



Draft Integrated Development Plan 2014/2015

The Integrated Development Plan is the municipality's principle strategic planning document. Importantly, it ensures close co-ordination and integration between project, programmes and activities, both internally and externally

March 2014

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Section A: Executive Summary

1. What is the IDP?

The Integrated Development Plan is the municipality's principle strategic planning document. Importantly, it ensures close co-ordination and integration between project, programmes and activities, both internally and externally. The Integrated Development Plan therefore ultimately enhances integrated service delivery and development and promotes sustainable, integrated communities, providing a full basket of services, as communities cannot be developed in a fragmented manner

As a key strategic plan for the municipality, the priorities identified in the Integrated Development Plan inform all financial planning and budgeting undertaken by the municipality. The attainment of the Integrated Development Plan and Budget targets and deliverables is monitored and evaluated on an ongoing basis.

However, this requires that targets and deliverables be credible and realistic. Consequently, the financial plan as well as the performance management system of the municipality is also outlined in the Integrated Development Plan document.

The Management Team and Middle Management are accountable for the implementation of the IDP, and this is reflected in the integrated Performance Management System that links the IDP to the strategic framework, to the macro-scorecard, and from there to performance agreements for section 54A and 56 Managers.

An Integrated Development Plan is a constitutional and legal process required of South African municipalities; however, apart from the legal compliance, there are many advantages and benefits to undertaking the integrated development planning. These include the following:

- Prioritisation and allocation of scarce resources to areas of greatest need aligned to spatial budgeting.
- Achieving sustainable development and economic growth.
- Democratizing local government by ensuring full public participation in its planning, implementation, monitoring and evaluation processes.
- Providing access to development funding through the Medium Term Revenue and Expenditure Framework.
- Encouraging both local and outside investment by developing local economic strategies.
- Using the available capacity effectively, efficiently and economically.

Local government operates in an over-changing environment. The dynamic nature of local, district, provincial, national and global environments constantly presents local government with new challenges and new demands. Similarly, the needs of communities of municipality continuously change.

The five-year Integrated Development Plan of municipality is reviewed annually so that the municipality can always be confident that it addresses the real and relevant needs and concerns of local communities. This is the second review in the present review cycle from 20011-2012 to 2015/2016.

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This annual review is not a good corporate governance requirement only; it is also a legislative requirement in terms of the Local Government: Municipal Systems Act, 32 of 2000. The focus of this year's Integrated Development Plan review has therefore been on aligning municipal programmes, projects and strategies with:

- Community needs and priorities identified in the next five years and present challenges.
- Update statistical information
- Adjustment of targets to keep them realistic within the scarce resources.
- Revised Spatial Development Framework and other related sector plans.

This Chapter introduces the IDP by locating it within the right legal and policy context. It also explains the approach followed in drafting the plan.

1.1 Legislative Context

1.2 The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa outlines the kind of local government needed in the country. According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipalities, and notably is in charge of planning for the municipal area. The constitutional mandate gives a clear indication of the intended purposes of municipal integrated development planning:

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

The Constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across the neighbouring communities.

1.3 The White Paper on Local Government

The White Paper on Local Government gives municipalities responsibility to “work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs and improve the quality of their lives”.

1.4 Municipal Systems Act, No 32 of 2000

Section 25 (1) of the Municipal Systems Act stipulates that “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality”. The Act dictates that the plan should: link, integrate and co-ordinate plans and should take into account proposals for the development of the municipality. In addition, the plan should align the resources and capacity of the municipality with the implementation of the plan.

Moreover, the plan must form the policy framework and general basis on which annual budgets must be based. Furthermore, the plan should be compatible with national and provincial development planning requirements binding on the municipality in terms of legislation.

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The IDP has a legislative status. Section 35 (1) states that an IDP adopted by the council of a municipality—

- is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law

1.5 Municipal Systems Amendment Act, No 7 of 2011

The Municipal Systems Amendment Act, No 7 of 2011 heralded a new era in the history of local government in South Africa. In principle, it sought to professionalise local governance by ensuring that incumbents holding senior positions

(i) have the appropriate qualifications: and

(ii) there is no conflict of interest between political office and local government administration by barring political officer bearers from holding senior positions in local municipal offices.

Section 56A (1) states that "A municipal manager or manager directly accountable to a municipal manager may not hold political office in a political party, whether in a permanent, temporary or acting capacity." A political office in relation to a political party or structure thereof, is defined as (a) "the position of chairperson, deputy chairperson, secretary, deputy secretary or treasurer of the party nationally or in any province, region or other area in which the party operates; or (b) any position in the party equivalent to a position referred to in paragraph (a), irrespective of the title designated to the position".

Another key amendment relates to the re-hiring of dismissed staff. Section 57 A. (l) states that "Any staff member dismissed for misconduct may only be re-employed in any municipality after the expiry of a prescribed period." The Act is much harsher on employees dismissed for financial misconduct. The Act stipulates that a staff member dismissed for financial misconduct, corruption or fraud, may not be reemployed in any municipality for a period of ten years (Section 57A (3)).

This Amendment Act contains proposals that are guaranteed to have profound impact on the governance of Setsoto municipality. Serious attempts will be made to accommodate these recommendations in the IDP.

1.6 Municipal Finance Management Act, No 56 of 2003

Makes provision for alignment between the IDP and the Municipal Budget. The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and Budget are aligned.

1.7 Policy Context

The Constitution stipulates that all three spheres of governance are autonomous but interdependent. This therefore calls for closer collaboration between all these spheres of governance. Needless to mention, a number of national,

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including international, policies have a particular bearing on the provincial and local spheres of government. A few critical ones are highlighted below.

1.8 National Development Plan

The South African Government, through the Ministry of Planning, has published a *National Development Plan*. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people's capabilities to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes the following strategies to address the above goals:

- Creating jobs and improving livelihoods
- Expanding infrastructure
- Transition to a low-carbon economy
- Transforming urban and rural spaces
- Improving education and training
- Providing quality health care
- Fighting corruption and enhancing accountability
- Transforming society and uniting the nation

At the core of the Plan to eliminate poverty and reduce inequality is the special focus on the promotion of gender equity and addressing the pressing needs of youth. It is prudent for Setsoto municipality to take these issues into account when planning for development for the next five years.

1.9 Medium-Term Strategic Framework

The Medium Term Strategic Framework (MTSF, 2009–2014) is a statement of government intent. It identifies the development challenges facing South Africa and outlines the medium-term strategy for improving living conditions of South Africans. The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments need to develop their five-year strategic plans and budget requirements, taking into account the medium-term imperatives. Municipalities are also expected to adapt their integrated development plans in line with the national medium-term priorities.

The MTSF identifies the following five development objectives:

- ✓ Halve poverty and unemployment by 2014
- ✓ Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
- ✓ Improve the nation's health profile and skills base and ensure universal access to basic services
- ✓ Build a nation free of all forms of racism, sexism, tribalism and xenophobia
- ✓ Improve the safety of citizens by reducing incidents of crime and corruption

1.10 Millennium Development Goals

The Millennium Development Goals (MDG) and targets come from the Millennium Declaration, signed by 189 countries, including 147 Heads of State and Government, in September 2000 and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly). At the Summit in 2000, the international community

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reached consensus on working to achieve eight critical economic and social development priorities by 2015. The eight development priorities were termed the Millennium Development Goals. The eight MDGs are, in their numerical order:

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development

As a member state of the United Nations, South Africa is a signatory to this agreement. Furthermore, South Africa has committed to these eight Millennium Development Goals and embraced them into a national set of ten priorities. Writing in the preamble of the third report on progress towards reaching MDGs by South Africa, President Jacob Zuma stated thus;

“let me emphasise that South Africa is committed to the MDG agenda and the Millennium Declaration of 2000. Our entire development agenda embraces the MDGs.”

The South African government has sought to domesticate the MDGs so that they suit the local situation without compromising the chance of comparability. This has been achieved by developing specific indicators for each goal so that it could be easy to measure progress.

Noteworthy, among all the MDGs, gender equality and empowering women enjoys most support. Gender equality and women’s empowerment are said to be critical to achieving the MDGs especially:

- Goal 1 on poverty reduction and to economic growth,
- Goal 2 on universal primary education,
- Goal 4 on reducing child mortality,
- Goal 5 on improving maternal health; and
- Goal 6 on combating HIV/AIDS, malaria and other diseases.

It has been observed however, that gender equality perspectives are poorly reflected across all the MDGs in their current formulation. In the first place, most have either inadequate or no gender-sensitive targets or indicators, making them difficult to achieve. Second, the targets and their indicators are limited. And lastly, the MDGs appear as stand-alone goals, blurring the multi-sectoral links between all goals, targets and indicators, including the cross-cutting gender link.

So as Setsoto municipality develops her 5-year development blueprint these national and international policy contexts need to be taken into serious consideration – their limitation notwithstanding.

1.11 Government 12 Outcomes

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance. The TWELVE KEY OUTCOMES that have been identified and agreed to by the Cabinet are:

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1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and world
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Of the 12 outcomes above, Outcome 9 is closest to local government. The champion of the goal is the national Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision of a “Responsive, Accountable, Effective and Efficient Local Government System”, seven outputs have been identified:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to Basic Services

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of human settlement outcomes

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single Window of Coordination

1.12 Free State Growth and Development Strategies

The provincial government of Free State has developed and reviewed a seven-year development strategy; The Free State Provincial Growth and Development Strategy (FSPGDS) (2005-2014). The FSPGDS is the fundamental policy framework for the Free State Provincial Government. It is the embodiment of the broad strategic policy goals and objectives of the province in line with national policy objectives.

The Strategy addresses the key and most fundamental issues of development, spanning the social, economic and political environment. It constantly takes into account annual provincial priorities and sets broad targets in terms of provincial economic growth and development, service delivery and public service transformation.

The Strategy has identified four priority areas of intervention by the province, namely;

1. Economic Development and Employment Creation;
2. Social and Human Development;
3. Justice and Crime Prevention;

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4. Efficient Administration and Good Governance

The expressed “overarching goal of the PGDS is to align the provincial policies with the national policies and to guide development in terms of effective and efficient management and governance to achieve growth and development.” Equally, Setsoto municipality should strive hard to align its five-year development plans with those of the provincial government of Free State.

1.13 Revised Thabo Mofutsanyane District IDP Framework

1.14 The Status of Setsoto IDP

The procedure for reviewing IDP is regarded as an event-centred approach and comprises a systematic sequence of planning activities as outlined in the IDP Guide Packs, Revised Framework for Municipalities Outside Metros and Secondary Cities of 2012, and detailed in the approved Review Process Plan 2013/2014. These activities are carefully organized in certain planning events or steps carried out in different phases.

1.15 Approach to IDP

1.15.1 Introduction

In order to ensure the effective and productive formulation and implementation of the IDP review process, the IDP Steering Committee compiled a Review Process Plan 2013/2014 which functions as a business plan and management tool to assist with the day-to-day management of the review process. The Review Process Plan 2013/2014 deals with several aspects aimed at streamlining the IDP review process, as detailed below.

Firstly, the institutional arrangements are outlined which provides a clear understanding of the organizational structure, the different role-players (internal and external), as well as the distribution of their roles and responsibilities. Since the active involvement of the community and stakeholder organizations is a key feature in the IDP, the Review Process Plan 2013/2014 also makes provision for mechanisms and procedures for public participation.

A public participation strategy has been prepared which contains several tools and principles for participation, roles and responsibilities, means of encouraging participation and logistical arrangements. To ensure parallel processes and effective co-ordination between the local municipality and other spheres of government the Review Process Plan 2013/2014 also includes different procedures for alignment.

It makes provision for alignment with the IDP framework of the District Municipality which is a mutually aligned review process highlighting agreement principles, communication mechanisms, joint events and time frames as well as organizational structures and mechanisms for solving disputes.

Finally, the Review Process Plan 2013/2014 provides a detailed action programme with timeframes and cost estimates for implementation of all the planning activities as well as a summary of all external planning requirements to ensure a truly integrated review process.

In terms of Chapter V of the Local Government: Municipal Systems Act, 2000 (No 32 of 2000), local government bodies are required to annually review and implement Integrated Development Plans for their respective areas of jurisdiction. These IDPs are meant to deal with all developmental and planning related issues for a period of five years, and reviewed annually to adapt to the changing environment. This is the second review of the current term of office of the councillors

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1.15.2 Cooperation with other spheres of governance

The law is emphatic on the need for local government to cooperate with other spheres of governance. The Municipal Systems Act states that municipalities must exercise their executive and legislative authority within the constitutional system of co-operative government.

It further places an obligation on provincial and national spheres of government to exercise their executive and legislative authority in a manner that does not compromise or impede a municipality's ability or right to exercise its executive and legislative authority.

For these reasons, the law requires that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government.

As such utmost care has been taken to ensure that this IDP is aligned with national and provincial governments' plans - as well as other neighbouring municipalities' plans. No less than five meetings or workshops were held with various stakeholders from national and provincial sector departments

A series of workshops were held jointly by the Free State Provincial Department of Cooperative Governance and Traditional Affairs that were attended by IDP officials from Setsoto Local Municipality.

In addition, the provincial Department of Cooperative Governance and Traditional Affairs convened a meeting of all provincial departments in the Free State as well all municipalities - local, municipal and metro alike. The purpose of the meeting was to allow provincial departments an opportunity to outline their development projects for better alignment and improved cooperation with municipalities.

Over and above this, the Provincial Department of Cooperative Governance and Traditional Affairs convened a special meeting of all municipalities and provincial departments to conduct an assessment of the alignment of municipal IDPs with provincial department's priorities held from the 22nd to the 25th April 2014. A follow up meeting was also convened to confirm that suggestions from various sector departments had been addressed in the revised IDP.

Strenuous efforts have been made to ensure that these projects have been included or noted in the IDP. Furthermore, key development plans such as the National Development Plan and the Free State Growth and Development Strategy have been reviewed in order to ensure alignment with national and provincial development priorities.

1.15.3 Participation by Political Leadership

The law is clear on the role of political leadership in the plan for the municipal development priorities and the IDP in particular. The political leadership, especially the Mayor is supposed to provide guidance or vision for the Municipality for his Council's term of office. The political leadership in Setsoto has been highly proactive in the development of this IDP.

Immediately after the inauguration of the new Council, the councillors were taken through the process or phases of IDP development. Key issues were identified and "*bracketed*" for confirmation with other key stakeholders - especially members of the community. Thereafter, two meetings with political leaderships were organised in addition to interacting with them at the ward levels as representatives of members of the community.

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1.15.4 Community Participation

The law mandates the council of a municipality to encourage the involvement of the local community and to consult the local community about:

- I. the level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
- II. the available options for service delivery.

The law places special emphasis on gender equity. It instructs municipalities to promote gender equity in the exercise of the municipality's executive and legislative authority.

The law further accords members of the local community the right to:

- (i) contribute to the decision- making processes of the municipality; and
- (ii) submit written or oral recommendations, representations and complaints - to the municipal council or to another political structure or a political office bearer or the administration of the municipality.

Moreover, residents have the right to be informed of decisions of the municipal council affecting their rights, and property.

Setsoto municipality has made every effort to ensure maximum participation by members of the local community in the development of the IDP. In this instance, Ward Based Planning was scheduled to take place at Aldam Game reserve on the week of the 17th to the 21st February 2014 to facilitate the development of the ward plans, due to the insistence of the Democratic Alliance, this activity could not take place as the Democratic Alliance threatened to take the municipality to high court if the municipality carries this activity out.

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1.16 Who are we?

1.16.1 Clocolan/Hlohlolwane

Clocolan, established in 1906, is a small town in the Free State Province of South Africa. The Basotho called the place Hlohlolwane. The whites mispronounced the name and called it Clocolan. The town is located West of Pryn's Berg along the Maloti Route, twenty kilometres for the Caledon Rive and some hundred and sixty six kilometres North-East of Bloemfontein

Laid out on a farm Harold and Rienzi in 1906, it became a municipality on 18 July 1910. The name is a Sesotho name derived from Hlohlolwane, meaning stand up and fight, which refers to altercation between two black tribes many years ago. In approximately 1800, the Bakwena Chief Motebang lived in the Northern part of Clocolan (then Betang) on the farm Nebo, near the Zulu clan, the Baphuthi. Motebang invited Baphuthi after a successful harvest, to help him and his people to corn-stark the baskets.

An argument erupted in the midst of craze, an aged Motebang charged at one of the Baphuthi's, but he tripped over a basket and tumbled to the ground. An all-out ruction broke loose. During the row, a slogan was chanted Hlohla-u-loane or Hlohlolwane, meaning get/stand up and fight or staan op en veg. the township of Hlohlolwane is a logical result of Clocolan's establishment and both towns have experienced growth over ensuring years.

1.16.2 Ficksburg/Meqheleng

Situated at the foot of the 1 750 metre high Imperani Mountain in the Free State Province of South Africa. The town was founded by General Johan Fick in 1867, who won the territory in the Basotho Wars. He laid out many erven and plots that could be bought at a reasonable price. The town was later proclaimed a municipality in 1891. The last governor – General of the Union of South and the first State president of South Africa, Charles Robberts Swart was imprison here by the British in 1941 and realised one day before his scheduled execution.

Some of the notable individuals from Ficksburg are; acclaimed author Marie Warder, Roelf Meyer a politician who schooled and matriculated here, Andries Tatane who was born on 22 February 1978 and died 13 April 2011- a mathematics teacher and a community activist who was brutally murdered on the streets by police officers during a community service delivery protest and rugby player Frank Herne.

Ficksburg, after Bethlehem, found in our sister municipality Dihlabeng, is the Head Office of the municipality and the second busiest and important town in the Eastern Free State. It is an important agricultural area where crops like corn, maize and asparagus are grown. The most important part of the annual crop is the harvesting of the cherries on the numerous farms surrounding the town.

The cherries are harvested from October to December and annually in November the Cherry Jazz and Cherry Festivals are held. The festivals stretch over two weeks, the Jazz the weekend preceding the three days of the cherry festival in the next week and have grown to attract up 100 000 people.

Ficksburg is known as "The Gateway to the Mountain Kingdom of Lesotho" is an enclaved country in the Eastern part of South Africa and boost a large cosmopolitan population. From Ficksburg you can depart to Katse Dam in Lesotho. This dam is important to South Africa, because it annually provides hundreds of millions of litres of water to the industrial and commercial Gauteng Province, and in recent years even to Setsoto Local Municipality due to shortage of water in Clocolan, Marquard and Senekal. The dam is also very popular very scenic area situate 3000 metres high up the Maluti

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Mountains of Lesotho and very popular for boating and fishing and is visited by thousands of tourist who pass through Ficksburg on their way to Lesotho every year.

The area is also known as the asparagus region of South Africa. Hundreds of tons of asparagus are harvested from September to December. Other kinds of fruit like peaches, apricots, and apples are also grown in the region. Livestock is also an important industry in the area; there are numerous dairy farms in the country side.

The town is renowned for the breath-taking sandstone formation of the mountains and many of the older buildings in and around the town were built of sandstone. Interestingly the Union Buildings in Pretoria are built from sandstone quarried in the surrounding area. Gumtree, a small settlement just outside Ficksburg, has the tallest sandstone structure in the world- an old mill which is sadly no longer in use.

1.16.3 Senekal/Matwabeng

It is situated on the N5 on the banks of the Sand River in the Eastern part of the Free State Province in South Africa. Senekal was named after Commandant F P Senekal; it lies West of Winburg and Bethlehem to the East. Its township is known as Matwabeng which is the fastest growing township in the municipality.

The magnificent Dutch Reformed Mother Church rests in the middle of the town and is “protected” by fascinating prehistoric tree trunks, which were discovered in the area. Senekal, with its enviable climate, clean and fresh air, atmospheric scenery and star-studded nights is an agricultural community and is rich in history.

Notable people from Senekal are the first two democratic Mayors Mrs Molete M M and Mr Maduna M, Naka Drotske, a rugby coach at the F S Cheetahs, Dinga Mokebe, an actor and a TV personality known as James Motsamai in Muvhango, Toks van der Linde, WP player and TV personality and Serame Letsoaka, Director of Coaching at SAFA and Assistant Coach at Bafana Bafana.

Place of interest in Senekal includes Arizona game Reserve, Biddulphs Mountain Resort and Willem Pretorius Game Reserve, though in Matjhabeng local Municipality, falls under Setsoto Local Municipality boundaries.

1.16.4 Marquard/Moemaneng

Marquard is 169 kilometres East-North-East of Bloemfonten and 45 kilometres South-West of Senekal. It was established in 1905 on the farm Varschfontein by an influential Dutch Reform Minister J J Marquard, with the help of Christoffel Cornelis Froneman, the commandant of the Orange Free State. It attained the municipal status in the same year.

1.16.5 Location, composition and size

Setsoto is situated in the eastern Free State within the district boundaries of the Thabo Mofutsanyana District Municipality. The local municipality area measures 5 948.35 km² in extent and comprises four urban areas namely Ficksburg/Meqheleng, Senekal/Matwabeng, Marquard/Moemaneng and Clocolan/Hlohlolwane, as well as their surrounding rural areas.

Section A: Executive Summary

Area	No of Erven/Farms		Size (Km ²)	% of Area
	Ward	Number		
Ficksburg Meqheleng Caledon Park	10	1 219	73.18	1.23%
	12	1 487		
	13	2 145		
	14	1 791		
	15	2 554		
	16	2 396		
	17	512		
	18	1 517		
Ficksburg	13 621			
Clocolan Hlohlolwane	8	2 289	21.39	0.36%
	9	1 822		
	11	2 108		
Clocolan	6 219			
Marquard Moemaneng	1	1 781	19.73	0.33%
	2	2 679		
Marquard	4 460			
Senekal Matwabeng	3	1 649	37.07	0.62
	4	1 566		
	5	722		
	6	3 102		
	7	2 348		
Senekal	9 387			
Rural	2 913	5 796.98	97.46	
Total	36 600	5 948.35	100.00	

1.16.7 Level of government

The Setsoto Local Municipality was established in terms of Section 14 of the Local Government: Municipal Structures Act, Act No 117 of 1998) and was published in Provincial Gazette No 184 dated 28 September 2000. The Local Municipality is a category B Municipality with a collective executive system combined with a ward participatory system as contemplated in Section 3(b) of the Determination of Types of Municipality Act, 2000 (Act No 1 of 2000).

1.16.8 Powers and functions

The powers and functions assigned to the new Municipality are stipulated in sections 156 and 229 of the Constitution and Sections 83 and 84 of the Local Government: Municipal Structures Act, 1998, as amended. More specifically, the powers and functions of the Municipality relating to Section 84 of the said Act were promulgated in Provincial Notice No 126 dated 30 June 2005 and are as follows:

- Section 84 (1) (e) Solid waste
- Section 84 (1) (f) Roads
- Section 84 (1) (j) Firefighting services
- Section 84 (1) (l) Cemeteries
- Section 84 (1) (n) relating to any of the above functions

1.16.9 Levels of administration and existing human resources

The administrative structure comprises of 4 administrative units with a Municipal Manager as head of the administration situated in the head centre in Ficksburg. The organizational structure and levels of administration and existing human resources are indicated in the organisational development and transformation plan discussed later in the document.

Section A: Executive Summary

1.16.10 How will our progress be measured?

The implementation of this IDP will be measured by applying the Performance Management Systems Framework of the municipality and the implementation of the approved Service Delivery and Budget Implementation Plan for 2014/2015.

The performance of the Municipal Manager and S56 employees will be measured against the signed performance agreements for the period 01 July 2014 to 30 June 2015. The Audit and Performance Audit Committee will review the performance of the municipality quarterly in accordance with the Municipality Finance Management Act, Municipal Systems Act as well as the Planning and Performance Management Regulations of 2001.

The Municipal Public Accounts Committee will sit immediately after the tabling of the Annual Report 2014/2015 to deliberate on the audit Annual Financial Statement 2014/2015 and the Annual Performance Report 2014/2015 and submit and Oversight Report 2014/2015 to Council for approval during the discussion of the Annual Report 2014/2015.

1.16.11 How was our IDP developed?

The procedure for reviewing IDP is regarded as an event-centred approach and comprises a systematic sequence of planning activities as outlined in the IDP Guide Packs, Revised Framework for Municipalities Outside Metros and Secondary Cities of 2012, and detailed in the approved Review Process Plan 2013/2014. These activities are carefully organized in certain planning events or steps carried out in different phases

1.16.12 The Review Process Plan 2013/2014

In order to ensure the effective and productive formulation and implementation of the IDP review process, the IDP Steering Committee compiled a Review Process Plan 2013/2014 which functions as a business plan and management tool to assist with the day-to-day management of the review process. The Review Process Plan 2013/2014 deals with several aspects aimed at streamlining the IDP review process, as detailed below.

Firstly, the institutional arrangements are outlined which provides a clear understanding of the organizational structure, the different role-players (internal and external), as well as the distribution of their roles and responsibilities. Since the active involvement of the community and stakeholder organizations is a key feature in the IDP, the Review Process Plan also makes provision for mechanisms and procedures for public participation.

A public participation strategy has been prepared which contains several tools and principles for participation, roles and responsibilities, means of encouraging participation and logistical arrangements. To ensure parallel processes and effective co-ordination between the local municipality and other spheres of government the Review Process Plan 2013/2014 also includes different procedures for alignment. It makes provision for alignment with the IDP Framework of the District Municipality which is a mutually aligned review process highlighting agreement principles, communication mechanisms, joint events and time frames as well as organizational structures and mechanisms for solving disputes.

Finally, the Review Process Plan 2013/2014 provides a detailed action programme with timeframes and cost estimates for implementation of all the planning activities as well as a summary of all external planning requirements to ensure a truly integrated review process.

1.16.13 How often is the IDP going to be reviewed?

In terms of Chapter V of the Local Government: Municipal Systems Act, 2000 (No 32 of 2000), local government bodies are required to annually review and implement Integrated Development Plans for their respective areas of jurisdiction. These IDPs are meant to deal with all developmental and planning related issues for a period of five years, and reviewed annually to adapt to the changing environment. This is the second review of the current term of office of the councillors

Section A: Executive Summary

Yearly Schedule

To ensure that our 5-year vision is realised, the municipality continually review and assess its plan on a yearly planning cycle. Throughout the year, each goal is monitored and progress is assessed. The following shows the Strategic and Execution cycle yearly schedule.

Strategic Planning Cycle

Strategic Planning Cycle		
Start Date	End Date	Activity
September 2013	December 2013	IDP Steering Committee assesses the internal and external environment (SWOTs), develops the definition KPAs, and assesses organisational mission and vision
January 2014	February 2014	Municipal Manager releases a draft plan in a letter followed by a workshop to all departments giving them guidelines to start work on their goals aimed at making the Defining Success story a reality in 5 years. Goals must be organised under each KPA. However, no implementation plans for these goals need be written at this time.
		Municipal Manager's Coordinating Task Team develop Specific, Measurable, Attainable, Realistic and Time dependent (SMART) goals
		In a second workshop, these goals are assessed, combined and identified as to which department to lead and which to support. These goals are then assembled into ten (10) to fifteen (complex for the Director. The balance of the goals that were originally developed by the IDP Review Community Representative Forum but not assembled into the Director goals will become internal goals for relevant division. Obviously the latter will be aimed to improve customer focus, processes, people and data as categorised under each KPA
March 2014	April 2014	Management meet with the IDP Steering Committee and get their inputs and or concurrence on our plan, and provides feedback to all
May 2014	May 2014	Strategic Plan is compiled and finalised. New goals within the plan drives the 2014/2015 budget
June 2014	June 2014	Strategic Plan is issued to all with a letter from the Municipal Manager

Strategic Execution and Review Cycle

Strategic execution involves implementing strategies set forth in strategic plan, monitoring progress towards their achievement, and adjusting as necessary. To ensure that our 5-year vision is realised, the municipality is committed to follow through every deliverable listed within each municipal goal with the use of the Service Delivery and Budget

Section A: Executive Summary

Implementation Plan 2014/2015. We anticipate following the following timeline in the execution and review of our strategic goals.

October 2014	October 2014	<p>1st quarter assessment of the 2014/2015 IDP. Divisional Managers will personally report progress to the Director for which she or he is responsible and accountable for delivery.</p> <p>A consolidated departmental progress report will be submitted to the Municipal Manager by the Director.</p>
January 2015	January 2015	<p>2nd quarter assessment of the 2014/2015 IDP. Divisional Managers will personally report progress to the Director for which she or he is responsible and accountable for delivery.</p> <p>A consolidated departmental progress report will be submitted to the Municipal Manager by the Director.</p> <p>Submission of the Mid-year Budget Performance Assessment Report</p> <p>Tabling of the Annual Report 2013/2014 financial year</p>
February 2015	February 2015	Submission and approval of the Adjustments Budget
March 2015	March 2015	<p>Approval of Oversight Report</p> <p>Adoption of the draft IDP 2015/2016</p> <p>Adoption of the draft Budget 2015/2016</p>
April 2013	April 2013	<p>3rd quarter assessment of the 2012/2013 IDP. Divisional Managers will personally report progress to the Director for which she or he is responsible and accountable for delivery. A consolidated departmental progress report will be submitted to the Municipal Manager by the Director</p> <p>Submission of further inputs on the draft IDP 2015/2016 and draft Budget 2015/2016 by communities</p> <p>Provincial Assessment Sessions on the draft IDPs</p>
May 2015	May 2015	Approval of final IDP 2015/2016 and Budget 2015/2016
June 2015	June 2015	<p>Approval of SDBIP 2015/2016</p> <p>Signing of Performance Agreements by section 56 Managers and approval of duty sheets and individual scorecards by all other employees</p>
July 2013	July 2013	<p>4th quarter assessment of the 2012/2013 IDP. Divisional Managers will personally report progress to the Director for which she or he is responsible and accountable for delivery. A consolidated departmental progress report will be submitted to the Municipal Manager by the Director</p>

Section B: Situational Analysis

2. Situational Analysis

Detailed status quo of the analysis of the municipal area, with inputs from the community, organisations, business, non-state actors, state owned enterprises, spatial analysis and SWOT analysis.

The first step in the IDP review process needs to look at the existing situation of the municipality. During the Analysis phase the review process focused only on the relevant aspects of issues influencing the development of the municipality. The purpose of this phase was also then to ensure that decisions on strategies and projects would be based on;

- the qualitative priority needs and challenges on local residents,
- proper quantitative information on all those priority issues,
- clear knowledge of the availability of local resources, and
- a holistic understanding of the dynamics or key issues determining the various development priorities within the municipality.

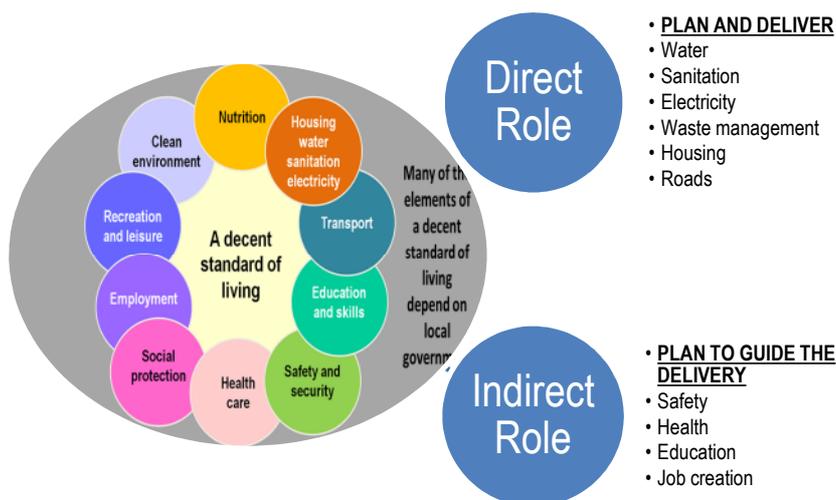
Relevant statistical information gathered during the formulation IDP process was presented to community members during community meetings. This served as basis for discussing the needs and priorities of residents within the various functional areas of the municipality. The findings were then analysed and discussed further during Representative Forum meetings to identify the causes determining each priority issue and to formulate certain development principles against the knowledge of such causes.

The findings were then presented under a number of integrated sectors, which coincide with the various analyses proposed within the IDP guide-packs and include institutional, social, infrastructure, economic, environmental and spatial analyses. Deriving from the current realities and cross-cutting analysis, a list of priority development issues were identified which served as a basis for a more detailed, in-depth analysis.

Finally, the results from the in-depth analysis enabled the representative forum to identify a set of development priorities to be focused on within the next five years. The key issues applicable to each of the development priorities were also taken from the in-depth analysis and form the foundation for the next phase, namely the formulation of the vision and development objectives.

In the current review, no public participation process took place due to the fact that the Democratic Alliance threatened the municipality with court action if this process takes place and desktop analysis on the previous committee engagements were done by the IDP Steering Committee and the Municipal Manager's IDP Coordinating Task team, and the following methodology was used:

Section B: Situational Analysis



2.1 Population profile

The size of the population within the area of Setsoto is estimated at approximately 112 599 people by census 2011, decreasing from 123 194 from the census 2001, as indicated in the table below. The figure is calculated on the basis of census 2011 incorporating annual growth based on the average annual growth rate of the Free State province.

2.1.1 Ficksburg/Meqheleng

Place	Population	Area (Km ²)	Racial Make Up	Numbers	Percentage
Ficksburg	5 400	50.35	Black African	37 372	90.6%
Boitumelo	1 532	0.51	Coloured	784	1.9%
Ha Molo	311	0.13	Indian/Asian	660	1.6%
Itumeleng Zone 3	630	0.11	Whites	2 310	5.6%
Katlehong	3 197	0.71	Other	122	0.3%
Khaphamadi	646	0.2	Total	41 248	100%
Marallaneng	727	0.09	Percentage of Total Population		36.63%
Masaleng	2 184	0.6	Male	20 890	
Meqheleng Zone 1	590	0.9	Female	24 434	
Meqheleng Zone 2	1 633	0.26			
Meqheleng Zone 3	1 210	0.3			
Meqheleng Zone 4	975	0.21			
Meqheleng Zone 5	1 745	0.26			
Meqheleng Zone 6	2 822	0.49			
Meqheleng Zone 7	5 223	0.68			
Meqheleng Zone 8	10 529	1.93			
Vukazenzele	1 894	0.46			
Total	41 248	58.19			

Section B: Situational Analysis

2.1.2 Senekal/Matwabeng

Place	Population	Area (Km ²)	Racial Make Up	Numbers	Percentage
Senekal	3 466	32.88	Black African	23 751	93%
Matwabeng Extension 4	9 883	1.63	Coloured	158	0.6%
Matwabeng Extension 5	2 450	0.87	Indian/Asian	83	0.3%
Matwabeng Extension 6	413	0.1	Whites	1 497	5.9%
Matwabeng SP	992	0.07	Other	54	0.2%
Matwabeng Zone 1	1 254	0.38	Total	25 543	100%
Matwabeng Zone 2	6 037	1.08	Percentage of Total Population		22.68%
Matwabeng Zone 3	1 048	0.08	Male		11 908
Total	25 543	37	Female		13 643

2.1.3 Clocolan/Hlohlolwane

Place	Population	Area (Km ²)	Racial Make Up	Numbers	Percentage
Clocolan	1 349	15.76	Black African	16 839	96.3%
Diamong	934	12	Coloured	61	0.3%
Dipotomaneng	1 616	0.28	Indian/Asian	56	0.3%
Hlohlolwane Extension 6	6 707	1.05	Whites	19	0.1%
Mandela Park	1 650	0.5	Other	627	3%
Matikareng	962	0.19	Total	17 602	100.00
Mokodumela	994	0.16	Percentage of Total Population		15.63%
Ntsharebone	732	0.29	Male		8 049
Sunflower Park	2 024	0.35	Female		9 553
Thethe	634	0.27			
Total	7 602	30.85			

2.1.4 Marquard/Moemaneng

Place	Population	Area (Km ²)	Racial Make Up	Numbers	Percentage
Marquard	1 033	7.3	Black African	14 813	95.3%
Moemaneng Extension 1	940	0.17	Coloured	56	0.7%
Moemaneng Extension 2	1 038	0.22	Indian/Asian	84	0.5%
Moemaneng Extension 3	1 848	0.37	Whites	499	3.2%
Moemaneng Extension 4	2 187	0.35	Other	50	0.3%
Moemaneng Extension 7	1 239	0.11	Total	15 502	100%
Moemaneng Extension 8	838	0.14	Percentage of Total Population		13.76
Moemaneng SP	4 409	0.83	Male		7 254
Motampelong	1 191	0.25	Female		8 248
Riverside	779	0.15			
Total	15 502	9.89			

Deriving from the tables above, it is evident that the percentage from the urban areas of the municipality is 88.70% and that of the rural/farming area is 11.30% which is 99 876 and 12 723 people respectively.

Section B: Situational Analysis

2.2 Priority issues from the community and stakeholders

Following a process of intensive community process and stakeholder workshops through ward based placed meetings held in the previous financial year with representatives from each of the eighteen wards within the local municipality, a whole range of needs, issues and aspirations were identified. These needs were then reprioritised in accordance with the available resource allocation for the 2014/2015 financial year and their relevance to such.

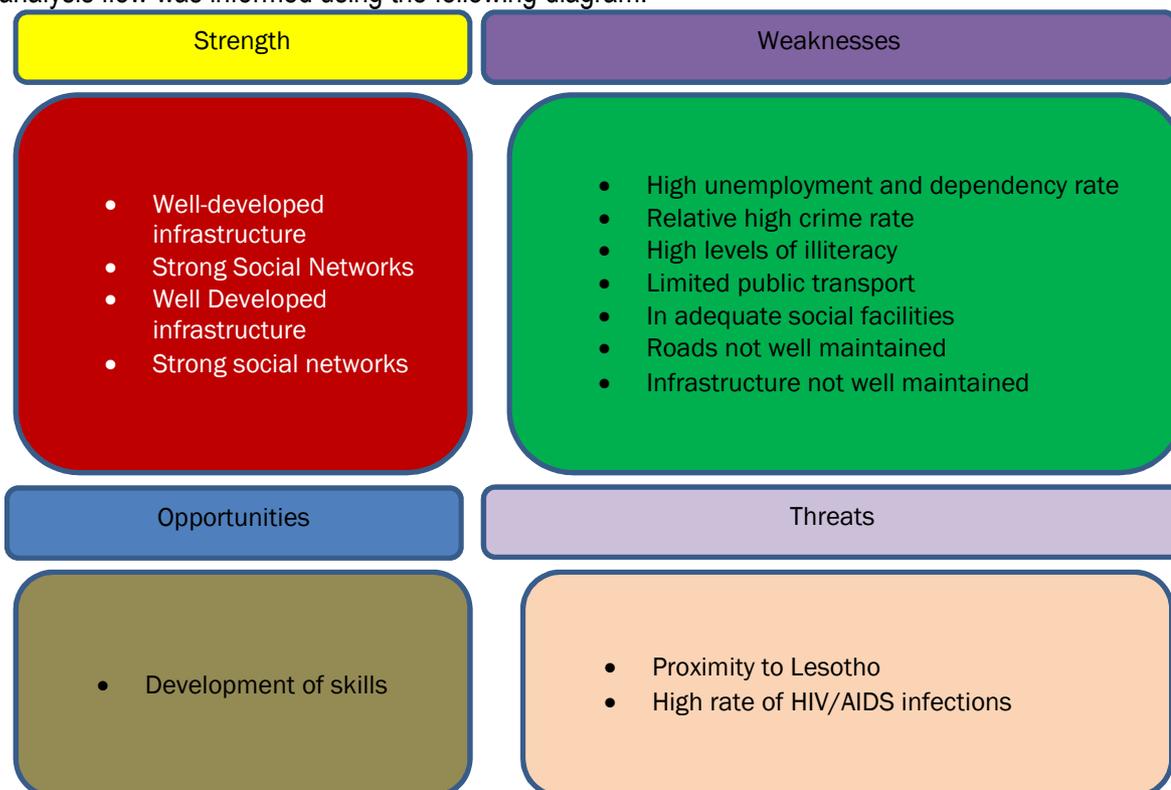
2.3 Priority issues from the municipality

Following a similar process as with the community and stakeholders, councillors, officials and sector departments were requested to identify the priority needs in relation to the operational systems together with the relevance of the needs to their respective functional areas. These reprioritised issues were then discussed at a representative forum workshop held in held first week of April 2014 in order to create a context and common understanding of issues.

2.4 Combined priority issues and scoring

Subsequent to analysing the different prioritised needs and issues discussed and agreed upon, all the different issues were combined under key performance areas after which the community representative forum had an opportunity to add to the list. Using the Venn diagram, representatives were then asked to score the different issues according to the level of importance, and the results from the reprioritisation process were used to determine specific focus areas for in-depth analysis.

The SWOT analysis flow was informed using the following diagram:



Section B: Situational Analysis

2.5 Social Analysis

The outputs of the IDP review process are aimed at improving the lives of local communities and it is important to ensure that the municipality's strategies and projects sufficiently consider the social realities and needs of all residents.

Consideration should specially be given to the disadvantaged and/ or marginalised population groups, as this will guide poverty reduction efforts effectively

During the above-mentioned processes, an overview of social strengths and weaknesses within the municipality was done, as well as the opportunities and threats outside the municipality. This enables the identification of;

- Social
- Environmental
- Legislative
- Political
- Technological
- Economical

needs and constraints that need to be considered and addressed during the process. Based on the analysis done, the following were identified:

2.5.1 Health

The municipality has three hospitals, one in each town except in Marquard, there are thirteen clinics spread all over the four towns of the municipality. The challenges are with the rural/farming areas that are in need of mobile facilities, as most of these people travel more than five kilometres to reach a clinic.

Poor conditions of roads also contribute to these situations as some of the areas are inaccessible. The shortage of staff at the clinics also plays a role in our incapacity to provide sustainable health services to our communities. Doctors are also not available full time at the clinics as they only visit on certain days.

Most of the people infected with HIV/AIDS put a strain on the health system within our municipal area, and our locality with Lesotho also aggravates the situation as more Lesotho citizens uses facilities that are in our area for their health. There are only two ARV Assessment and Treatment sites in the municipality, the one is situated in Marquard and the other in Ficksburg.

In addition to the quantitative standards, other demand drives, which have impact on the provision of clinics, include the Department of Health's regulations, the medical expenditure of households and existing clinics in the area. The facility at the rural service centre should be a Primary Health Care Centre; a mobile clinic could be operated from here to the outlying areas.

Emergency Medical Services is under the control of the Free State Provincial Government Department of Health, this services is under capacitated in terms of human resources and equipment. Below tables gives an overview of the current situation with regard the service facilities.

Area	Hospital	Clinic	Mobile Clinic	Community Care Centre
Ficksburg	1	2	2	2
Caledon Park	0	0	0	0
Megheleng	0	3	0	0
Senekal	1	3	2	0

Section B: Situational Analysis

Matwabeng	0	2	0	0
Clocolan	1	1	1	0
Hlohlokwane	0	1	0	0
Marquard	0	0	0	1
Moemaneng	0	3	0	0
Rural/Farming Area	0	0	5	0
Total	3	15	10	3

2.5.2 Social Security

There are a number of Non-governmental Organisations and Community Based Organisations providing welfare services in the municipal area. These organisations are strengthened by sector departments, particularly Department of Social Development, either financially or with complementary programmes.

Old Age homes are located in Clocolan, Senekal and Ficksburg, whilst Marquard is having a Community Care Centre. Provision of higher order social services within rural/farming areas does not exist. These residents must more often be satisfied with mobile social services, lower educational facilities, informal recreational facilities and unstructured cemetery sites.

Pension payments points are provided by banks, post offices, some retail shops during working hours. The municipality provides community halls in different towns for the normal visitation time of the Department of Social Development staff to beneficiaries and in Ficksburg this sector is having an office in the police building in Fontein Street.

A variety of pension funds and other associated welfare grants exists, though different funds has different payment dates, congestion is still prevalent in the beginning of the month at these pay points and the security issue needs to be addressed.

2.5.3 Education

A number of schools in the rural/farming areas have closed down during the past few years, and the implication of this is that there has been a migration of school children to urban schools, particularly the secondary level children. Lack of school transport and sometimes forced child labour forces children to leave school at an early age. This statement correlates with the level of education in rural/farming areas.

Area	Pre-primary	Primary	Secondary	Tertiary	Special
Ficksburg	3	2	3	0	1
Caledon Park	2	1	0	0	0
Meqheleng	15	5	3	0	0
Senekal	2	2	1	0	0
Matwabeng	5	5	4	0	0
Clocolan	2	1	1	0	0
Hlohlokwane	7	2	1	0	0
Marquard	1	2	1	0	0
Moemaneng	1	2	1	0	0
Rural	0	147	3	0	0
Total	38	169	18	0	1

Community members have been having some discussion with relevant authorities to establish a Further Education and Training facility in Ficksburg at an old sandstone building at the corner of Lang and McCabe Street. This building used to

Section B: Situational Analysis

be the Ficksburg High School and Boitumelo Secondary buildings, and are presently empty and being utilised by the individuals from the Cherry Festival and Cherry Jazz Festival Committees. The buildings belong to the Department of Public Works.

Below is a picture of educational levels within the municipality.

Level	Number
Pre-school	505
Grade R-Grade 12	31 390
Special school	100
Further Education and Training	350
Other colleges	179
Universities and other Higher Educational Institutions	720
Adult Basic Education and Training	674
Kha Ri Gude	114
Home Based Schooling	78
Unspecified	0
Not Applicable	78 489
Total	112 599

2.5.4 Public Safety and Security

There are four police stations, one in each town, 1 mobile police station, two border post station, one in Ficksburg/Maputsoe Bridge and one in Clocolan/Peka Bridge and one Cluster Command Centre in Ficksburg servicing the whole municipal area. There are no satellite office in the former townships and the rural/farming areas within the municipal area.

Given the vast nature of the vast and extensive nature of the rural/farming area, which is in extent of 5 796.98 km² of the 5 948.35 km² allocated to the municipality, satellite offices need to be established to enhance;

- Police visibility within the areas
- Turnaround time to reach crime scenes
- Availability of police to attend minor cases

Security is very tight in all towns because of the proximity of the municipality to the international border and it being in the centre of the Free State and South Africa. The municipality is having the Clocolan/Peka Bridge, the Ficksburg/Maputsoe, which is the second busiest port of entry after OR Tambo International Airport and gateway to Katse Dam, as well as the N5 in Senekal which is at the heart of the Free State, everybody, every vehicle passes through this area on their way to either, Cape Town, Durban and/or Lesotho.

The following structures assist the police and the army to deal with crimes along the borderlines:

- Cross Border Committee
- District Liaison Committee

Below is the spread of police stations in the area:

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Area	Police Station	Border Post Station	Cluster Command Centre	Mobile Police
Clocolan	1	1	0	0
Hlohlolwane	0	0	0	0
Ficksburg	1	1	1	0
Caledon Park	0	0	0	0
Meqheleng	0	0	0	0
Senekal	1	0	0	1
Matwabeng	0	0	0	0
Marquard	1	0	0	0
Moemaneng	0	0	0	0
Total	4	2	1	1

2.5.5 Public Open Space System

All formalised recreational facilities are owned by private companies within the municipality. Those belonging to the municipality are not formalised and are in a very bad situation. Existing recreational facilities are in a dilapidated state and are not being maintained by the municipality.

2.5.5.1 Ficksburg/Meqheleng

Private	Municipality
18 hole golf course	Hennie De Wet Stadium (Rugby, Cricket, Tennis Courts, Hockey and Swimming Pool)
Bowling Course	Manie Fourie Stadium
Meulspruit Dam	Caravan Park
	Meqheleng Holiday Resort
	Parks
	Meqheleng Sport Stadium-under construction

The holiday resort was built many years ago and is been vandalised.

2.5.5.2 Clocolan/Hlohlolwane

Private	Municipality
Golf Course	Caravan Park
	Sport Stadium
	Parks

2.5.5.3 Marquard/Moemaneng

Private	Municipality
	Show Grounds
	Stadium
	Parks
	Swimming Pool
	Tennis Courts
	Squash Courts
	9 hole Golf Course

Section B: Situational Analysis

2.5.5.4 Senekal/Matwabeng

Private	Municipality
Stadium	Caravan Park
Golf Course	Squash
Matwabeng Boere Park	Bowling
	Tennis

Planned sites for recreational and sport are found in all areas within the urban centres of the municipality. The trend is that the facilities in the former town areas are better developed although not adequately maintained and the facilities in the former township areas poorly developed or not developed at all.

2.6 Economic Profile

Gross geographic Product Sector	Contribution per Sector
Agriculture	179 082
Mining	111
Manufacturing	44 450
Electricity/Water	7 929
Construction	2 769
Trade	117 394
Transport	22 848
Finance	118 939
Community	6 574
General Government	98 870
Other Producers	15 276
Total	614 242

2.6.1 Number of persons and sectors employed:

Sector	Persons Employed
The formal sector	14 435
Informal sector	2 885
Private Household	3 997
Do not know	603
Not applicable	90 679
Total	112 599

2.6.2 Employment levels:

Status of Employment	Number of Persons Employed	Percentage	Employable Population
Employed	21 493	31% of the employable population	69 889
Unemployed	11 918	17% of the employable population	69 889
Discouraged	5 367	8% of the employable population	69 889
Not Economically active	31 111	44% of the employable population	69 889
Not Applicable	42 710	38% of the total population	112 599
Total	112 599	62% employable population	69 889

Section B: Situational Analysis

2.7 Sport

The following sporting codes are active within the municipal area and they need to be encouraged so as to have a health citizenry.

2.8 Boxing

This sport is very popular in Ficksburg and has produced a South African Champion in January 2014, although the town is having only one boxing club and about ten professional boxers as well as numerous amateur boxers. However lack of sponsorship and development is diminishing interest in this code.

2.9 Tennis

This sport used to be practiced by young and old within the entire municipal area and has died due to lack of facilities and development. In the former towns the existing facilities are not maintained well enough to encourage participation in this sport and these facilities need to be revived and new ones developed.

2.10 Soccer

Undisputed the most loved game in the municipal area, the District, the Province and the whole of South Africa. There must be a vision to have a least one or two teams from this area representing the municipality in the Mvela and ABC Motsepe League in the next three years. This will have to be done by introducing the Setsoto Soccer League within the next twelve months. Relevant stakeholders shall have to be involved in the meantime to look at the realisation of this programme.

2.11 Other Sporting Codes

All other sporting codes also need to be accommodated in the planning cycle of the municipality so that we have an Integrated Sporting Programme for the municipality that encompasses everyone and every corner of the municipal boundary.

2.12 Arts and Culture

There is no doubt that talent is in abundance within our municipality, but we have been unable to unearth and take it to greater heights, this in turn has affected our municipality negatively within the tourism industry. The following is with mentioning regarding the above:

- The Heritage Day every September 24th
- The Cherry Jazz Festival in Ficksburg
- The Main Cherry Festival in Ficksburg

2.13 Spatial Analysis

The main roads passing through the municipality and carrying the highest volumes of traffic through the municipality are:

- N5 through Senekal
- R26 past Clocolan and through Ficksburg
- R707 past Marquard joining N5
- R70 between N5 and R26

Section B: Situational Analysis

The N5 have recently been upgraded, all the other roads needs urgent upgrading and routine maintenance. The R26 links the municipality with Gauteng, Kwazulu-Natal, Eastern Cape and Lesotho. The R707 intersect with R26 at Clocolan and N5 at the intersection between Senekal and Winburg.

Ficksburg is having two access points into the R26 and Moemaneng has one two access road into the Winburg-Clocolan and Senekal-Marquard respectively. N5 travels through Senekal. Most of the roads in all the towns are gravel roads with a few being tarred and paved.

2.13.1 Roads of National Importance

- N5
- R26 if N8 can be extended beyond Ladybrand-Maseru intersection to Bethlehem.

2.13.2 Road of Provincial Importance

- R708 between Clocolan, Marquard and Winburg
- R707 between Senekal and Marquard
- R26 between Ladybrand, Clocolan, Ficksburg, Fouriesburg and Bethlehem
- R70 between Ficksburg, Rosendal and Senekal

2.13.3 Roads needing upgrade

- Portion of S7 from Clocolan linking with S9
- S366 between Clocolan and Peka Bridge Border Post
- Completion of S67 between Senekal and Ficksburg

2.14 Rail

All four towns in the municipality are linked with a railway passing through the Free State. The secondary railway line between Bloemfontein and Durban passes to the west of Ficksburg. The Ficksburg station is situated North-West of the Central Business District and road linkage between the towns and the railway station is excellent.

The railway line between the Ficksburg and Fouriesburg is developed privately for commercial farming and leisure purposes (Sandstone Estates). The existing railway lines serve Marquard and greater emphasis should be placed on its potential to stimulate growth in this area. There are two railway lines that pass through Senekal, one railway links the industrial area in Senekal and Marquard.

2.15 Air

The Maluti airport is situated approximately five kilometres from Ficksburg n the R26 to Fouriesburg. The airport has a one fourth of a kilometre runway and air traffic ranges between twenty-five to eighty flights monthly. This is the airstrip the former President of South Africa, Honourable Dr Nelson Mandela used en route to Lesotho in 1997.

The landing strip in Senekal is being maintained whilst in Marquard has deteriorated to such an extent that it is not used anymore. There need for such a facility is also limited. A privately owned airport is available at Sparta in Marquard.

2.16 Land Uses and Settlement Patterns

Only the main land uses will be discussed. More focus will be given to additional land uses and patterns in the Spatial Development Framework, contained in this document as Annexure F

Section B: Situational Analysis

Town	Number
Ficksburg/Meqheleng/Caledon Park	13 621
Senekal/Matwabeng	9 387
Marquard/Moemaneng	4 460
Clocolan/Hlohlolwane	6 219
Total	33 687

Types of Dwellings	Number
House or brick/concrete block-structure on a single stand	22 643
Traditional dwelling/hut/structure made of traditional material	911
Flat or apartment in a block of flats	434
Cluster house in complex	65
Townhouse (semi-detached house in a complex)	101
Semi-detached house	41
House/room/flat in backyard	323
Informal dwelling (shack in backyard)	2 473
Informal dwelling (shack not in backyard; e.g. in an informal/squatter settlement or on a farm	6 481
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	39
Caravan/tent	10
Other	166
Total	33 687

The housing backlog in terms of the above figures is 9 5993 which need to be addressed in the next two years.

2.16.1 Household Head by Gender

Gender	Number
Male	18 056
Female	15 632
Total	33 687

2.16.2 Household by Tenure

Type	Number
Rented	6 210
Owned but not yet paid off	2 917
Occupied rent free	6 035
Owned and fully paid off	17 959
Other	566
Total	33 687

Section B: Situational Analysis

2.16 Energy

2.16.1 For lighting and cooking

Type	Number
Electricity	29 850
Gas	29
Paraffin	374
Candles (not a valid option)	3 292
Solar	67
None	174
Total	33 687

The electricity provision backlog is currently at 3 936 household which should be included in the SDBIP for addressing in the next two financial years.

2.17 Sanitation

Type	Number
Flush toilet connected to sewerage system	19 076
Flush toilet with septic tank	1 482
Chemical toilet	185
Pit toilet with ventilation	1 562
Pit toilet without ventilation	1 792
Bucket toilet	7 841
None	1 377
Other	373
Total	33 687

Total bucket backlog as per the above figures is 14 612 if all toilets are connected to the sewerage system.

2.18 Refuse Removal

Type	Number
Removed by local municipality/private company once a week	18 534
Removed by local municipality/private company less often	841
Communal refuse dump	808
Own refuse dump	10 961
No rubbish disposal	2 323
Other	220
Total	33 687

The following number of households received this service less often than the required standard: 15 153. This situation needs to be addressed in line with the Fleet Acquisition Plan of the municipality.

Section B: Situational Analysis

2.19 Water

Type	Number
Water connected to a household	29 567
Borehole	2 502
Spring	143
Rain Water Tank	105
Dam/Pool/Stagnant water	153
River/Stream	48
Water Vendor	288
Water Tanker	608
Other	273
Total	33 687

The total of 4 120 households are still not connected and this need to be included in the SDBIP of the Engineering Department for the 2014/2015 and beyond.

2.20 Business

2.10.1 Ficksburg

The area provides the following land uses for business within the Central Business District:

- Retail and wholesale
- Professional Services
- Financial Services
- Accommodations
- Entertainment
- Administration
- Informal Trade

A secondary business node can be found at the Border Post. Businesses found at this place include petrol stations, liquor stores, light industries, taxi rank, butcheries and wholesale stores.

2.20.2 Clocolan

Opposed to the original planning, the Central Business District of the town is now within the walking distance of for the community in the township. Businesses in Hlohlowane are mostly informal. Future business development must focus in a more central location to Hlohlowane and Clocolan, so that communities can access these facilities easily. Land is available for this purpose and the necessary planning and rezoning should be done to accommodate this initiative.

2.20.3 Marquard

Marquard has a well-defined Central Business District along the major access streets serving Marquard and Moemaneng, but there is no formal Central Business District planned for Moemaneng. There are one hundred and three business sites in Marquard and thirty-eight in Moemaneng.

Section B: Situational Analysis

Moemaneng is serviced by the businesses that have developed along the major collector streets. The truck stop on the Winburg-Marquard-Clocolan road has a major potential for business agglomeration for the future and the access street linking Marquard and Moemaneng has opportunities for business development.

2.20.4 Senekal

The Central Business District of the town can be broadly defined between Hoog-Water, Kort and Van der Walt Streets. The business component of Matwabeng is poorly developed and consists of local order businesses (corner shops) that are attributed throughout the residential areas.

2.21 Industries

2.21.1 Ficksburg

The industrial area is situated adjacent to and north east of the Central Business District. It is clear that Ficksburg railway station and railway sidings formed the backbone of the industrial area. Prominent land uses within the industrial area include grain silos, food processing plants, a clothing factory, wholesale, panel beaters and abattoir. A secondary light industrial area is situated at Van Soelen Street/Terror Lekota Drive intersection at the entrance to Meqheleng. Some industries also take place in the Central Business District.

2.21.2 Clocolan

Only one industrial area exists in Clocolan, it is situated on the eastern side of the town, its location was determined to a large extent by the railway line, which can still be a large benefit to this area. Only a small percentage of these sites are occupied. No future spatial impact is predicted and the area is very accessible with vehicles and rail but a bit far from Hlohlowane where potential labour is situated.

2.21.3 Marquard

Marquard does not have an industrial area like other towns within the municipality. The area towards the silos and railway has been developed with land uses that can be associated with industrial activities, like and auction kraal and silo. However, small light industries have developed along the major access road to Marquard as part of the business corridor. This trend will continue and should be encouraged, especially along the connector road with Moemaneng. Moemaneng has two light industries that have been developed.

2.21.4 Senekal

The industrial area is located between Senekal and Matwabeng and is quite central towards both areas, and could be extended towards Matwabeng and along Johan Du Plessis Street towards the Senekal-Bethlehem road, although development will be limited due to the restriction of the refuse dumping site.

In Matwabeng a light industrial area could be established between Zone 4 and the proposed provincial road as planned as per the proposal in the 1989 Matwabeng Structure Plan, which also found that planning should be done to create the entities as needed for light industrial purposes.

2.22 Cemeteries

In rural or farming areas, there are no formalised cemeteries and family members are dependent on the approval of the landowner for the burial of their deceased. The burial costs are also very high when the burial is to take place in the cemeteries in the urban areas.

Section B: Situational Analysis

For this reason, the municipality should plan cemeteries that are within close proximity to rural or farming areas and this should be rural service centres. Depending on the proximity of the rural service centres, centralised cemeteries can be developed in order to serve more than one rural or farming area. This possibility need to be investigated.

A new cemetery to the southernmost part of Meqheleng has been developed and is functioning well. There are two cemeteries in Ficksburg of which one is full and the other one has sufficient capacity for approximately three years and it is being utilised by all the people to promote integrated sub-cemeteries.

2.23 Natural Resources

Natural resources in the area are limited to vast sandstone formations that hold significant mining potential and abundant water for the Caledon River and Meulspruit Dam, Laaispruit and Willem Pretorius Dams. The area is relative mountainous especially along the eastern parts closer to Lesotho.

Other natural resources include fertile agricultural land, grass that can be used for thatching, natural herbs and a good climate. There are fossils found in Senekal during the excavation of the solid waste disposal site which needed to the explored further, there is also a diamond mining potential in Marquard.

2.24 Environmentally Sensitive Areas

All natural areas along streams, watercourses, rivers, dams and very scenic mountain areas southern part of the municipality.

2.25 Agriculture

The municipality forms part of the most fertile agricultural areas in the Free State due to the soil quality and wonderful climate. Although all types of different farming activities occur throughout the area, it appears as if livestock farming is more evident in the central and western parts of the municipal area, whilst crop farming is more evident in the northern and eastern parts.

2.26 Tourism Development

The tourism potential of the municipality has yet to be explored to its fullest. Many areas can be identified for this development, currently most focus is on eco-tourism but more tourism corridors can be explored as the industry develops. The municipality forms part of the most picturesque and scenic areas of the Free State, mostly along the southern parts bordering Lesotho.

Due to the fact that the municipality cannot operate in isolation from the neighbouring municipalities and towns, the following primary and secondary tourism corridors are identified:

- Primary Corridor- Clarens, Fouriesburg, Ficksburg, Marquard and Winburg
- Secondary Corridor-Senekal, Marquard, Ficksburg and Rosendal

It is also proposed that each of the respective towns be earmarked as tourism nodes together with other areas of significance.

Section B: Situational Analysis

2.27 Farming

Commonage development needs to be encouraged in all the towns within the municipality and the following areas have identified:

- Ficksburg- West of Meqheleng
- Clocolan-East of the road to Excelsior
- Marquard-around the show grounds and the south-eastern part of the town
- Senekal- non-existence

However, no formal small scale farming development has taken place although some planning has been done for intensive horticulture and dairy. A need for small scale farming opportunities exists within the municipality and opportunities need to be created to assist the community with skills, training and funding.

The farm lands within the municipal area are mainly used for commercial farming practices. Different farming types are found in throughout the area, namely;

- Crop farming; and
- Stock farming

Section C: Development Strategies

3. Strategies

3.1 Long term growth and development goals

The development priorities as identified in the previous section serves as the primary input to the strategies phase that provides general direction in guiding strategy formulation and decision making over a medium term. Prior to proceedings with the ways and means of solving development related problems, it was firstly necessary to establish common ground in respect of the desired future, resulting in a clear and shared vision statement for the municipality over the remaining term of office of current council.

With the shared vision statement firmly in place as a foundation for development, it was possible to proceed with a more detailed step focusing on key issues which are critical factors that have an impact on a specific development issue and also specifies the cause for the current state of the development priorities.

With the stated concerns in mind, the issues were transformed into specific medium term predetermined objectives which are statements of the desired outcomes or benefits to be delivered within the remaining term of office of the current council, aimed at realising the vision.

The next step was to create an understanding of the applicable national and provincial legislative and policy context influencing development and local decision making. Consequently a set of localised strategy guidelines was formulated for addressing issues of common interests in a coordinated manner throughout the entire district, province and country.

The localised strategy guidelines provided the general direction in ensuring that the predetermined objectives could be transformed into a purposeful, action-orientated statement of intent and strategies. These strategies are means of solving the problems by considering available resources, suggesting alternative solutions and choices as well as maximising opportunities.

Two types of strategies are distinguished, namely;

- Financial strategies; and
- Development related strategies

Finally, after reaching consensus on all the predetermined objectives, several intended projects were identified for implementation.

3.2 Municipal Vision

Focusing on the identified needs, development issues, priorities and predetermined objectives that are aligned to the National Development Plan, the common aspirations and local identity of all concerned parties which gives a form of a picture of the “preferred future”, a statement that describes how the future will look like if the municipality achieves its ultimate aims and is reflected in the following shared vision statement that drives us towards a compelling future, preferably 2030, that is to the benefit of all our citizenry within the Setsoto Local Municipality:

“A unified, viable and progressive municipality”

3.3 Municipal Mission Statement

A variety of activities and services to the residents of the municipality on a continuous basis. What is shared amongst us is a strong sense of mission that brings approximately one thousand one hundred and fourteen employees together. A

statement of the overall purpose of the municipality, it describes **what** municipality, for **whom** the municipality do it and the **benefit** they **derive** and is reflected in the following shared mission:

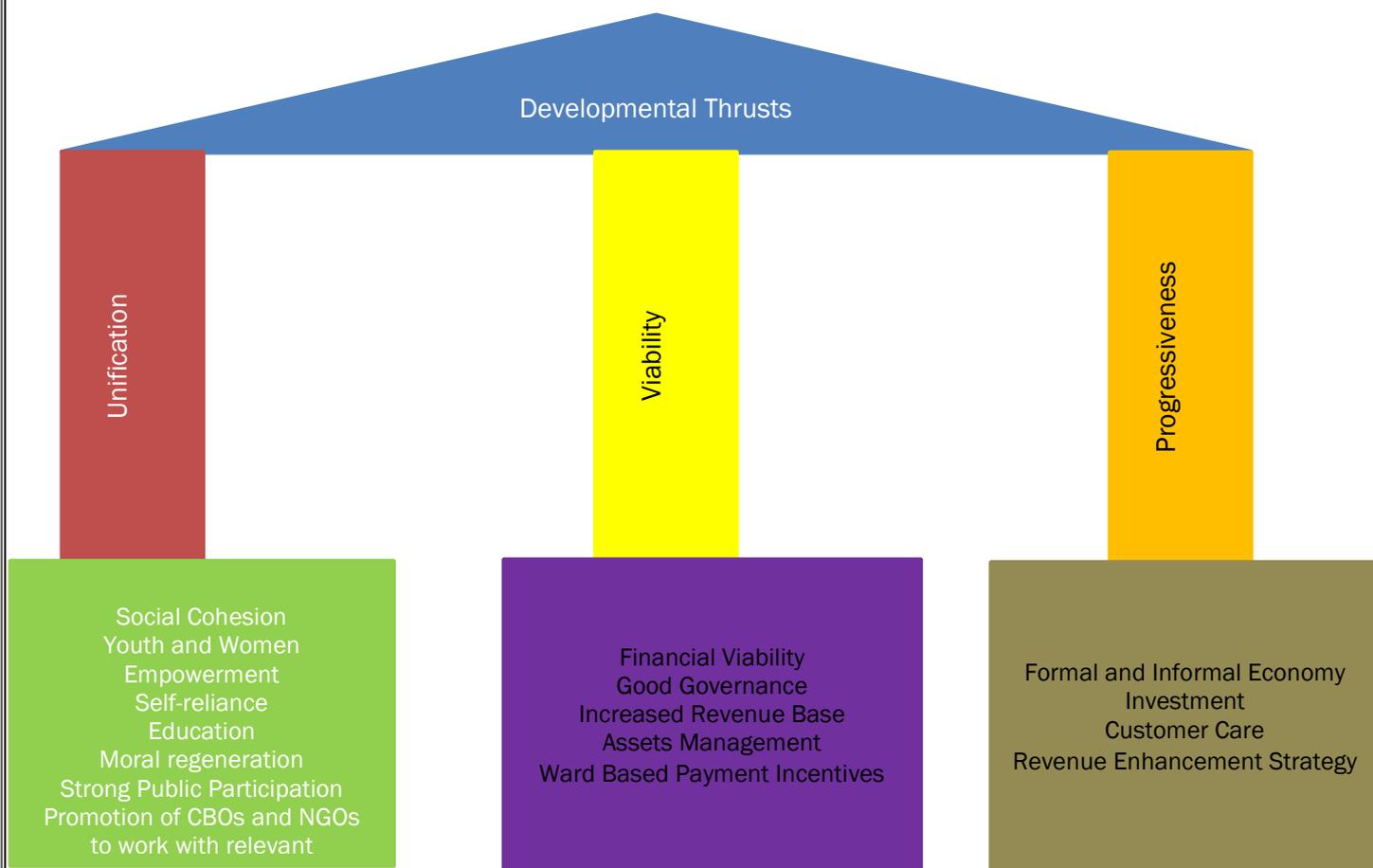
*“to enhance the **quality of life** in Setsoto by **servicing** the needs of all **people** through a responsible, **economic, efficient, sustainable, accountable and developmental system of local government**”*

3.4 Our Motto

For our municipality and our existence, the motto that gives us a sense of identity is:

“Re Sebeletsa Katleho”

We pride ourselves to having top quality and expert professionals who are dedicated to constantly go out of their way to providing outstanding services to our communities. Deriving from the vision statement above, the municipality developed the following strategic thrusts with the accompanying three pillars:



3.4.1 Values We Cherish

In order to walk the talk, we commit ourselves to values that will guide us on how we live our mission. These values are the foundation of our municipality. Every strategic decision and our daily actions must be in total alignment with our guiding values. Our values are:

3.4.2 Trust and Integrity

We adhere to the municipality's values and behave in an honest, ethical, professional and respectful manner, with each other and our customers. Our values guide us in every aspect of the work we do, decision we make and actions we take.

Section C: Development Strategies

3.2.3 Leadership

We strive to be at the forefront in all our operations to set example others will wish to follow. We strongly believe in personal leadership at all levels of the municipality.

3.2.4 Quality

We commit to achieving excellence and the highest quality of work in all our activities.

3.2.5 Teamwork

We promise unity and cooperation amongst staff, other spheres of government as well as our customers and relevant stakeholders, in order to meet the common purpose of achieving the vision, mission, motto and work of the municipality.

3.2.6 Customer Satisfaction

We commit to providing the highest level of customer service in order to exceed our customers' expectations and create positive value chain.

3.2.7 Constant and never-ending Improvements

We remain flexible and responsive to change and commit to constant and never-ending improvements in every aspect of our work.

3.3 Defining Success

In aligning our predetermined objectives, strategies and priorities to those of the National Development Plan, Free State Growth and Development Strategies and the District IDP Framework, and all other relevant plans, we pledge that:

If today was the year 2030, the following paragraph would be the success story that we would like to tell everyone. As a municipality we will focus our collective energy to creating a compelling future that aligns the Integrated Development Plan to the National Development Plan, Free State Growth and Development Strategies, Thabo Mofutsanyana District Municipality and all relevant plans and their associated goals with the following definition of success:

"We pride ourselves on Environmental Leadership. We deliver services for a fair price as indicated by various benchmarks. In our over almost a fifteen years long effort, we have successfully completed a number of environmental friendly projects"

"We are responsibly meeting most of the legal mandate and most requirements of developmental local government, and further striving to comply fully by June 2014, as we achieve clean audit. In our organisation, developing people is an important responsibility. While we are constantly challenged to provide resources for new services, we are blessed with highly resourceful employees who quickly think through creative ways to meet our needs."

"In striving to meet our customers' needs, we have redesigned the organisational structure to be in line with the current trends and legislative requirements. The approved organisational structure focuses on customers and is totally purpose driven, outcome oriented and committed to delivering value to our customers. Team work amongst employees, communication and collaborations between council, management and could not be better."

Section C: Development Strategies

“Being a key point of national interest, security and safety has always been a key focal point in itself. We have safe and secure facilities that protect employees, equipment and infrastructure from potential danger. Municipal council, management and staff are well prepared to respond to emergency, whether natural or man-made.”

“Our financial standing is at its best through fiscally responsible financial planning and operations, and the municipality is buoyed to maintain the highest bond rating.”

“Finally, we stand for municipal leadership in all aspect of our operations. We strive to be full service provider and have considerably increased the number and scope of services to meet the needs of our communities. We have the municipality with leadership at all levels. Managers are essentially one-minute managers-dedicating their efforts to what matters most for the municipality and continually developing and empowering their subordinates.”

“Employees enjoy coming to work and constantly perform above expectations. Our staff is more developed, well rounded and motivated than ever before. Our relationships and partnerships with our stakeholders are at its best. As a direct result of automation and technology, we are now more effective and efficient in what we do-providing sustainable services to the citizenry of Setsoto Local Municipality.”

3.4 Predetermined Objectives and Localised Strategy Guidelines

In preparing for the strategy formulation process, it is important to ensure that the general guidelines related to crosscutting dimensions are adequately considered when designing strategies and projects are planned. To facilitate these requirements, a set of localised strategy guidelines was formulated regarding the following priorities:

- Spatial Development Framework
- Poverty Alleviation
- Gender Equity
- Environmental Sustainability
- Local Economic Development
- Organisational Development and Transformation
- Good Governance and Public Participation
- Financial Viability and Management
- Infrastructure and Service Delivery

In aligning these localised strategy guidelines to the National Development Plan, Free State Growth and Development Strategies, Thabo Mofutsanyana District Municipality’s IDP Framework and Local Government Turnaround Strategy, the following issues were then reprioritised into the following five key performance areas:

1. Infrastructure and Service Delivery
2. Local Economic Development
3. Organisational Development and Transformation
4. Financial Viability and Management
5. Good Governance and Public Participation

The above-mentioned key performance areas were used throughout the process to guide the strategy formulation, project identification and integration to ensure smooth alignment at the end.

Resource Framework and Financial Strategies

Before the formulation of specific development strategies, a SWOT analysis is done on the organisational readiness to embark on such a mission. An investigation is done as to the amount of financial, human, institutional and natural

Section C: Development Strategies

resources which can be made available in implementing activities in order to achieve the predetermined objectives. A Risk Assessment is done on those issues that could hamper the municipality to achieve those predetermined objectives.

Since the implementation of the strategies will put tremendous pressure on the human and financial resources of the municipality, it is important to identify creative and innovative solutions for the coping with the human and financial resources constraints. The following strategies were then developed in order to meet the forthcoming challenges:

- **Organisational Redesign**

The municipality embarked on a process of reviewing the organisational structure so that it can meet the current challenges and adhere to the legislative requirements. After numerous engagements with unions, staff and councillors, council approved a revised structure that will be phased in over a period of three years.

In terms of the approved structure the workforce is to increase from 731 to 1114 after the filling of all positions over a period of three years. In the current and the next financial year only those positions that are critical will be filled, and department are to identify which of these are and submit them to council for ratification on a yearly basis.

- **Five Year Financial Plan**

The Plan sets out the resource framework as well as the financial strategies for the municipality and aims to provide guidelines in the formulation of development related strategies in a realistic way. These strategies relate to increasing revenue, managing assets and improving cost effectiveness of the municipality.

The budget of the municipality in the financial year 2014/2015 totals _____. This amount is funded through six main funding sources and is allocated to the following seen budgetary votes, namely;

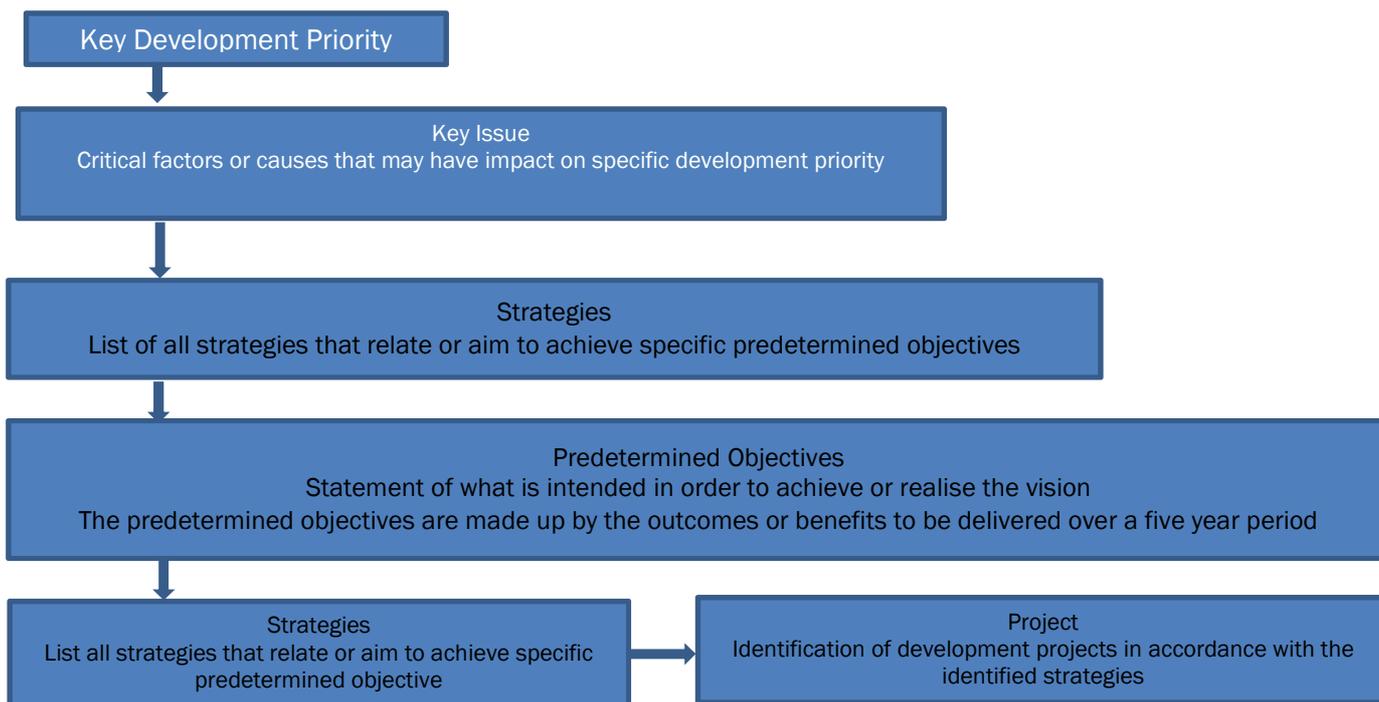
Source	Amount
Property Rates	
Service Charges	
Investment Revenue	
Unconditional Grants	
Conditional Grants	
Own Revenue	
Total	

3.5 Development Strategies and Project Identification

The formulation and development of related strategies and identification of projects in this section of the planning process is also discussed under headings of the development priorities in relation to each predetermine objective. The predetermined objectives linked to this section of the planning process are to create continuity in relation to the strategies and projects. Each predetermined objective is preceded with a set of key issues as identified during the analysis phase.

Section C: Development Strategies

Below is the flow chart of how the development strategy and the localised strategy guidelines were developed.



Deriving from the above diagram, the following issues we identified and compiled.

Outcome 9-Output 2	Municipal Turnaround Strategy	Key Focus Area	Predetermined Objective	Strategy
Improve access to basic services	Access to Water	Water	Ensure that good quality water and affordable infrastructure available and accessible to all communities and continuous maintenance thereof to a high standard	1. Maintain adequate bulk supply of water to meet the needs of all the residents
				2. Ensure that all far workers are provided with basic water within RDP standards
				3. maintain proper maintenance of all water infrastructure and equipment and replacement thereof from time to time
				4. Maintain that all infrastructure development comply with sustainable environmental practices
	Access to Sanitation	Sanitation	To ensure access to an acceptable sanitation system by all households that is affordable and within the minimum standards	5. provide all households with a metered water connection
				6. Gradually replace all conventional water meters with prepaid water meters
				7. Provide all households with acceptable sanitation within the RDP standards
				8. Continuously provide and maintain sewer networks and bucket system in areas where poor sanitation conditions are evident

Section C: Development Strategies

Outcome 9-Output 2	Municipal Turnaround Strategy	Key Focus Area	Predetermined Objective	Strategy
Improve access to basic services	Access to Electricity	Electricity	To ensure that electricity is made available to all residents to improve their lives	9. Provide adequate metered electricity connections to all residents in conjunction with Eskom as well as the installation of proper street lighting for safety and security
				10. Gradually replaces conventional electricity meters with prepaid electricity meters for all households
	Access to municipal roads	Roads and stormwater	To ensure a proper road and street network throughout the entire area to the benefit of the residents	11. Surface all bus and taxi route in all the towns
				12. Gravel and maintain all secondary roads within the municipal area
				13. Install and maintain sufficient stormwater drainage system to prevent deterioration of roads
				14. Make land available and develop accessible public transport facilities
	Access to refuse removal and waste disposal	Waste disposal	To have an efficient waste disposal system, which is safe and effective	15. Provide school children in rural areas with bicycles and facilitate training on road safety
				16. Provide sufficient waste disposal sites will neither negatively affect the environment nor any residential areas
	Access to cemeteries	Cemeteries	To have sufficient land for the burial of the deceased	17. Provide a regular, healthy and effective refuse removal services in all areas
				18. Adequate provision of cemetery development and maintenance thereof
Actions supportive of human settlement	Formalisation of informal settlement	Housing and Land Use	To have adequate serviced land available through which residents can develop quality formal housing and receive security of tenure	18. Investigate and introduce effective waste recycling methods
				19. Make serviced land available for formal housing development projects
				20. Facilitate the process of obtaining sufficient housing subsidies and additional funds for housing construction
				21. Assist relevant government department in providing farmworkers access to permanent and affordable housing with security of tenure
				22. Implement an effective quality control system pertaining to the construction of houses
24. Implement an effective land use system				

Section C: Development Strategies

Outcome 9-Output 2	Municipal Turnaround Strategy	Key Focus Area	Predetermined Objective	Strategy		
Implementation of Community Works Programme	Local Economic Development	Tourism Development	To create sustainable economic growth and alleviate poverty by maximising local agricultural, tourism and industrial opportunities and exploitation of international export markets	25. Compiling and implementing a comprehensive marketing strategy		
				26. Establishment of tourism fora		
				27. Encourage and support the development of cultural tourism		
						28. Mobilising local talented people to become involved in tourism activities and art festivals
						29. Facilitate the establishment of local tourism information centres throughout the area
						30. Ensure a cleaner natural environment through stimulating and conducting of eco-educational programmes to sensitise residents regarding environmental conservation
		Agricultural Development		To have sufficient land available for use by emerging farmers and to ensure self-sustainability of emerging farmers through education and skills training		31. Make municipal land and services available that is affordable to the residents with low tax base to inspire farming activities
						32. Give guidance and skills training to emerging farmers which will lead to job creation
		Local industries and businesses		To ensure that agricultural sector makes a larger contribution to the economy through value adding agri-processing enterprises		33. Conduct proper resource audit and systematic analysis so as to identify key agricultural products that can be processed locally
						34. Encourage the development of agri-processing industries through an incentive policy in respect of land and services
						35. Assist potential entrepreneurs in product development and marketing
		Local Industrial and Businesses		To have a well-balanced and established light industrial and small business sector as a stable contributor towards creating employment opportunities		36. Facilitate the establishment of or re-activation of business fora
37. Make land and services available and assist in the establishment of small business centres						
38. Identify and encourage potential entrepreneurs to become involved in SMME development and other business initiatives within the framework of available resources						
				39. Develop and implement training and mentorship programmes amongst previously disadvantaged people with the assistance of voluntary organisations		

Section C: Development Strategies

Outcome 9-Output 2	Municipal Turnaround Strategy	Key Focus Area	Predetermined Objective	Strategy
			To have an educated and cooperative society who understands and participate in the creation of economic conditions conducive to attracting investors and creating job opportunities	40. Identify available skills within the communities 41. Encourage local spending by residents and prevent the outflow of money to other towns 42. Further develop skills within the communities 43. Encourage households to become self-sustainable 44. Formulate and implement an overall local economic development strategy for the area 45. Support anchor businesses with functional infrastructure and effective municipal administration
Implement a differentiated approach to municipal financing and support	Institutional Development	Personnel Administration	To maintain effective and efficient human resources	46. Promote effective and efficient personnel administration
		Skills Development	Workplace Skills Plan	47. Provide effective training and capacity building to councillors and officials
		Employment Equity	Representative Workforce	48. Ensure equity in employment opportunities for all employees
		Occupational Health and Safety	Health workforce	49. Promote total well-being in the workforce
		Labour Discipline	Code of Collective Agreements	50. Maintain a disciplined workforce through the application of disciplinary procedures
		Administration and Council Support	Effective administration and support services system	51. Provide effective and efficient administration and committee support services system
Improve municipal financial and administrative capabilities	Revenue Enhancement	Rates and Payments of Services	To increase the level of service payment to an acceptable norm within two years	52. Increase collection rate to 85%
				53. Implement Credit Control and Debt Collection Policy to the latter
				54. Implement Indigent Subsidy Policy to the latter
				55. Gradually replace conventional meters for water and electricity with pre-paid meters
				56. Introduce incentive scheme regarding arrear amount on municipal services
				57. Educate and motivate consumers on the importance of accepting responsibility for the payment of services
Deepen democracy through a refined ward committee model	Broader public participation and plans	Communication	To have an adequate communication systems in place	58. Develop Public Participation Strategy
				59. Develop Communication Strategy
				60. Develop Ward Based Plans
				61. Develop Ward Operational Plan
				63. Approve IDP Review Process Plan
	64. Schedule Mayoral Budget Roadshows and Imbizo			
	Fraud and Corruption	Hotline	To develop reporting mechanisms and problem solving	65. Install a hotline number that reports directly to all spheres of government simultaneously

Section D: Projects

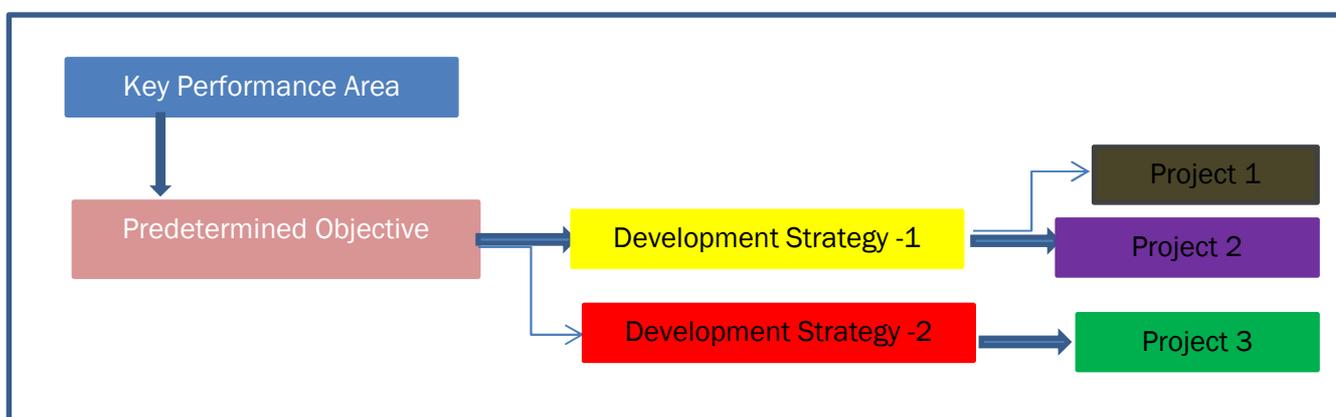
4. Projects

4.1 Project identification, prioritisation and costing

Derived from the identified development strategies and predetermined objectives in the previous section, we formulated sufficiently detailed project proposals in order to ensure an executive direction for the implementation of the projects. This section therefore, focused on the technical and financial decisions and formed the detailed projects designs needed to ensure the link between planning and physical delivery of projects.

4.2 Detailed Project Design

In order to ensure smooth implementation of a project, firstly we need to check that such project complies with the principles, predetermined objectives and strategies set earlier in the review process. To accomplish this, each project is numbered in a unique way so as to indicate which strategies and /or predetermine objectives it aims to achieve. The different projects are therefore listed under the heading of its related development priority and numbered in accordance with predetermined objectives and strategies, as indicated below.



During the project design process, it is important to design each project in accordance with a standard format to ensure uniformity and that everyone understands the output. In order to assist in the further implementation of the projects, a logical framework was created, detailing several targets and activity indicators. Below is the process followed in the identification, prioritisation and reprioritisation of projects.

Project predetermined objective(s)	Describing the expected positive impact of the proposed project and providing focus and orientation of the project
Indicators	Measurement units, which indicates a certain anticipated outcome of the project and useful criterion to measure the progress in the achievement of the predetermined objectives
Output(Project deliverables)	A tool for implementation management and accountability, output relate to the physical and tangible outcome of the project
Target groups	Indicates how much will be delivered within a specific period and to whom
Location	Indication of the physical size and exact location of the proposed project, indicating the priority status of different locations
Activities	Simultaneous and chronological steps to be taken to make sure that output can be achieved
Timeframes	Emphasis is put on the milestones that need to be accomplished by a specific time to implement a project
Cost	Available funding in terms of the approved cash backed budget

Section D: Projects

Project prioritisation	Listing projects in order of importance according to a set criteria
Living quality	Projects impact regarding living standard of communities Determination as to whether the outcomes will address a life threatening situation in terms of basic needs, improve living standards or simply be convenient to the community
Relevance to the core value	Evaluation of projects against a set of core issues or underlying causes
Economic value	Determination of the impact the project will have on the economy to ensure sustainable growth and the improved quality of life
Dependency ration	Criteria used to unlocking a series of other projects when implemented, whilst others will be strongly dependent on the predecessor
Probability of achievement	Subjective evaluation of project against project viability and financial availability

Each project is then designed in accordance with the above criteria, allocated to each Key Performance Area, Project Name, Key Focus Area, Predetermine Objective, Key Performance Indicator, Location, Timeframe, Funding and Responsibility, as depicted in the following pages.

Section D: Projects

KPA	Infrastructure and Service Delivery								
Project Name	Key Focus Area	Predetermined Objective	Key Performance Indicator	Location	Timeframe and Funding Source				Department
					2014/2015	2015/2016	2016/2017	Source	
Upgrading of Oxidation Ponds	Sanitation	To ensure that good quality and affordable infrastructure and services are available and accessible to all residents and maintained on a continuous high level of standard	Number of Oxidation Ponds	Marquard/Moemaneng	12 757 919.78	1 000 000.00		MIG	Engineering
Construction of paved road an stormwater drainage system	Roads and Stormwater	To ensure a proper road and street network throughout the entire municipal area to benefit the residents	3 kilometre of paved road and stormwater drainage	Ficksburg/Meqheleng	3 061 824.10	14 930 466.18		MIG	Engineering
				Senekal/Matwabeng	2 083 436.40	6 227 222.34		MIG	Engineering
Upgrading of Recreational and Sport Facilities	Sport	To ensure that good quality and affordable infrastructure and services are available and accessible to all residents and maintained on a continuous high level of standard	Number of Sport Facilities Upgraded	Ficksburg/Meqheleng	20 710 687.32	3 000 000.00		MIG	Engineering
Development of New Solid Waste Disposal Site	Refuse Removal	To ensure that good quality and affordable infrastructure and services are available and accessible to all residents and maintained on a continuous high level of standard	1 Licensed landfill site	Clocolan/Hlohlolwane	2 656 955.71	9 691 624.23		MG	Engineering
				Marquard/Moemaneng	5 803 845.58	9 757 386.96		MIG	Engineering
				Senekal/Matwabeng	447 204.15			MIG	Engineering
Fencing of all Municipal Properties	Safety and Security		100%	Ficksburg/Meqheleng	1 772 349.25	93 281.54		MIG	
Refurbishment of Waste Water Treatment Works	Sanitation		Number of plants	Clocolan/Hlohlolwane	4 674 000.00			DWA	Engineering

Section D: Projects

KPA	Infrastructure and Service Delivery									
	Project Name	Key Focus Area	Predetermined Objective	Key Performance Indicator	Location	Timeframe and Funding Source			Department	
						2014/2015	2015/2016	2016/2017		Source
	Installation of water and Sewer Networks	Water and Sewer	To ensure access to acceptable sanitation system by each household that is affordable and complies to the minimum standards	1110	Marquard/Moemaneng	29 339 840.00			DoHS	Engineering
Furniture and Equipment	Capacity	Effective administration and support services system	Number of furniture equipment bought	Administration and Support Division	120 000.00	0	0	Own Income	Corporate Services	
				Housing and Council Services	120 000.00	0	0	Own Income		
				Human Resources	1 620 000.00	0	0	Own Income		
				Legal Services	30 000.00	0	0	Own Income		
				Office of the Director Corporate Services	600 000.000	0	0	Own Income		
				Municipal Manager's Office	53 000.00	0	0	Own Income		Office of the Municipal Manager
				IDP/PMS Division	200 000.00	0	0	Own Income		
				Internal Audit Unit	28 000.00	0	0	Own Income		
	Financial Management		New Financial System	Financial Controls	2 100 000.00	0	0	Own Income	Treasury Services	
	Capacity		Number of furniture and equipment purchased	Sport and Recreation		90 000.00	0	0	Own Income	Social Services
						25 000.00	0	0	Own Income	
	Fleet Management		Vehicle and Equipment		150 000.00	0	0	Own Income		
	Safety		Grounds and fencing		340 000.00	0	0	Own Income		
	Capacity		Number of furniture and equipment purchased	Traffic	200 000.00	0	0	Own Income		
				Local Economic development	100 000.00	0	0	Own Income		
Security Services		120 000.00		0	0	Own Income				

Section D: Projects

KPA	Infrastructure and Service Delivery								
Project Name	Key Focus Area	Predetermined Objective	Key Performance Indicator	Location	Timeframe and Funding Source				Department
					2014/2015	2015/2016	2016/2017	Source	
				Office of the Director Social Services	300 000.00	0	0	Own Income	Engineering Services
	Infrastructure		Number of roads	Electricity Roads and Stormwater Division	6 500 000.00	0	0	Own Income	
	Capacity		Number of furniture and equipment purchased	Sewer Division	55 125.00	0	0	Own Income	
	Infrastructure		Upgrade of sewer network		1 525 000.000	0	0	Own Income	
Furniture and Equipment	Capacity	Effective administration and support services system	Number of furniture and equipment purchased	Office of the Mayor	50 000.00	0	0	Own Income	Office of the Municipal Manager
	Safety		Grounds and fencing	Water Services Division	578 812.00	0	0	Own Income	Engineering Services
					23 100.00	0	0	Own Income	
	Capacity		Number of Projects analysed	Project Management Unit	200 000.00	0	0	Own Income	

Section E: Spatial Development Plan

5. Spatial Vision and Application of Principles

The Vision of the municipality is as follows:

“A unified, viable and progressive municipality”,

Given the analysis of the spatial characteristics and the above vision, the following spatial vision can be derived:

“To develop Setsoto into a place of beauty that recognises its setting comprising of historical, cultural and natural scenic assets that continue to give rise to tourism appeal while developing its industries around the diversity of agricultural produce to result in a unified and sustainable municipality”

The implications of the above vision are as follows:

- The tourism opportunities should be protected and enhanced
 - ✓ Eastern Free State mountain scenery
 - ✓ Historic urban settlements with Victorian sandstone architecture
 - ✓ Basotho (Southern Sotho) regional culture spilling over from ‘the mountain kingdom in the sky’
- Agricultural opportunities that should be supported and protected:
 - ✓ Mixed farming, mainly cattle
 - ✓ Some maize and wheat
 - ✓ Cherries around Ficksburg
- Spatial Planning must ensure that the municipality’s resources, mainly arable land, are not unnecessary damaged for their use by another sector, for example, future urban development should not take good agricultural land out of production
- Urban settlement’s should present a high quality image and appearance so that are attractive to visitors and residents alike

5.2 Macro-Conceptual Framework

5.1.1 Natural System Synthesis

The natural system analysis in the Status Quo report, influenced by aspects of the Municipality such as the topography, vegetation and hydrology gave rise to the conclusion that Municipality comprises two broad bio-regions

- To the west the ‘Moetlamogale Uplands’ include two settlements, Senekal and Marquard. The countryside is undulating with mainly stock farming and crops, including pastures.
- To the east, ‘Witteberg mountains’ – hilly mountainous country with dramatic sandstone cliffs and views over the Caledon river and the Maloti mountains in Lesotho.

The land use includes mixed farming with a pattern of pastures and some maize and wheat farming interspersed with patches of Vaal- Vet Sandy Grassland classified as Endangered by SANBI. Cherry farming is famous around Ficksburg and is the basis of the oldest festival in the country. The watershed that drains the rivers either into the Sand River in the northern areas or the Caledon River in the southern areas.

Section E: Spatial Development Plan

Land currently under agricultural cultivation throughout the municipality;

- South facing slopes which are important climate change refuge areas for to mitigate the impact of climate change for both plant and animal life;
- Steep slopes – generally around Ficksburg and in the southern areas of the Municipality;
- Endangered Vegetation mainly Mesic Highveld Grassland that can be termed Critical Biodiversity Areas;
- Rivers, lakes, dams, pans and or vleis.
- The Willem Pretorius Nature Reserve around the Allemanskraal dam.

5.1.2 Socio-Economic and Built Environment Synthesis

- Central Statistical Services figure suggest the population has decreased from 109 000 to 102 000 between 2001 and 2007 and DWAF's figures and the 2011 Census suggest it had increased to 113 000 by 2011. The main reason for this growth is given as due to Ficksburg's proximity to Lesotho.
- Certainly, there are substantial industrial estates across the border in Maputsoe with little other development rather than low density residential. This suggests that a number of service providers and economic linkages to support these factories are across the border in Ficksburg.
- The settlements are Ficksburg, Senekal, Clocolan and Marquard and serve as the population concentration areas of the Municipality.
- There is an adequate distribution of physical health and education facilities in the towns. It appears, from the size of the population that Senekal has more health facilities than what is needed.

The same applies to all the settlements in regard to educational facilities. However, and notwithstanding the above, it appears, given the distance to the health facilities that more facilities are needed at Matwabeng, Hlohlolwane and Meqheleng, primary schools are needed at Matwabeng, Marquard and Meqheleng and secondary schools are needed at Matwabeng, Meqheleng and Hlohlolwane. (It should be noted that the population figures should be confirmed with the most recent census to confirm this requirement.)

- Issues in regard to the above facilities relate more to the quality and nature of services rendered and the far distances some of the members of the community have to walk to get access to these due to the extremely spread out nature of the settlements.
- Alternatively, local transport opportunities for example cycling should be promoted to enable people to travel further, more efficiently and with minimum cost.
- Access to schools in rural areas remains a challenge.
- A major issue is the uneven distribution of individual waste water treatment in the urban settlements with significant portions of Hlohlolwane (Clocolan), Moemaneng (Marquard) and particularly Meqheleng (Ficksburg). This needs to be addressed because the stark differences in access to provision of this service have been one of the contributors to service delivery protests.
- Providing this service in these areas is likely to be a significant financial and engineering challenge and this opportunity should be taken to explore other strategies to service provision. For example, Bill Gates has recently funded a waterless system with similar usage characteristics, see text box.
- Improvement in access to other urban services particularly roads and storm water management, is also required.

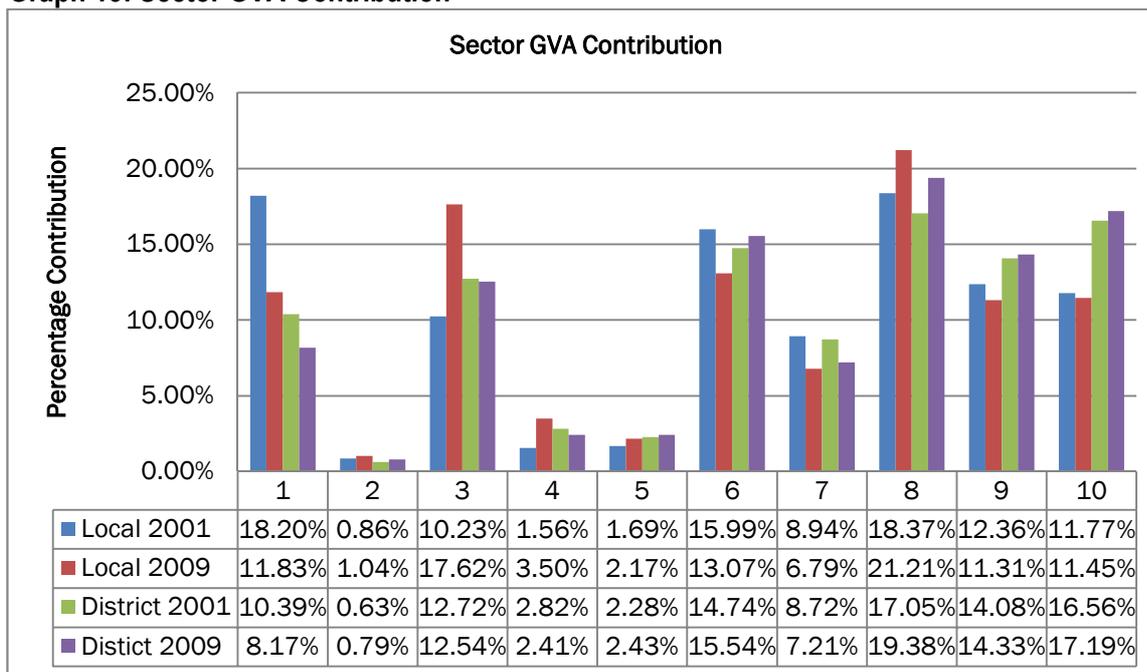
Section E: Spatial Development Plan

- Improvement of skills and training is required in both the agriculture and tourism sectors.

5.2 Sector Gross Value Add Contribution

- Setsoto agricultural GVA contributions appear to be declining while manufacturing and tertiary economic sectors are increasing;
- This suggests that more value add is occurring to agricultural products and that tourism and financial services are on the increase.

Graph 13: Sector GVA Contribution



Source: Adapted from data by Quantec Research

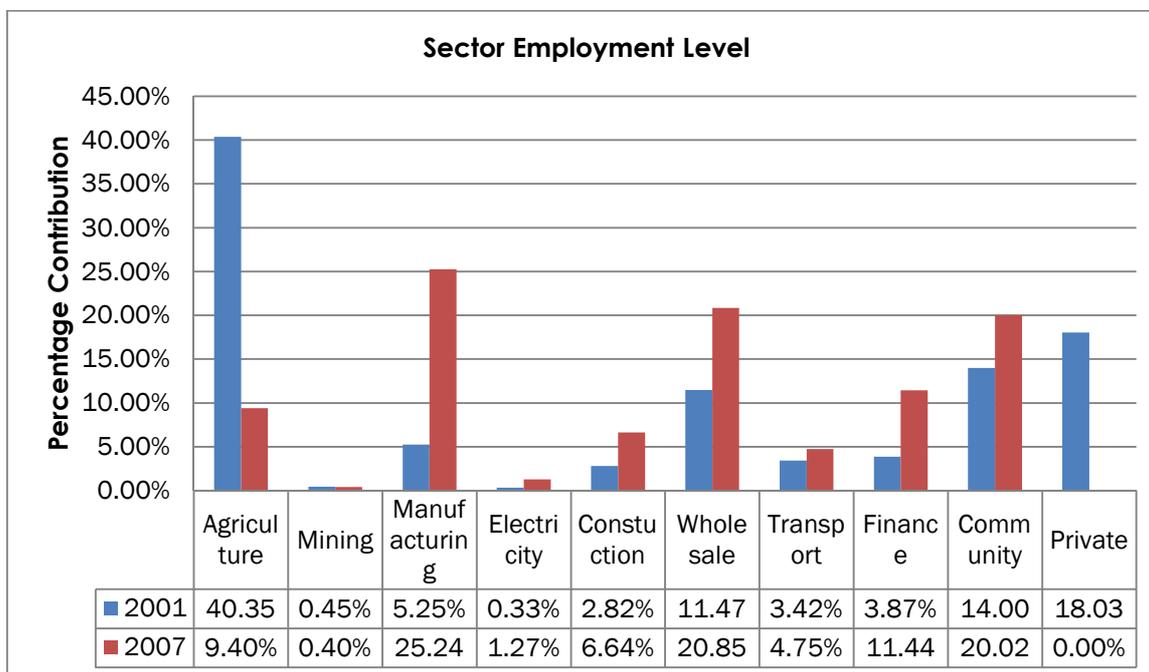
Legend:

- Agriculture, hunting, forestry and fishing
- Mining and Quarrying
- Manufacturing
- Electricity, gas and water supply
- Construction
- Wholesale and retail
- Transport, storage and communication
- Finance, insurance, real estate and business services
- Community, social and personal services
- Government Services

Section E: Spatial Development Plan

5.2.1 Sector Employment Levels

- The increase in employment in the other sectors mirror their growth in GVA;
- The apparent extent of the large drop in agricultural employment requires further investigation



Sector contribution to Employment (MPBS, 2012)

The above shows that the following sectors should be supported as they are important for either their contribution to the economy (GVA) or to creating jobs:

- Finance, Insurance, real estate and business (21,21% of GVA);
- Manufacturing (17,65% of GVA);
- Wholesale and Retail trade (13,07% of GVA); and
- Agriculture, hunting, forestry and fishing (11,83% of GVA)
- Manufacturing (25,2% of the jobs);
- Wholesale and retail (20,85% of the jobs); and
- Community, social and personal services (20,02% of the jobs).

The following sectors, that are showing the best growth, should also be supported:

- Manufacturing and wholesale and retail (from an employment perspective); and
- Manufacturing from a contribution to GVA perspective.

Agriculture, hunting, forestry and fishing reflected a substantial drop in the relative number of jobs it provided between 2001 and 2007, i.e. from 40.35% to 9.40% of all those persons that were employed.

The unemployment rate is 11.10% (MPBS, 2011)

Section E: Spatial Development Plan

5.3 Broad Spatial Concept

The following are the main structuring elements:

- A system of bio-physical corridors and Endangered vegetation in the form of the Mesic Highveld Grassland which highlight strategic elements of the municipality – long term resources that need to be conserved as well as which could contribute to the municipality's economy and employment, especially tourism;
- A major road and transport corridor system that carries the main traffic flows and therefore business opportunities through the municipality. The main route is the N5 National Road that connects Winburg along the northern parts of the Municipality with Senekal. Along the eastern side of the Municipality the R26 performs a similar function and connects Ficksburg with Fouriesburg.
- Ficksburg as one of the main border posts to Lesotho.
- The watershed that drains the rivers either into the Sand River in the northern areas or the Caledon River in the southern areas.

The above three main structuring elements provide a framework in which other important land-uses are located. These land uses and precincts that include:

- The Willem Pretorius Nature Conservation and the Extensive Agriculture that is practiced around it;
- The creation of two distinctive bio-regions, namely 'Moetlamogale Uplands' and the 'Witteberg mountains;'
- The four main settlements, namely Senekal, Ficksburg, Clocolan and Marquard;
- Intensive maize and wheat farming throughout the Municipality; and
- A number of tourist destinations scattered throughout the municipality.

5.4 Municipal Spatial Development Framework

It comprises the following elements:

- Bio-regions;
- Spatial Planning Categories (SPCs);
- Settlements and Rural Service Centres; and,
- Settlement Hierarchy;
- Major Infrastructure Projects;
- Major Tourism Projects;
- Settlement level guidelines.

5.5.1 Bio-regions

The Status Quo report Analysis and Synthesis identified two bio-regions that can be distinguished in terms of the natural environment and economy. The two bio- regions are:

- Moetlagamale Uplands; and
- Witteberg Mountains

A full Spatial Development Framework document is attached to this document as Annexure F

Section E: Spatial Development Plan

		Moetlagamale Uplands	Witteberg Mountains
Altitude (m)		1 200-1 800	1 400-2 000
Population		Senekal	27 000
		Marquard	14 000
		Rural	7 000
Agriculture		<ul style="list-style-type: none"> • Poorer soils for arable agriculture • Senekal is the largest centre for agriculture followed by Marquard • Senekal and Marquard are the main maize producers • Cattle farming on pastures is by predominant product followed by maize • The Sparta feedlot in Marquard slaughters 200 000 head per annum 	<ul style="list-style-type: none"> • Better soils for arable agriculture with some land suitable for forestry on steeper slopes • Cattle farming on pastures is by far the predominant product followed by maize • Irrigation farming occurs along the Caledon river near Ficksburg and Clocolan
GVA Contribution	R 322 million		
Employment	11 500		
Tertiary		Less tourism and more agriculture oriented	Tourism orientated, some border services, agriculture, finance and government
GVA Contribution	1.6 billion		
Renewal energy potential		Solar- high medium	Solar- low
Hydrology		Draining west to the Sand and Allemanskraal dam onto the Orange river	Water shed through centre of bio-region draining east to the Caledon river and west to the sand and Orange rivers
Landscape character		Undulating plains becoming more hilly towards the east as they rise into the Witteberg foothills	Distinctive and characterful Witteberg mountains with profusion of distinctive sandstone cliffs and dramatic valleys opening to the Caledon river and the Maluti Mountains in Lesotho to the East (union buildings stone was quarried here)

Section F: Financial Plan

6. Executive Summary

The application of sound financial management principles for the compilation of the Municipality financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies and the implementation of the newly approved staff structure.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives.
- Tariff and property rate increases should be affordable, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of providing water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- The new Valuation Roll for the term 2014 till 2018 will also come into effect and will have a non-favourable impact on certain categories of users. The impact are limited as far as possible.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

Section F: Financial Plan

6.1 Recommendation

It is recommended that council at its meeting to be held on the 28 March 2014, consider the tabled draft budget 2014/2015 and adopt the draft budget 2014/2015 and approve the following recommendations: The Council of Setsoto Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

6.1.1 The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out as follows:

6.1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out below:

6.1.3 The Council of Setsoto Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:

6.1.3.1 the tariffs for property rates – as set out in 2.6,

6.1.3.2 the tariffs for electricity– as set out in 2.6

6.1.3.3 the tariffs for the supply of water – as set out in 2.6

6.1.3.4 the tariffs for sanitation services – as set out in 2.6

6.1.3.5 the tariffs for solid waste services – as set out in 2.6

6.1.4 The Council of Setsoto Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in paragraph 2.6 respectively.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Section F: Financial Plan

6.1 Summary of Operating Revenue and Expenditure

FS191 Setsoto - Table A1 Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	23,680	28,460	33,195	26,809	36,867	36,997	36,997	39,957	42,554	45,107
Service charges	95,427	84,357	101,539	120,952	120,952	-	-	130,738	139,236	147,590
Investment revenue	2,344	2,365	-	600	1,822	-	-	1,951	2,078	2,203
Transfers recognised - operational	135,824	159,065	-	172,835	173,335	-	-	180,030	171,091	162,818
Other own revenue	86,077	118,529	278,658	50,746	26,822	-	-	40,044	42,647	45,206
Total Revenue (excluding capital transfers and contributions)	343,352	392,775	413,391	371,942	359,798	36,997	36,997	392,720	397,605	402,923
Employee costs	81,791	91,547	120,376	123,170	140,305	-	-	146,796	156,338	165,718
Remuneration of councillors	8,144	8,020	11,082	8,944	9,378	-	-	9,536	10,156	10,765
Depreciation & asset impairment	192,384	192,450	208,622	165,501	49,650	-	-	(0)	(0)	(1)
Finance charges	2,850	1,879	1,265	1,880	980	-	-	997	1,062	1,126
Materials and bulk purchases	42,297	59,547	83,260	54,000	53,671	-	-	58,242	62,028	65,749
Transfers and grants	13,385	7,894	8,133	15,665	15,386	-	-	9,228	9,828	10,417
Other expenditure	103,792	100,617	164,984	124,606	157,082	-	-	149,469	158,185	147,676
Total Expenditure	444,643	461,955	597,722	493,766	426,452	-	-	374,268	397,595	401,451
Surplus/(Deficit)	(101,290)	(69,180)	(184,331)	(121,824)	(66,654)	36,997	36,997	18,452	10	1,473
Transfers recognised - capital	-	-	-	68,887	79,977	-	-	57,739	61,492	65,182
Contributions recognised - capital & contr	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(101,290)	(69,180)	(184,331)	(52,937)	13,323	36,997	36,997	76,191	61,503	66,654
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(101,290)	(69,180)	(184,331)	(52,937)	13,323	36,997	36,997	76,191	61,503	66,654

Section F: Financial Plan

Total operating revenue has grown by **5.6 %** or **R20.7 million** for the 2014/15 financial year when compared to the 2013/14 Budget. For the two outer years, operational revenue will increase by **6.5 %** and **6.0 %** respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at **R374 million** and translates into a budgeted surplus of **R18 million** which exclude depreciation for the year 2014/15 that are mainly attributed to the revaluation of assets. When compared to the 2013/14 Adjustments Budget, operational expenditure has decreased by R2.5 million in the 2014/15 budget. The total surplus will be utilised for capital spending on infrastructure and movable asset acquisition.

6.2 Operating Revenue Framework

For Setsoto Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

Section F: Financial Plan

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

6.3 Summary of Operating Revenue by source

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	23,680	28,460	33,195	26,809	36,867	36,997	36,997	39,957	42,554	45,107
Service charges	95,427	84,357	101,539	120,952	120,952	-	-	130,738	139,236	147,590
Investment revenue	2,344	2,365	-	600	1,822	-	-	1,951	2,078	2,203
Transfers recognised - operational	135,824	159,065	-	172,835	173,335	-	-	180,030	171,091	162,818
Other own revenue	86,077	118,529	278,658	50,746	26,822	-	-	40,044	42,647	45,206
Total Revenue (excluding capital transfers and contributions)	343,352	392,775	413,391	371,942	359,798	36,997	36,997	392,720	397,605	402,923

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise **43 %** of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled **R157.8 million** or **44 %**. A notable trend is the decrease in the total percentage revenue generated from rates and services charges which decreases from **44 %** in 2013/14 to **43 %** in 2014/15. This decline can mainly attributed to the decreased share that the sale of electricity contributes to the total revenue mix, which in turn is due to the percentage increased allowed by NERSA for electricity sales. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Operating grants and transfers totals **R173 million** in the 2013/14 financial year and increases to **R180 million** by 2014/15.

A full Schedule A 2014/2015 is attached to this document as Annexure A

Section G: Organisational Performance Management System

7. Introduction

Performance management is a process which measures the implementation of an organization's strategy. At the local government level, this has become an imperative, with economic development, transformation, governance, financial viability and service delivery being the key performance areas in terms of the Local Government Developmental Agenda. Performance management provides the mechanism to measure whether targets to meet its strategic objectives that are set by municipalities and its employees, are met. National government has also found it necessary to institutionalize and provide legislation on the performance management process for local government.

The Municipal Systems Act (MSA) of 2000 mandates municipalities to establish a performance management system, and the Planning and Performance Management Regulations of 2001 outlines the municipality's performance management system. The Municipal Finance Management Act of 2003 (MFMA) require that the 5-year strategy of a municipality, the Integrated Development Plan (IDP), must be aligned to the municipal budget and must be monitored for the implementation of the IDP against the budget via the annual Service Delivery and Budget Implementation Plan (SDBIP).

The purpose of this document is to review and update the current framework adopted in 2004, with a view to aligning it with current legislative and policy framework. In reviewing the 2004 Policy Framework, efforts have been made to reflect the changes that have occurred in local government through the introduction of the 5 Year Local Government Strategic Agenda and the five Key Performance Areas that now inform the Revised Municipal Scorecard Model.

This document will therefore incorporate recently promulgated legislation and policies, currently and an updated version of the Municipal Scorecard Model and the 5 perspectives, different levels of scorecards and the relationship of these levels, roles and responsibilities of different stakeholders. The revised Policy Framework will also reflect the linkages between the Integrated Development Plan (IDP), the Budget, the Service Delivery and Budget Implementation Plan (SDBIP) and the Performance Management System (PMS) of the municipality. As required by the Municipal Systems Act, 2000 and the Planning and Performance Management Regulations, 2001.

This revised Policy Framework sets out:

- The objectives and benefits of the performance management system;
- The principles that will inform the development and implementation of the system;
- A preferred performance model that describes what areas of performance will be measured by the municipality;
- The process by which the system will be managed;
- The roles and responsibilities of different stakeholders; and
- The process of managing employee performance

7.1 Rationale for Performance Management

7.2 Policy and Legal Framework

Legislative enactments which govern performance management in municipalities are found in the Batho Pele Principles; the White Paper on Local Government; Municipal Systems Act, 2000; Municipal Planning and Performance Management Regulations, 2001; Municipal Finance Management Act 2003; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; the Framework on Managing

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Performance Information and lastly the Directive on Performance Information of the Public Audit Act, 2004 published under Notice 646 of 2007.

Although it is not considered necessary to go into detail in respect of all the legislation it is important to give a brief overview of the most important legislative provisions set out in:

- The Municipal Systems Act No. 32 of 2000
- The Municipal Planning and Performance Management Regulations of 2001
- The Municipal Finance Management Act No. 56 of 2003; and
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006.

Summaries of the provisions relating to organisational performance management are therefore set out hereunder.

A. The Municipal Systems Act , 32 of 2000

Chapter 6 of the Municipal Systems Act (2000) provides briefly that a municipality must

- Develop a performance management system (PMS);
- Promote a performance culture;
- Administer its affairs in an economical, effective, efficient and accountable manner;
- Set Key Performance Indicators (KPI's) as a yardstick for measuring performance;
- Set targets to monitor and review the performance of the municipality based on indicators linked to their IDP;
- Monitor and review performance at least once per year;
- Take steps to improve performance;
- Report on performance to relevant stakeholders;
- Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the Municipal Finance Management Act of 2003;
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the national Minister of Provincial and Local Government;
- Conduct an internal audit of all performance measures on a continuous basis;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and in reviewing municipal performance.

Sections 55 to 58 of the Municipal Systems Act further outline the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.

B. The Municipal Planning and Performance Management Regulations of 2001

In summary the Regulations provide that a municipality's Performance Management System must:

- Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
- Comply with the requirements of the Municipal Systems Act;

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- Relate to the municipality's employee performance management processes and be linked to the municipality's IDP ; and that:
- A municipality must:
 - Set key performance indicators (KPI's) including input, output and outcome indicators in consultation with communities;
 - Annually review its Key Performance Indicators;
 - Set performance targets for each financial year;
 - Measure and report on the nine nationally prescribed KPI's;
 - Report on performance to Council at least twice a year;
 - As part of its internal audit process audit the results of performance measurement;
 - Appoint a performance audit committee; and
 - Provide secretarial support to the said audit committee

C. The Municipal Finance Management Act, 56 of 2003 (MFMA)

The Municipal Finance Management Act also contains various important provisions relating to performance management. In terms of the Act all municipalities must:

- Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators;
- When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget;
- Empower the Mayor or Executive Committee to approve the Service Delivery and Budget Implementation Plan and the Performance Agreements of the Municipal Managers and the Managers directly accountable to the Municipal Manager; and
- Compile an annual report, which must, amongst others things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

7.3 The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006.

This legislation regulates the management of the Section 57 employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development and empowerment measures and performance evaluation processes. These regulations further provide criteria for performance assessment and the 5-point rating upon which performance of an individual need to be scored during the assessment and evaluation.

7.4 Objectives of Performance Management

The objectives of institutionalizing performance management are beyond the legislative compliance requirements. The general objectives of managing performance are to:

- facilitate increased accountability;
- facilitate learning and improvement;
- provide early warning signals; and

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- facilitate decision-making processes
- To serve as a primary mechanism to monitor, review and improve the implementation of the Setsoto municipality's IDP.

7.5 Principles that will Guide the Development and Implementation of the Performance Management System

In developing the system, the municipality will be guided by the following principles:

- A. Both development and implementation of the system must be driven by top management and council;
- B. The system must place the community at the centre of the local government processes;
- C. The system should not be punitive, but be developmental to provide learning and growth opportunities through the coaching and review processes.
- D. The system must be developed and implemented within the available capacity and resources of the municipality;
- E. The system should align to other municipal initiatives, systems and processes; and

The performance management system will be implemented in such a way that it:

- Is developmental and not punitive in nature as employees will be provided with career opportunities and allowed space to be creative and innovative in improving their performance;
- Provides a clear and detailed framework for:
 - Agreement on performance contracts;
 - Clear key performance indicators, targets and standards which are agreed upon;
 - A balance between organizational needs and employee rights;
- Provides clear linkages between performance and recognition and reward;
- Provides a clear guide on dealing with poor or non-performance

A full Organisational Performance Management Systems Framework is attached to this document as Annexure E

7.6 Organisational Structure

7.6.1 Purpose

The purpose of this process is to review the existing organisational structure and align it with the strategic objectives of the Setsoto Local Municipality. It will also be to determine the base for the alignment, revision and or retaining of functions and positions as well as conclusions culminate in proposals for the approval of a new organisational structure which will also addresses the alignment of functions in a systematic manner, to group functions that related into same departments where possible, keeping in mind that all functions and departments are cross-cutting and should therefore complement each other.

7.6.2 Background/Brief Overview

The Setsoto Local Municipality was established in terms of section 12 of the Local Government: Municipal Structures Act, 117 of 1998 as amended. Measuring 5 498 km², it is situated in the Eastern Free State and forms part of the Thabo Mofutsanyana District Municipality. The Setsoto Municipality comprise of four towns i.e. Ficksburg: Head Quarters, Senekal, Marquard and Clocolan.

The Municipality derives its powers from the Constitution of the Republic of South Africa, Act 108 of 1996, sections 156 and 229; and the Local Government: Municipal Structure Act, 117 of 1998 as amended.

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Recent events, which included community unrest, as well as the poor performance by the municipality both on strategic and operational levels, have hindered the municipality's efforts to deliver on both its constitutional and legislative and strategic mandate.

A report arising from section 106 Commission, which was established by the MEC-Cooperative Governance and Traditional Affairs in March 2011, also revealed issues relating to performance and administration which amounts to among others:-

- Poor management and quality control of MIG projects due to a lack of capacity in the PMU unit;
 - Lack of technical capacity to appoint, monitor, assess contractors doing work for the municipality and inability to identify early warning signs and act upon such;
 - Poor Supply Chain Management; which unit was found to be 'totally dysfunctional';
 - Low staff moral due to salary disparities;
 - That a dedicated unit responsible for contract management be established;
 - Disregard by managers and employees of Human resource policies;
 - Lack of knowledge by senior management and staff on waste management, local economic development and technical expertise in water, roads and electricity management.

The Commission in addition recommended that —

- (a) That "the municipality must review and revisit its organizational structure and conduct a skills audit to determine its capacity to execute its mandate." 4.4.1(b);
- (b) Certain officials be "placed" in units where their expertise and previous experience can be optimally utilized".

The Municipal Systems Act, Act 32 of 2000, provides as it relates to the organizational structure of a municipality - Section 66 - for the following:

" 1. A municipal Manager, within a policy frame work determined by the Municipal Council and subject to any applicable legislation, must:

- Approve a staff establishment for the municipality;
- Provide a job description for each post on the staff establishment
- Attach to those post the remuneration and other conditions of service as may be determined in accordance with any applicable legislation and
- Establish a processes and mechanism to regularly evaluate the staff establishment and if necessary review the staff establishment and remuneration and conditions of service

Other reference points for the organogram review process were-

- Local Government: Municipal Planning and Performance Management regulations of 2001
- Municipal Finance Management Act, Act 56 of 2003
- Skills Development Act
- Employment Equity Act.
- Integrated Development Plan of the Setsoto Municipality.
- Organogram framework-DPSA

A full Organisational Structure is attached to this document as Annexure D

Section H: Integration

8. Integration

8.1 Sector Involvement

During this phase of the RIDP, true meaning is given to the process of integrated development planning. With the designed projects for implementation in mind, the integration phase aims to align these different project proposals firstly with specific deliverables from the RIDP and secondly with certain legal requirements. More specifically, the projects have to be aligned with the agreed objectives and strategies to ensure transparency as well as with the available financial and institutional resources to ensure implementation.

Furthermore, the projects also need to be aligned with national and provincial legal requirements to ensure uniformity and compatibility with government strategies and programmes. The National and Provincial Planning and Development Fora played a crucial role in aligning the IDP's and the Provincial and National development plans and strategies. Instead of arriving at a simplified "to do" list for the next five years, the aim is to formulate a set of consolidated and integrated programmes for implementation, specifically focusing on contents, location, timing and responsibilities of key activities. The integration requirements are divided into three broad categories namely:

- Integrated sector programmes;
- Internal planning programmes; and
- External policy guideline requirements

Integrated sector programmes form the basis for preparing budgets and future sectoral business plans. There are currently three sectors that require special sector plans, as indicated below, the outputs of which are not applicable to the Local Municipality at present. From the project planning and design sheets it was possible to compile a list of sector specific projects from the multi-sectoral IDP projects. The sectoral programmes to projects representing both sector components as well as the following department Is within the Municipality:

- a) Department of the Office of the Municipal Manager
- b) Department of Engineering Services
- c) Department of Corporate Services
- d) Department of Treasury Services
- e) Department of Community and Social Security Services
- f) Department of Development and Town Planning Services

It is important to note that these programmes do not only make provision for IDP related projects but also other project costs and activities in order to create a comprehensive picture for budgeting purposes.

8.2 Internal Planning Programmes

In order to set up close links between planning and budgeting as well as between planning and implementation, a number of internal planning programmes are required. These plans, however, do not only serve as a framework for managing finances, but it also sets the groundwork for regular management information in respect of monitoring progress and performance. Finally, it also demonstrates compliance of the IDP with spatial principles and strategies and which serves as a basis for spatial coordination of activities and for land use management decisions.

The status and annexure numbers of the relevant internal planning programmes is indicated in the table below.

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8.2.1 Current status of internal planning programmes

Plans	Current Status	Revision Date
Annexure A- Budget (3 Year Forecast)	Draft Adopted	March2014
Annexure B- 3 year capital Investment Programme	Work in Progress	May 2014
Annexure C-Service Delivery and Budget Implementation Plan	Work in Progress	May 2014
Annexure D- Organisational Structure	Approved	February 2014
Annexure E- Organisational Performance Management System	Review Draft Approved	March 2014
Annexure F- Spatial Development Framework	Approved	May 2014
Annexure G- Disaster Management Plan	Approved	May 2013

8.3 External Policy Guideline Requirements

In order to complete the integration phase of the IDP, it is necessary to check consistency with policy guidelines of certain cross-cutting dimensions. This requires the formulation of several programmes which assess the effect or impact of project proposals in relation to poverty reduction and gender equity, environmental practices, economic development and employment generation as well as the prevention and spreading of HIV / AIDS. The status and annexure numbers of the relevant external policy and guideline programmes is indicated in the table below.

8.3.1 Current status of external policy guideline programmes

External Policy Guideline Requirements	Current Status	Revision Date
Annexure H- IDP Review Process Plan 2012/2013	Approved	August 2013
Annexure I- Poverty Reduction/Gender Equity Programme	Work in Progress	May 2014
Annexure J- Integrated Local Economic Development Strategy	Draft Approved	March 2014
Annexure K- Integrated Environmental Programme	Work in Progress	May 2014
Annexure L- HIV/AIDS Programme	Work in Progress	May 2014
Annexure M- Water Services Development Plan	Work in Progress	May 2014
Annexure N- Workplace Skills Plan	Work in Progress	May 2014
Annexure O- Housing Sector Plan	Draft Approved	March 2014

Section I: Approval

9. Approval

This document contains the final draft Integrated Development Plan 2014/2015 of the Municipality and was formulated over a period of seven months, taking into consideration the views and aspirations of the entire community. The IDP provides the foundation for development for the next financial year and will be reviewed regularly to ensure compliance with changing needs and external requirements.

9.1 Invitation for Comments

In order to ensure transparency of the IDP process everybody is given the chance to raise concerns regarding the contents of the IDP. All national and provincial departments are firstly given a chance to assess the viability and feasibility of project proposals from a technical perspective. More specifically, the spheres of government are responsible for checking the compliance of the IDP in relation to legal and policy requirements, as well as to ensure vertical coordination and sector, this process will be held from 22nd to 25th April 2014.

Since the operational activities of the Local Municipality will have a certain effect and possible impact on surrounding areas, adjacent local and district municipalities are also given the opportunity to raise any concerns in respect of possible contradicting types of development and to ensure the alignment of IDPs.

Finally, all residents and stakeholders are also given the opportunity to comment on the contents of the IDP, should they be directly affected. The draft IDP is going to be advertised in local newspapers on 2 of April 2014 and all concerned parties will be given a period of 21 days after the adoption of the draft IDP 2013/2014 on the 28 of March 2014 until 29 of April 2014 to forward comments to the Municipal Manager.

9.2 Adoption

After all the comments are incorporated in the IDP document, the Council would adopt and approved the document. The approved document will be submitted to the MEC: Corporate Governance and Traditional Affairs, as required by the Municipal Systems Act, 2000 (32 of 2000). The final draft IDP 2014/2015, together with all the appendices, annexures and the Budget 2014/2015 as required by legislation would be approved by Council on the 29 of May 2014.