIG	2 652 185
	11-12 Ward 5 Internal Streets upgrading	Ward 5	MIG	2 652 184
	11-12 Upgrading of Dumping Site	All	MIG	910 000
	11-12 Ward 2 Thusanang MPC	Ward 2	MIG	1 500 000
	11- 12 Ward 1 Community Hall Oppermans	Ward 3	MIG	1 500 000
	11-12 Ward 4 Taxi Rank (Koffiefontein)	Ward 4	MIG	1 000 000
	11-12 Upgrading of Water Purification plant Luckhoff	Ward 1	MIG	1 500 000
	11-12 Ward 3 Building of community Hall	Ward 3	MIG	1 600 000
	11-12 Ward 5 Erection of Reservoirs Petrusburg	Ward 5	MIG	615 000
	11-12 Retention	All	MIG	718 446
	PMU			910 000

IDP Project List – 2012/2013 – Financial Year

No	Project Description	Area	Funding Source	Project Amount
	12-13 Ward 3 Upgrading of Internal Streets			2 000 000
	12-13 Ward 3 Sports Complex			1 500 000
	12-13 Ward 1 Sports Complex Luckhoff			1 500 000
	12 - 13 Upgrading Waste Management Collection	All Wards		900 000
	12-13 Ward 1 Sports Complex Oppermans			1 500 000
	12-13 Street Lighting	All Wards		4 524 400
	12-13 Ward 5 Increase Bulk Water Supply Petrusburg			2 400 000
	12-13 Ward 4 Thusanang MPC			1 600 000
	12-13 Ward 2 Upgrading of Water Purification plant			1 200 000
	12-13 Ward 2 Upgrading of internal streets			3 000 000
	Retention			910 500

IDP Project List – 2010/2011 till 2014/2015 – Financial Year

No	Project Description	Area	Funding Source	Project Amount
	Establishment of a brick making factory	Koffiefontein	Petra Diamonds	
	Agro – processing factory	Petrusburg		
	Completion of Milk Dairy project	Luckhoff		
	Re-direction and construction of Koffiefontein bridge	Koffiefontein		

	Establishment of Cultural Villages	Petrusburg and Luckhoff		
	Road building of all internal roads	All		
	Establishment of truck stop	Luckhoff		
	Establishment of One Stop Garage along N8	Petrusburg		
	Potato Processing factory	Jacobsdal and Petrusburg		
	Wine and Diamond Route establishment	Jacobsdal		
	Annual Wine Festivals	Jacobsdal		
	Development of Local SMME's	All		
	Establishment of shopping complexes	All		
	Building of proper hawkers areas	All		
	Building of taxi ranks	All		
	Building of playgrounds and parks	All		
	Building of recreational facilities	All		
	Building of swimming pools	All		
	Building of proper dumping walls			
	Bulk water supply	All		
	Installation of high mast lights	All		
	Spatial Development Planning for future use	All		
	Building of RDP houses	All		

The abovementioned lists are the projects anticipated for a term of five years and are subject to changes.

Supporting and Sector Plans

POLICIES/ PLANS/STRATEGIES	CURRENT STATUS
Local Economic Development Strategy	Under review
Youth Development Policy	Under review
Integrated Waste Management Plan	To be developed
Skills Development Plan	In place
Public Participation Strategy	Under review
Spatial Development Framework	In place and under review
Performance Management Plan	Under review
Housing Sector Plan	Under review