



**INTEGRATED
DEVELOPMENT
PLAN**
**2022
-25**



**LETSEMENG LOCAL
MUNICIPALITY**

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Acronyms and Abbreviations

COGTA	Department of Corporate Governance and Traditional Affairs
CPI	Consumer price index
CWP	Community Work Programme
DDM	District development model
DoRA	Division of Revenue Act
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EPWP	Extended Public Works Programme
GDS3	Sedibeng Integrated Development Plan & Growth & Development Strategy
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
HR	Human resources
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IUDF	Integrated Urban Development Framework
IWMP	Integrated Waste Management Plan
KFA	Key focus area
KPA	Key performance area
KPI	Key performance indicator
LED	Local Economic Development
LLM	Letsemeng Local Municipality
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
mSCOA	Municipal Standard Chart of Accounts
MSTF	Medium Term Strategic Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDP 2030	National Development Plan
NERSA	National Energy Regulator of South Africa
NKPA	National KPA
SDF	Spatial Development Framework
SMME	Small, medium and micro enterprise
SPLUMA	Spatial Planning and Land Use Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TER	Township Economic Revitalisation

MESSAGE FROM THE MAYOR

It gives me great pleasure to present the Letsemeng Local Municipality's Integrated Development Plan (IDP). I therefore take the responsibility of leading the delivery of basic services and the improvement of our resident's livelihoods, seriously.

During this review, the municipality's IDP process enabled consultation with all 7 wards across Letsemeng with stakeholders, commonage farmers and communities. Through this process, our stakeholders and residents were given the opportunity to reflect on the municipalities performance and effectiveness and encourage extensive participation in planning its strategy, thus we need to find solutions to some of the developmental challenges faced by our municipality.

Letsemeng will strive to apply sound financial discipline and good governance practices in order to provide quality services despite the constraints in resources and budget limitations.

For Letsemeng Local Municipality to succeed, we need to enhance service delivery through innovative technologies, enable a safe, healthy community and environment, promote local economic development and tourism.

Letsemeng Local Municipality will embark on a challenging journey towards excellent local government. The journey consists of five steps, each representing a level of achievement, I believe, however, that we cannot progress to a next more fulfilling level before the needs of the existing level have been met.

The five steps are:

1. Providing excellent, democratic, transparent, and open government with zero tolerance for corruption at any level
2. Getting the basics and provide for the most fundamental needs of our citizens by getting the basic service delivery right
3. Putting heart into our communities to make them vibrant and safe. Provide excellent community facilities efficiently and effectively in order to provide places and services through which citizens can utilise their opportunities.
4. Helping our citizens to be successful by enabling opportunities and driving local economic growth.
5. Creating a better future for all by taking a firmly sustainable approach.

From Letsemeng Local Municipality's side we will commit to:

- A professional service to every town, settlement and to the rural area;
- Create a platform for local economic development that can result in job creation;
- Create opportunities so that ordinary citizens can take responsibility and break free from the cycle of Poverty;
- Good financial planning and control, free of any form of corruption;
- The spending of municipal funds in a responsible and transparent manner; and a productive workforce with a high work ethic and a high standard of customer care.

I would like to take this opportunity to thank all the citizens, all political parties; NGO's; NPOs and stakeholders who participated in the IDP/Budget review process that commenced on the in April in Luckhoff.

I would also like to thank my fellow Councillors, the Acting Municipal Manager, all Directors and all officials the who worked tirelessly in meeting the challenges of compiling this document in-house successfully. I wish to invite all of you – Councillors, officials, citizens, businesses, government and non-government organisations - to become part of this journey. Join hands with us – for together we can **BUILD BETTER COMMUNITIES** for all our people!

I thank you, baie dankie, ke a leboga bagaetsho!

COUNCILLOR MOCWALEDII RBI

MAYOR LETSEMENG LOCAL MUNICIPALITY

MESSAGE FROM MUNICIPAL MANAGER

Local Government is one sphere where the rubber meets the tar and we are at coal-face of service delivery.

Service delivery should be certain, tangible. ACTION IS REAL

It is for this reason that the Honourable Mayor, Councillors and the entire Senior Management have embarked on a gruelling process of embarking on a rigorous Integrated Development Plan (IDP) and Budget Consultation with Communities, starting with NGO, Farmers, Businesses, SMMES and finally with communities in all wards of Letsemeng.

The primary purpose was for the Honourable Mayor and Councillors to solicit inputs, suggestions and valuable ideas that will help navigate the municipality to greater heights. And most importantly to enhance and improve service delivery.

The annual review of the Integrated Development Plan is a legislative requirement in terms of Section 34 of the Municipal Systems Act. It stipulates that a Municipal Council must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements in terms of Section 41, and to the extent that changing circumstances so demand and may amend its Integrated Development Plan in accordance with a prescribed process.

Therefore this emphasises the need to consult communities when such changes emerge. The annual Budget and the IDP are linked to one another as promulgated in the Municipal Finance Management Act in 2003.

Given the precarious financial position of the municipality, greater efforts will be implemented in the new year in pursuance of revenue enhancement measures that would assist in progressively growing the collection rate of the municipality to 75% in the 2024/2025 Financial year.

I, as the Acting Municipal Manager of Letsemeng wish to acknowledge the political stewardship provided by all councillors and the unstinting commitment demonstrated by senior management and all members of staff.

MR BC MOKOMELA

ACTING MUNICIPAL MANAGER

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND , LEGISLATIVE & MANDATE

A municipality is compelled by legislation, the Local Government: Municipal Systems Act (No. 32 of 2000), to prepare an Integrated Development Plan (IDP) after the establishment of a newly elected Council for a five-year electoral term. Letsemeng Local Municipality (LLM) adopted a 5-year IDP in June 2022 that provided detail on how it will manage and administer its affairs to meet the service delivery needs of its communities during the 2022-2027 term. The Act further stipulates that the municipality shall review the IDP on an annual basis as changing circumstances deem necessary. Therefore, this version of the IDP culminates in the 2024/2025 IDP review.

Communities have lost hope in the ability of municipalities to deliver services due to poor governance, corruption and maladministration. The Auditor- General of South Africa highlights these challenges on an annual basis but the situation has deteriorated with some municipalities indebted, unable to render services, owing service providers and unable to pay salaries.

It is within this context and status quo that the 5th Generation IDP should be a beacon of hope to disgruntled and destitute communities. The IDP needs to introduce innovative and creative means and ways to render service delivery while improving the living conditions of these communities.

The programmes and projects introduced should be labour-intensive and create sustainable job opportunities while also intensifying employment efforts of the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP).

The 4th Industrial Revolution presents the opportunity to take advantage of technology to improve service delivery, communication and digitisation of systems and processes. LLM needs to ensure that it creates an environment conducive for business to thrive by reducing red tape and improving the ease of doing business.

To leverage partnership and collaboration, the municipality should build strong stakeholder relationships and interventions to attract new investments and retain existing investments. It is important for the municipality to remain people-centred, ensure continuous communication and further involve communities in decision-making.

Given the challenges above, it is important that the 5th Generation IDP give hope and instil confidence in the communities that municipalities can improve their socioeconomic conditions, grow the economy and create jobs.

1.2 POLITICAL VISION

The political vision is derived from the electoral promises made by the Mayor to the Letsemeng community during elections campaign. They are outlined as follows:

Promise 1: Water, Sanitation, Sewerage and Roads

- Maintain and develop water and sewerage infrastructure and drastically reduce water leaks.
- Rehabilitate water pump stations and waste water equipment and improve reticulation.
- Fix roads, potholes, sewage spillages and broken water pipes
- Ensure all poor households receive the free water allocations they are entitled to

Promise 2: Electricity

- Secure the operational and financial stabilisation of Eskom.
- Ensure safe and reliable electricity supply in this process.
- Ensure all poor households receive the amount of free electricity allocations that they are entitled to.

Promise 3: Land and Housing

- Continue to upgrade informal settlements and counter urban sprawl as it increases the amount of time and cost of travelling.
- Ensure communities are located on well-situated land.
- Link rural areas to urban markets and non-farm sectors, including making land available for cooperative communal food gardens, with municipal support where possible.

Promise 4: Choose the best people to run the municipality

- Ensuring that the municipal staff that are appointed have the necessary competence and expertise. Changing the composition and mandates of ward committees to overcome the problems they have experienced and enable residents to play their part as active citizens to build communities and hold councillors and staff accountable.
- Improving the quality of induction of councillors and officials of municipalities to respect legislated boundaries.

Promise 5 Create jobs and drive economic development

- Revitalise cooperatives.
- Utilise the District Development Model to drive local economic development, including townships and villages, based on comparative and strategic advantages and in consultation with district-based stakeholders.
- Expand the number of Wi-Fi hotspots in communities at libraries, hospitals, clinics, schools and elsewhere through the increasing rollout of network infrastructure
- Develop fresh produce markets and promote the sale of foodstuffs in townships in community owned Stores.

- Building the waste recycling economy and waste picker integration and revitalisation of buy-back centres and improved management of landfill sites.

Promise 7: Food security

- Ensure support for community and cooperative food gardens, making municipal land available for such projects, to support schools and the impoverished support programmes.
- Link food production to support small-scale farmers and local procurement.
- Integrate community food garden projects into the Community Work Programme.

Promise 8: Fight corruption and end wastage

- Deal decisively and immediately with corruption, mismanagement, waste, and under-performance.
- Ensure municipality is run by ethical leaders, managers, and workers.
- Remove from office those who fail to do what they are paid to do. Focus on ethics and corruption risk management and stronger protection of whistle-blowers.
- Insource functions that can be better performed by municipalities.
- Act speedily against officials conducting business with municipalities and against those implicated in maladministration.

Promise 9: Make Letsemeng a financially viable municipality

- Strengthen measures to generate revenue and improve revenue collection.
- Increase and ring-fence money for the maintenance of infrastructure. –
- Strengthen the municipal finance recovery service function and simplify financial recovery plans in municipalities
- Find a long-term solution to the restructuring of historical uncollectable debts and write-offs that have been on municipal debt books for a long time.
- Amend all relevant legislation and rules so that no public representative or state employee may be in municipal arrears for more than three months.
- Undertake effective campaigns to deal with the culture of non-payment for services, but ensure we are delivering the necessary free basic services.
- Find a long-term solution to the restructuring of historical uncollectable debts and write-offs that have been on municipal debt books for a long time.
- Amend all relevant legislation and rules so that no public representative or state employee may be in municipal arrears for more than three months.
- Undertake effective campaigns to deal with the culture of non-payment for services, but ensure we are delivering the necessary free basic services.

1.3 GOVERNANCE AND COUNCIL STRUCTURE

The council performs both legislative and executive functions in terms of the provisions of the Local Government: Municipal Structures Act (No. 117 of 1998) and the Local Government: Municipal Systems Act (No. 32 of 2000). The council focuses on legislative, oversight, decision-making (policies and bylaws), budget and participatory roles. Its primary role is to debate issues publicly and to facilitate political debates and discussions. Apart from their functions as decision-makers, councillors are also actively involved in community development programmes and various social programmes in the municipal

area. They are the interface between the municipality and its communities. The council comprises 13 councillors. Councillors per political party are listed in the table that follows.

POLITICAL PARTY	NUMBER OF COUNCILLORS
African National Congress (ANC)	9
Democratic Alliance (DA)	2
Economic Freedom Fighters (EFF)	1
Freedom Front Plus (FF+)	1

Table : Councillors per political party

EXECUTIVE COMMITTEE (EXCO)

1. Cllr Bonolo Mocwaledi : Mayor
2. Cllr Itumeleng Ramohlaba : Chairperson (Finance & Technical committee)
3. Cllr Thabo Nthapo : Chairperson (Corporate & Community committee)

FINANCE & TECHNICAL COMMITTEE

1. Cllr Itumeleng Ramohlaba – Chairperson
2. Cllr Molahlehi Lebaka
3. Cllr Mariska Potgieter
4. Cllr Vuyani Stuurman

CORPORATE & COMMUNITY SERVICE COMMITTEE

1. Cllr Thabo Nthapo – Chairperson
2. Cllr Kgomotso Molusi
3. Cllr Semakaleng Lichaba
4. Cllr Mbuiselo Lehare

MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)

1. Cllr Jessy Kumalo : Chairperson
2. Cllr Nikiwe November
3. Cllr Dalene Terblanche

1.4 PROCESS PLAN

Section 28 of the Local Government: Municipal Systems Act (No. 32 of 2000), requires that each municipal council, within a prescribed period after the start of its elected term, adopts a process plan that would guide the planning, drafting, adoption and review of the IDP. The process plan should have clear and established mechanisms, procedures, and processes to ensure proper consultation with the local communities.

In September 2022, the municipality adopted the 2022–2027 IDP Process Plan. The process plan indicates how the IDP will be implemented, the roles and responsibilities of all stakeholders, timeframes, milestones to be achieved, and alignment with the budget processes.

IDP/ BUDGET PROCESS PLAN 2024/25: LETSEMENG LOCAL MUNICIPALITY

Schedule of the Planned Activities to Align With IDP, Budget and PMS Process
Management Plan for 2024/25
Financial Year

ACTION	LEGISLATION	RESPONSIBILITY	ACTION DATE	TO WHOM
PREPARATION PHASE				
Presentation of the Draft IDP Process Plan for 2024/25 to the IDP/Budget Steering Committee		IDP Manager/CFO	August 2023	Mayor, Councillors and Management
Tabling of the schedule of key deadlines regarding the budget process for 2024/25 MTREF	MFMA - Section 21(1)(b)	Mayor	August 2023	Council
Submission of draft IDP Review Process to Council for approval		Mayor	August 2023	Council
Submission of adopted 2024/25 IDP/Budget Review Process Plan to the District and COGTA		Accounting Officer	September 2023	District Municipality and COGTA
IDP/Budget Process Plan advertisement in newspapers and public places		IDP Manager	September 2023	Accounting Officer
Coordination of annual budget and IDP review process plan	MFMA - Section 21, 22, 35,36 & 53	Mayor and Accounting Officer	September 2023 - June 2024	Council
PHASE 1: REVIEW ANALYSIS				
Assessment of IDP sector plans		IDP Steering Committee	September - November 2023	IDP & Sector Managers
Review of information to be added or amended to draft IDP		IDP Steering Committee	September - November 2023	Accounting Officer and all Heads of Departments
PHASE 2: STRATEGIC ANALYSIS				

Determination of strategic objectives for Key Performance Areas and 3-year budget	Section 21, 22, and 53 of the MFMA	Mayor and Accounting Officer	January 2024	Council
1st IDP AND Budget Steering Committee Meeting Development/ Review of Key Performance Areas, Key Performance Indicators and Targets		Accounting Officer	January 2024	Mayor
Submission of Department Plans for 2023/2024 FY		Senior Managers	January 2024	CFO
1st IDP AND Budget Representative Forum Meeting		Accounting Officer	January 2024	Mayor
Ward Based Consultation process on IDP and Budget related Policies – Ward 1 – 6	Local Government Municipal Systems Act – Sections 16-22	Ward Councillors	Ward 1 February 2024 Johannes Mokopane Ebenezer Church	Council
			Ward 2&7 February 2024 Jacobsdal Recreational centre	
			Ward 7 February 2024 Phambili School	
			Ward 3&6 February 2024 Petrusburg Ipetleng School Hall	
			Ward 4&5 February 2024 Koffiefontein Walter Sisulu Community Facility	
Tabling of the 2023/24 mid-year budget performance review Audit Report and Annual Performance	MFMA - Section 72 (1)(a) MSA - Section 46 of	Mayor	January 2024	Council

Report to Finance Committee and Council				
Assessment of IDP implementation status		Accounting Officer Heads of Departments	January 2024	Council
Tabling of the 2023/2024 Adjustment Budget	MFMA - Section 69 (2)	Mayor	February 2024	Council
Publishing of Public Hearings Dates on the Annual Performance Report	MFMA - Section 129	MPAC Chair	February 2024	Public
Review of Draft Budget related policies for the 2024/25 FY	MSA - Section 74&75 MFMA - Section 24 (2)(v)	Mayor with Accounting Officer, CFO and BTO	March 2024	Council
Review of tariffs (rates and service charges for 2024/25 FY)	MSA - Section 74 & 75 MFMA - Section 24 (2)(v)	Section Finance BTO	80 March 2024	Council
PHASE 3: PROJECT IDENTIFICATION (REVIEW OF PROJECTS)				
Review existing Project Template		IDP Steering Committee	January – March 2024	Accounting Officer
Review Development Strategies		IDP Steering Committee	October 2023– March 2024	Accounting Officer
Ward Consultation Process on Project prioritization through Sectoral Meetings targeting Rate Payers Associations		Mayor	March 2024	Council
Establish preliminary budget for each project		CFO and Heads of Departments	January 2024	Accounting Officer
Finalize Sector Plans		Heads of Departments	March 2024	Accounting Officer
Update 3-year Financial Plan, list of projects and 3 years Capital Investment Programme; to integrate with IDP to inform Strategic		Heads of Departments	February 2024	Accounting Officer

Municipal Budget aligned with IDP				
Preparation of the 2024/25 Financial Year's : Capital budget Operational budget Salaries Budget Tariff charges Revised Budget Draft SDBIP		Chief Finance Officer	March 2024	Finance Committee
Draft Operating and Capital Budget to Management		CFO and Municipal Manager	March 2024	Finance Committee
Submission and presentation of all Capital projects for 2024/25 and the 3-year capital plan		Heads of Departments	February 2024	Council
IDP 2nd Representative Forum Meeting		Mayor	March 2024	Council
PHASE 4: PROJECT INTEGRATION				
Screening of projects		IDP Steering Committee	February 2024	Section 80 Committee Planning and Development
Integration with Municipal Budget/ SDBIP		Accounting Officer CFO and Manager Development Planning	February 2024	Section 80 Committee Planning and Development
Submission of draft Operating and Capital Budget to Council	MFMA - Section 16, 22, 23, 87 MSA - Section S34	Mayor	March 2024	Council
Submission of the draft SDBIP to the Mayor		Accounting Officer	March 2024	Mayor
Submission of 2023/24 Draft IDP to Council		Mayor	March 2024	Council
Submission of Oversight Report on the 2022/23 Annual Performance Report		MPAC Chairperson	March 2024	Council

Submission of draft IDP to COGTA for Provincial IDP Assessment		Accounting Officer	April 2024	MEC for COGTA
Provincial IDP Analysis			April 2024	COGTA
Submission of the tabled Annual budget to National Treasury and Provincial Treasury and publication of the tabled budget	MFMA - Section 22(b)	Accounting Officer	April 2024	National Treasury and Provincial Treasury
PHASE 5: APPROVAL				
Presentation of the Revised 2024/25 IDP (After the Provincial Assessment)		IDP Steering Committee	April 2024	Municipal Manager
Public Hearings / Service Delivery Imbizos	MSA – Chapter 4 Section 16 – 22	Mayor and Management	April - May 2024	Council
Consideration of inputs received from external stakeholders on the annual budget and IDP		Mayor Management	May 2024	Council
Tabling of the annual budget and budget related policies	MFMA - Section 24 (3)	Municipal Manager	May 2024	Council
Final approval of IDP, Budget and PMS by Council			May 2024	Council
Submission of Final Service Delivery and Budget Implementation Plan (SDBIP)	MFMA - Section 69 of 53 (1) (ii)	Accounting Officer and Senior Manager	June 2024	Mayor
Submission of the budget in the approved format to the Provincial and National Treasuries	MFMA - Section 24 (3)	Accounting Officer	June 2024	National and Provincial Treasury
Submission of the approved and adopted 2024/2025 IDP to the MEC for COGTA			10 days after date of adoption.	Municipal Manager
Submission of draft IDP to COGTA for Provincial IDP Assessment		Accounting Officer	April 2024	MEC for COGTA
Provincial IDP Analysis			April 2024	COGTA

Submission of the tabled Annual budget to National Treasury and Provincial Treasury and publication of the tabled budget	MFMA - Section 22(b)	Accounting Officer	April 2024	National Treasury and Provincial Treasury
PHASE 5: APPROVAL				
Presentation of the Revised 2024/25 IDP (After the Provincial Assessment)		IDP Steering Committee	April 2024	Municipal Manager
Public Hearings / Service Delivery Imbizos	MSA – Chapter 4 Section 16 – 22 of	Mayor and Management	April – May 2024	Council
Consideration of inputs received from external stakeholders on the annual budget and IDP		Mayor Management	May 2024	Council
Tabling of the annual budget and budget related policies	MFMA - Section 24 (3)	Municipal Manager	May 2024	Council
Final approval of IDP, Budget and PMS by Council			May 2024	Council
Submission of Final (SDBIP)	MFMA - Section 69 & 53 (1)(c)(ii)	Accounting Officer and Senior Manager	June 2024	Mayor
Submission of the budget in the approved format to the Provincial and National Treasuries	Section 24 (3) of the MFMA	Accounting Officer	June 2024	National and Provincial Treasury
Submission of the approved and adopted 2024/2025 IDP to the MEC for COGTA			10 days after date of adoption.	Municipal Manager

SCHEDULE OF THE PLANNED ACTIVITIES TO ALIGN WITH IDP, BUDGET AND PMS PROCESS MANAGEMENT PLAN FOR 2023/24 FINANCIAL YEAR

MONTH	ACTIVITIES IDP	ACTIVITIES PMS	ACTIVITIES BUDGET
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<p>August 2023</p>	<ul style="list-style-type: none"> -Submit Draft IDP Process Plan 2024/25 to Council and COGTA. -Submit Draft 2024/25 Process Plan to COGTA -Ensuring alignment of the Section 56 Managers individual Scorecards with the IDP strategies -Input into targets and deadlines on the SDBIP. 	<ul style="list-style-type: none"> -Signing of new performance contracts for Section 56 Managers and submission to EXCO (Section 69 of the MFMA and Section 56 of the MSA). -Prepare Departmental Business Plans SDBIP (Component 3) for the next financial year. -Previous year S56 Managers' Performance Assessments -Noting of 2023/24 SDBIP -Submit Chapter 3 of the Annual Performance Report (APR) 	<ul style="list-style-type: none"> -IDP and Finance to discuss the 2024/25 Budget planning issues -Prepare budget process plan and timetable for the 2024/25 Multiyear budget. -Submit Draft Annual Financial Statement
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<p>September 2023</p>	<ul style="list-style-type: none"> -IDP to review comments received from the MEC on the previous year's IDP COGTA submission. This to be done with Senior Managers / steering committee / task team -IDP Review Process approved -Revision or initiation of new sector plans. -Place advertisement for public participation programme -Confirm composition of Steering Committee / Task team official representatives -Circulate IDP process Plan to sector departments for input -Prepare for Public Participation meetings -COGTA feedback on IDP submission. 	<ul style="list-style-type: none"> -Quarterly Project Implementation Report (for last quarter of previous year) MPPR Reg. 14. -Quarterly Audit Committee meeting (for the last quarter of previous year) MFMA Sect 166 & MPPR Reg. 14(3) (a). -Performance evaluation panel (for evaluation of Sect 56 Managers final assessments) MPPR Reg. 14(3) (b). 	<ul style="list-style-type: none"> -Compile the 2024/25 Multiyear Budget. -Complete Budget Evaluation -Submit checklist to National Treasury. -Obtain Council's approval for 2024/25 Multi-year budget process and timetable. -Review external mechanisms affecting the medium-term budget forecasts. -Assess Council's 2022/23 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets -Assess the funding policies including the tariff structures.
<p>October 2023</p>	<ul style="list-style-type: none"> -Commence Public Participation meetings -IDP, Steering committee /Task team to formalise Council's Vision, Mission, objectives and strategies Consultation & alignment with Sector Departments / Service Providers and local municipalities. -Cross Border alignment meetings. 	<ul style="list-style-type: none"> -Approval of 1st Quarter SDBIP report -Approval of 1st Quarter Section 52 (d) report 	<ul style="list-style-type: none"> -Address various budget assumptions, internal budget processes, policies etc. -IDP and Senior Management reviews the prioritisation to compile the capital budget -Public information meetings (divided) into the established clusters), reviewing and strategizing the current IDP

	<ul style="list-style-type: none"> -Feedback from MEC assessment panel. Feedback to the Steering Committee/Task team regarding MEC's assessment -Review and update of departmental sector plans. -Revise prioritisation in terms of performance -Ward councillors and ward committees submit community request for budget consideration. 		<ul style="list-style-type: none"> -Strategic Budget Meeting with Senior Managers/ Managers -Budget information meeting regarding operational support and capacity building -Budget information session with Mayor
November 2023	<ul style="list-style-type: none"> -Public Participation meeting -Integration of information from adopted Sector Plans into the IDP Review document -Review and updating of the IDP Vision, Mission and Objectives -Cross border municipal alignment -Formulate Strategies with the Task Team -Feedback from Senior Managers on Priorities – Projects – as well as Budget inclusions -Information sharing meeting/session with all sector departments/ service providers and neighbouring local 	<ul style="list-style-type: none"> -Auditor General Audit of performance measures (MFMA Sect 55(2)). -Sect 56 Managers' quarterly assessments (for first quarter). 	<ul style="list-style-type: none"> -Ensure draft budget processes are informed by the IDP -National regulators and external mechanism entities to give notification of their pricing strategies for the next 3-5 years -National Government to provide Council with their Medium-Term Expenditure Framework Plans -Obtain confirmation of financial allocations to municipalities from National and Provincial Governments in terms of the Division of Revenue Bill -Budget information meeting regarding operational support and capacity building

	<p>municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP Review document of the District Municipality to achieve more support on the regional scale</p> <p>-Host IDP Representative Forum meeting.</p> <p>-Participate in the Budget information session with Mayor.</p>		<p>-Submission of the Draft Capital projects for the 2024/25 multi-year budget and revised prioritisation model according to Council's strategic objectives, as set out in the draft IDP</p> <p>-Budget information session with Mayor.</p>
December 2023	<p>-Consultation & alignment with Sector Departments / Service Providers and local municipalities</p> <p>-Review and drafting of initial changes to IDP</p> <p>-Participate in the District IDP and Budget Roadshows</p> <p>-Follow up with the Steering Committee and the Task Team</p> <p>-Participate in the Budget information session with Mayor</p> <p>-Forward community request to various department</p> <p>-Submission of Public Participation Report.</p>	<p>-Quarterly Project Implementation Report (for first quarter) MPPR Reg. 14.</p> <p>-Quarterly Audit Committee meeting (For the first quarter) MFMA Sec 166 & MPPR Reg.14 (3)(a).</p>	<p>-Submission of the Draft Operating estimates for the 2024/25 multi-year budget, analysed according to activities aligned to Council's strategic objectives, as set out in the draft IDP</p> <p>-Discussions with Senior Managers/Managers on the draft Capital projects for the 2024/25 multi-year budget. Budget information session with the Mayor</p>

			<p>represented by the various departments</p> <ul style="list-style-type: none"> -Alignment of the Draft Operating estimates to the IDP - Finalise detailed budget - Budget information session with Mayor - Mid-Year Review by National Treasury
March 2024	<ul style="list-style-type: none"> -Conclusion of Sector Plans initiated and integration into the IDP Review re integration into the IDP Review report -Finalise outstanding MEC assessment issues -Draft IDP & Budget - Prioritization & Budget allocation -Participate in the review of the Midyear visit Report by National Treasury and implementation of any recommendations 	<ul style="list-style-type: none"> -Quarterly Project Implementation Report (for second quarter) MPPR Reg. 14 -Quarterly Performance Audit Committee meeting (for the second quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a). -Approval of the Oversight Report of the APR for 2022/2023 FY 	<ul style="list-style-type: none"> -Adjustment budget for financial year 2023/24 to be considered if necessary -Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (Section 26) -Submit to National Treasury and Provincial Treasury in both printed and electronic form the adjustment budget, supporting documentation and the adjusted service delivery and budget implementation plan (SDBIP) within 10 working days after the mayor has tabled in adjustment in budget in Council (Section 24) - Table 2024/25 multi-year Budget together with the IDP for consideration to Finance Portfolio - Submit 2024/25 SDBIP to Council for consideration - Review of the Mid-Year visit report by National Treasury and

			implementation of any recommendations
April 2024	<ul style="list-style-type: none"> -Alignment with the Local Municipalities IDPs -Council workshop of final draft IDP & budget - Prioritization & Budget allocation -Council to adopt the final draft Budget & IDP and resolve to advertise for public comment -Draft IDP submission to COGTA by end of March 2024 	<ul style="list-style-type: none"> -Set performance objectives for revenue for each budget vote (MFMA Sect 17) -Annual Customer Satisfaction survey (to be consolidated to annual report) MSA Sect 40 -3rd Quarter SDBIP and Section 52 (d) Reports -Publicise Annual Report - MFMA Sec 129(3)] -Submit Annual Report to Provincial Legislature/MEC Local Government [MFMA Sec 132(2)]. 	<ul style="list-style-type: none"> -Submit 2024/25 multi-year budget and IDP submitted to Executive Committee and Council for approval -Submit 2024/25 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval -Submit 2024/25 multi-year budget, IDP and Service Delivery and budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council -Make public the tabled budget and supporting documentation within 10 working days after being approved by Council -Ward Committee meeting highlighting involvement of members in the Budget Public Participation process -Undertake a 4-week community consultation process of the budget

			implementation of any recommendations
April 2024	<ul style="list-style-type: none"> -Alignment with the Local Municipalities IDPs -Council workshop of final draft IDP & budget - Prioritization & Budget allocation -Council to adopt the final draft Budget & IDP and resolve to advertise for public comment -Draft IDP submission to COGTA by end of March 2024 	<ul style="list-style-type: none"> -Set performance objectives for revenue for each budget vote (MFMA Sect 17) -Annual Customer Satisfaction survey (to be consolidated to annual report) MSA Sect 40 -3rd Quarter SDBIP and Section 52 (d) Reports -Publicise Annual Report - MFMA Sec 129(3)] -Submit Annual Report to Provincial Legislature/MEC Local Government [MFMA Sec 132(2)]. 	<ul style="list-style-type: none"> -Submit 2024/25 multi-year budget and IDP submitted to Executive Committee and Council for approval -Submit 2024/25 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval -Submit 2024/25 multi-year budget, IDP and Service Delivery and budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council -Make public the tabled budget and supporting documentation within 10 working days after being approved by Council -Ward Committee meeting highlighting involvement of members in the Budget Public Participation process -Undertake a 4-week community consultation process of the budget

<p>May 2024</p>	<ul style="list-style-type: none"> -Publish draft Budget & IDP for comment -Assess & incorporate comments – adjust the IDP & budget where necessary -Attend assessment week by COGTA -Report back on the results of the Assessment Feedback 	<ul style="list-style-type: none"> -Strategies, Objectives, KPA's, KPI's and targets and inclusion into IDP -Review report on Section 56 Managers Quarterly Performance Assessments 	<ul style="list-style-type: none"> -Undertake a 4-week community consultation process of the budget -Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required
<p>June 2024</p>	<ul style="list-style-type: none"> -Final approval of IDP & Budget by Council -Submission of approved IDP to COGTA -Report on progress as per SDBIP -Prepare IDP Process -Plan for the IDP Review 2024/25 	<ul style="list-style-type: none"> -Implementation Report (for third quarter) MPPR Reg. 14 -Quarterly Audit Committee meeting (for third quarter) MFMA Sect 166 & MPPR Reg. 14(3) (a) -Annual review of organisational KPIs (MPPR Reg 11) -Review annual organisational performance targets (MPPR Reg 11) 	<ul style="list-style-type: none"> -Publish tariffs and budget for the 2024/25 financial year -Assessment of the progress of the 2023/24 budget by National Treasury -Submission of the draft SDBIP to the Mayor within 14 days of approval of the budget -Approved 2024/25 Multiyear budget, IDP in both printed and electronic form at forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council -Make public the approved budget and supporting documentation within 10 working days after being approved by Council -Publish Council's budget and IDP on its website

			<ul style="list-style-type: none"> -Establish and complete performance evaluations for functional outcomes based on operational plans and the IDP -Approval of the SDBIP within 28 days after approval of the budget and completion of the annual performance contracts in accordance with Sec 57(2) of the MSA - Make public the SDBIP within 10 working days after being approved by Council - The Service Delivery and budget implementation plan in both printed and online
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Table : process plan

CHAPTER 2 : SITUATION ANALYSIS

2.1 SPATIAL ANALYSIS

The municipality of Letsemeng consists of Koffiefontein (the municipal headquarters), Jacobsdal, Petrusburg, Luckhoff and Oppermansgronde. The size of these municipalities is significantly larger than the municipalities in the arid areas of the Northern Cape, Western Cape and Eastern Cape. Letsemeng's spatial area consists of 9 826 km². Its population of 43 101 is 74% urbanised. Letsemeng's population is growing at a rate of 1.1%.

Letsemeng borders on the Orange River, and there is significant irrigation farming along the Orange, Modder and Riet Rivers. In particular, Jacobsdal is an important producer of wine, sunflower, maize and wheat. Communal farming is undertaken on the periphery of all the towns, and there is a growing focus on land redistribution in Letsemeng. But the current decline in agriculture has reduced jobs for farm workers. Mining centres on Koffiefontein's diamond mine. Petrusburg mines produce gravel, clay and salt. Letsemeng's economy is based primarily on agriculture, with a lesser role for mining and tourism

2.2 DEMOGRAPHIC OVERVIEW

Our Municipality is situated in the Southwestern part of the Free State Province and forms part of the smallest district namely Xhariep District Municipality, a rich agricultural area with natural economic resources. The local municipality area measures 10 192 square kilometers in surface area and comprises of five towns; Koffiefontein (which is the head office), Petrusburg, Jacobsdal, Oppermansgronde and Luckhoff.

It borders the Northern (through Jacobsdal) and Western Cape Provinces and is renowned for diamond, salt, and slate mining as well as irrigation farming along the Orange Riet Canal and Van der Kloof Dam. The N8 route transgresses the area to the Northwest and links Kimberley and Bloemfontein via Petrusburg.

The five towns are connected with tarred road infrastructure via Koffiefontein. The R705 links Jacobsdal with Koffiefontein while the R48 links Petrusburg, Koffiefontein and Luckhoff in a northsouth direction. The R704 links Koffiefontein, Fauresmith and Jagersfontein with one another. Koffiefontein serves as the municipal administrative seat within the Letsemeng Municipality and is situated approximately 125 km northwest of Trompsburg and an estimated 146 km east of Bloemfontein.

In this regard, Luckhoff serves as a general agricultural service centre and is situated approximately 45 km south of Koffiefontein. Access to the town is gained from the R12 route between Koffiefontein and De Aar. Jacobsdal also serves as an economic growth and tourism development node and is situated approximately 45km northwest of Koffiefontein. Access to the town is gained from the R705 route between Koffiefontein and Modder River. It serves as a general agricultural service centre and is situated approximately 32 km west of Koffiefontein. Access to the town is gained from the S647 route between Koffiefontein and Luckhoff.

The municipal area also accommodates Oppermansgronde just west of Koffiefontein which is part of a land restitution project. Several pans occur in the area while the Van der Kloof dam, Kalkfontein Dam and Wuras Resort are some of the more prominent water sources available near the area. The Riet River drains through the area in a westerly direction while the Orange River is the border west of the area. Although there are ample water sources available near the area, access to potable water in some of the towns' remains problematic.

The Northern parts of the municipal area surrounding Petrusburg are good cultivated agricultural land while the southern area is renowned for livestock farming. Petrusburg serves as a commercial and social service centre within the Letsemeng Municipality and is situated approximately 55 km northeast of Koffiefontein. Access to the town is gained from the N8 route between Bloemfontein and Kimberley

The figure below shows the Letsemeng area with its main towns and neighbouring municipalities of the Xhariep District.



Figure 1: Regional Context

2.3 DEMOGRAPHIC ANALYSIS

The total population of Letsemeng Local Municipality as counted in Census 2022 increased by 1.1%, from 38 628 more than a decade ago in Census 2011 to almost 43 101 in the latest population and housing census.

This was the fourth highest population change among all municipalities in the Free State Province. Letsemeng, the only municipality in the Xhariep District that showed a significant increase than Kopanong and Mohokare that increased by 0.5 and 0.8 respectively. Overall, the Xhariep District Municipality increased by 0.8 from a total population of 121 945 in 2011 to a total population of 131 901 in 2022.

Name	Status	Population Census 2022-02-02
Letsemeng	Local Municipality	43,101
Letsemeng		
<ul style="list-style-type: none"> ● 43,101 Population [2022] – <i>Census</i> ○ 9,826 km² Area ● 4.386/km² Population Density [2022] ↗ 1.1% Annual Population Change [2011 → 2022] 		

Table : total population

Source: Statssa

Almost 66.7% of the population in the municipality is black African; 9.2% is white; 23.2% is coloured; Indian/Asian and other groups comprises less than one percent of the population in the municipality.

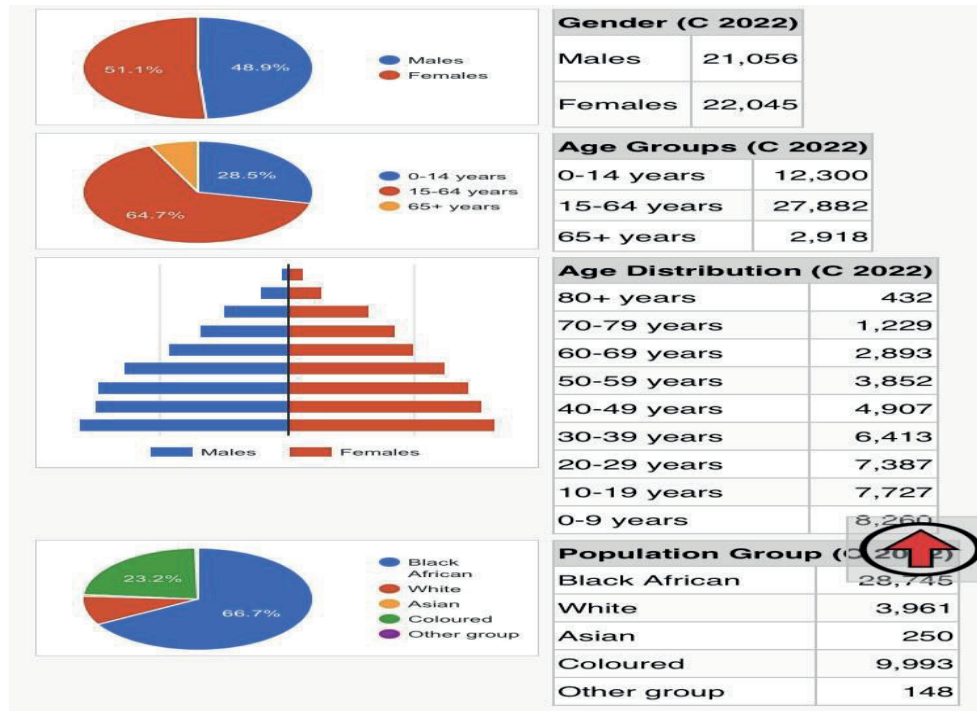


Table : total population per age

Source: Statssa

Some key variable that need to be noted in the census report is average household size. The average household size in the Letsemeng Local Municipality was 3.4 persons in Census 2011, which increased to 3.9 in Census 2022.

There were also decrease in the number of formal dwellings of 9 358 in 2011 to 9 279 in 2022, informal dwellings declined from 1 812 to 1 586 the same period, an increment of flushed toilets connected to sewerage from 8 492 in 2011 to 9 031 in 2022, weekly refuse disposal service (53.3%), while the electricity provisioning decline from 9 896 in 2011 to 8 739 in 2022. However, there has been an increase in the usage of gas from 293 in 2011 to 1 336 in 2022.

The economic output of mining in Letsemeng / Kopanong was far more 20.6% than the employment contribution of this sector 1.3%. The mining sector has mechanised over the past two decades, and diamond mining (practiced in this area) is less dependent on low-skilled workers and easier to mechanise than, for example, the gold mines

Population Pyramids

A population pyramids is a graphic representation of the population categorized by gender and age for a specific year and region. The horizontal axis depicts the share of people where male’s population are charted on the right-hand side and female population on the left hand-side of the vertical axis. The vertical axis is divided in 5- year age categories.

AGE GROUP	DC 16: XHARIEP	FS 161: LETSEMENG
0-4	12 086	4 100
5-15	24 885	8 200
15-34	43 230	14 569

35-59	36 569	11 677
60+	15 128	4 554
TOTAL	131 898	43 101

Table : Population by age group

Data source: Statistics South Africa,

For 2011, Letsemeng local municipality population pyramid shows that males were more than females in age groups (20-24, 25-29, 30-34, and 35-39). For age group 0-4 and 5-9 years, females had highest proportion than males whereas females had highest proportion in age group 15-19 years. Census 2011 indicates that males' population declined from 25-29 age group and females' population declined from 20-24 age group. Females outlive the males in the older age groups starting from 40 years.

Population Categorised By Sex, Population Group and Functional Age Group

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China.

The subcategories of age groups are (0-4 children, 15-34 youth, 35-64 adult and 65+ elderly) and sex is male or female.

	GENDER		TOTAL	Sex ratios (Males per 100 Females)
	Male	Female		
Census 2022	21 056	22 045	43 101	95.5
Census 2011	19 852	18 777	38 628	105.7
CS 2016	21 140	18 904	40 044	111

Table : Population distribution of Letsemeng Local Municipality by gender and sex ratios

The above shows the distribution of total population in Letsemeng local municipality by gender as well as sex ratio for Census 2011 and CS 2016. The males population has increased from 19 852 in 2011 to 21 140 in 2016 and as for females, it has slightly increased from 18 777 in 2011 to 18 904 in 2016. In both 2011 and 2016, the number of females was found to be less than those of males as the sex ratios were 105 and 111 in both 2011 and 2016 respectively. Overall; the results indicate that the population is predominantly male.

	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Free State	397502	399763	797265	530743	528205	1058948	355678	377185	732863	96042	149596	245638	1379965	1454749	2834714
DC16: Xhariep	20074	20511	40585	28926	28775	57701	18943	18709	37652	5984	8758	14743	73927	76754	150681
FS161: Letsemeng	4930	5025	9955	8744	7050	15794	5718	4938	10656	1747	1892	3639	21140	18904	40044

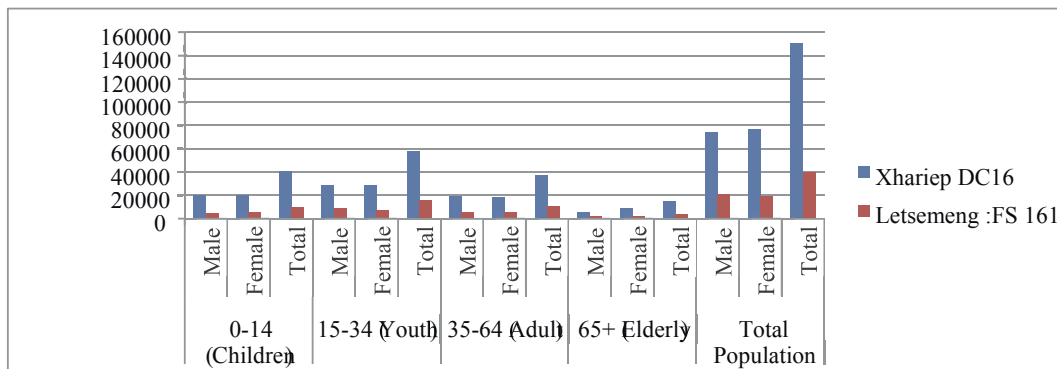
Distribution of population by province, municipality, functional age group and sex

Data source: Statistics South Africa

The above shows comparison regarding the distribution of total population between males and females of the Free State, district and Letsemeng males, females, functional age groups and its dependent ratios

Province, District and Local Municipality	BLACK AFRICAN			COLOURED			INDIAN/ASIAN			WHITE			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Free State	1225180	1289810	2514990	35042	37052	72095	4700	2596	7296	115042	125291	240333	1379965	1454749	2834714
DC16: Xhariep	58318	60539	118857	9022	9010	18032	216	37	253	6371	7167	13539	73927	76754	150681
FS161: Letsemeng	14134	12339	26473	4557	4037	8593	43	-	43	2406	2529	4935	21140	18904	40044

Table : Distribution of population by functional age group and gender Population Group and Sex



The above illustrates that age group of 15 – 34 which is mostly youth, contributes a large population number of Letsemeng municipality, while the male population is slightly higher than that of the female.

Employment

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work. The economically active population (EAP) is defined as people (aged between 15 and 64 years) who are able willing and willing to work, and who are actively looking for work.

EMPLOYMENT STATUS	GENDER		TOTAL	UNEMPLOYMENT RATE
	Male	Female		
Employed	5928	3236	9164	22.3
Unemployed	1170	1454	2624	
Not economically active	6036	7227	13263	

Table : Distribution of Letsemeng Local Municipality population aged between 15 and 64 years by employment status, gender and unemployment rate

above indicates the distribution of unemployment status, gender as well as unemployment rate of population aged between 15 and 64 years in Letsemeng local municipality for Census 2011. 9 164 thousand people were employed in 2011, 2 624 thousand were unemployed whereas 13 263 thousand were not economically active. The overall municipal unemployment rate it was found to be 22.3%. (Based on the official definition of unemployment)

TYPE OF SECTOR	GENDER		TOTAL
	MALE	FEMALE	
In the formal sector	3100	1930	5030
In the informal sector	2119	764	2883
Private household	513	448	960

Distribution of employed population aged between 15 and 64 years by type of sector and gender in Letsemeng

The above indicates the distribution of employed population aged between 15 and 64 years in Letsemeng local municipality by type of sector and gender. The overall municipal employed people were found to be in formal sector with 5 030 employed people. The

informal sector was found to be more than that of private households with 2 883 employed people whereas private household had 960 employed people

Province, District and Local Municipality	BLACK AFRICAN			COLOURED			INDIAN/ASIAN			WHITE			TOTAL		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Free State	122510	128980	2514990	35042	37052	72095	4700	2596	7296	115042	125291	240333	1379965	1454749	2834714
DC16: Xhariep	58318	60539	118857	9022	9010	18032	216	37	253	6371	7167	13539	73927	76754	150681
FS161: Letsemeng	14134	12339	26473	4557	4037	8593	43	-	43	2406	2529	4935	21140	18904	40044

Table :Population Group and Sex

The above shows the population group between male and female individual, particularly within the vicinity of Letsemeng Local Municipality with the overall population of 40044 for both male and female. The number of Black African males was found to be high compared to female individuals and to other population groups and sex within the area of Letsemeng followed by females of the same group

Province, District and Local Municipality	MAIN DWELLING THAT HOUSEHOLD CURRENTLY LIVES IN											
	Formal dwelling/house or brick/concrete block structure on a	Traditional dwelling/hut/structure made of traditional	Flat or apartment in a block of flats	Cluster house in complex	Townhouse (semidetached house in a complex)	Semidetached house	Formal dwelling/house/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack not in backyard (e.g. in an	Room/flat on a property or larger dwelling/servants quart	Caravan/tent	Other
Free State	704511	15509	16142	2659	6515	2395	55569	56447	76001	3692	109	7028
DC16: Xhariep	44134	199	316	-	429	142	1701	2598	2934	328	-	341
FS161: Letsemeng	11545	10	-	-	131	17	120	674	1327	71	-	74

Table : Household Dynamics

The above indicates the comparison between numbers of main dwelling that household currently lives in. Of particular note, the formal dwelling /concrete block structure has been found to be the highest followed by informal dwelling/shack not in backyard within the vicinity of Letsemeng.

PROVINCE, DISTRICT AND MUNICIPALITY	HOUSEHOLDS
Free State	946638
DC16: Xhariep	53146
FS161: Letsemeng	13969

Table : No of Household

The above indicates the total number of households between Letsemeng Local Municipality, Province and District. The municipality is sitting with 139659 total number of households within the area of Letsemeng

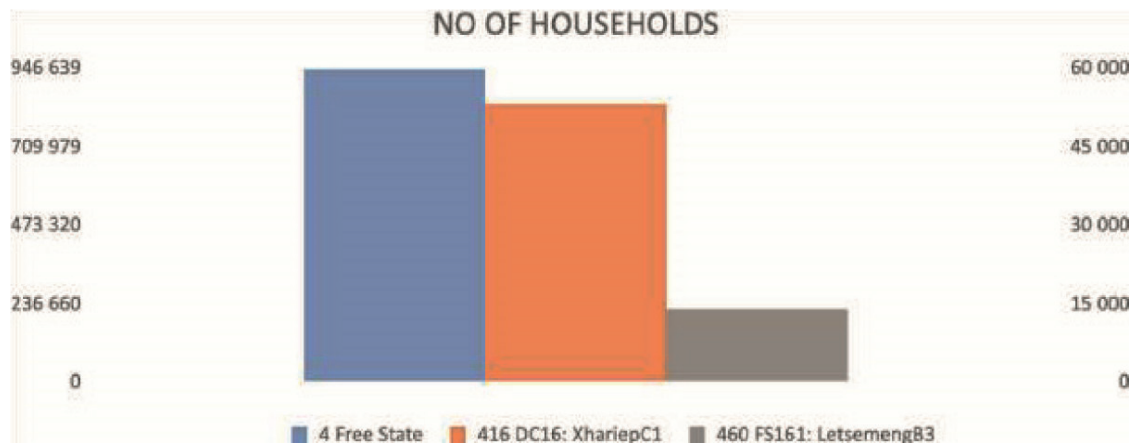


Figure : No. of Households

	0-14		15-59		60+		TOTAL	
	N	%	N	%	N	%	N	%
DC 16: Xhariep	33 355	26,5	80 338	63,8	12 191	9,7	125 884	
FS161: Letsemeng	9 955	24.9	26 450	66.1	3 639	9.1	40 044	100.0

Table : Distribution of population by Letsemeng Local Municipality and broad age groups

The results presented in the above-mentioned table show the population in broad age groups of children aged 0-14 , working age and elderly persons within Letsemeng area

Parental Survival

This section focuses on the survival status of parents for children aged 0-17 years within the vicinity of Letsemeng. Although the question on parental survival was asked of everybody in Letsemeng, the focus of this table below is on children aged 0-17. Loss of a parent in the absence of family support leaves many children vulnerable and has significant policy implications. This report basic analysis is presented for children that reported to have lost one or both biological parents

Orphanhood

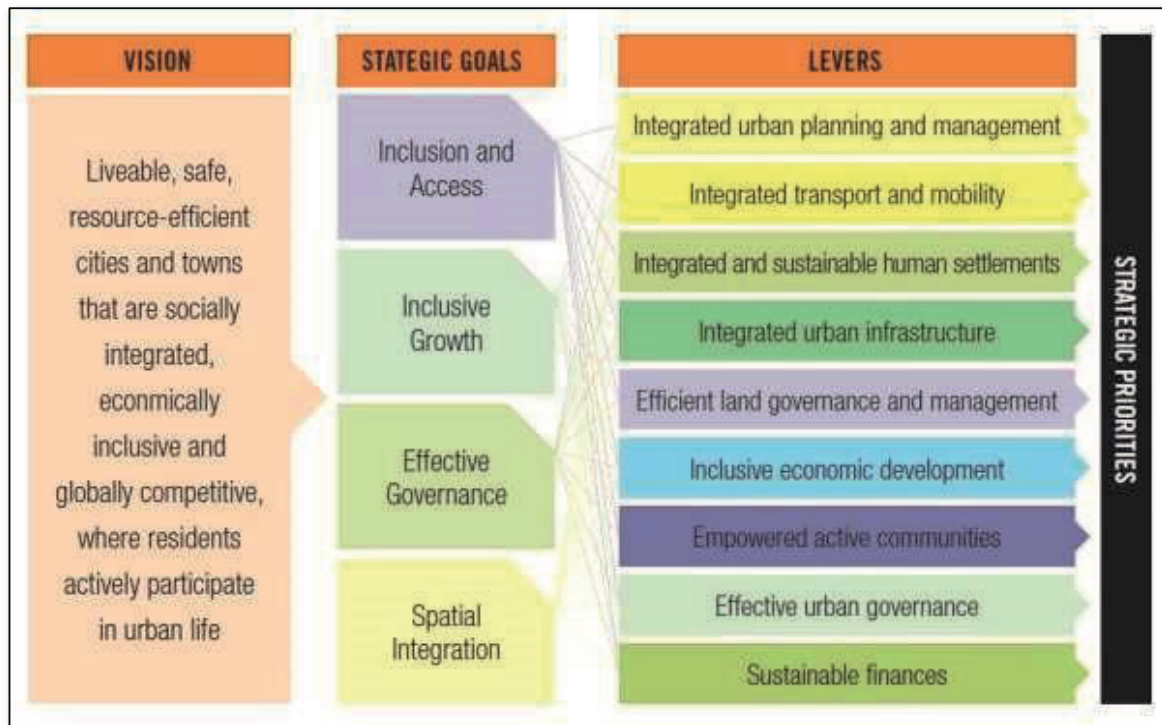
MUNICIPALITY	MATERNAL ORPHANS	PARENTAL ORPHANS	DOUBLE ORPHANS
DC 16	3 712	4 164	1 236

FS161	1206	1035	328
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Table: Distribution of Orphan hood by Letsemeng Local Municipality per category

Presented above show a high number of maternal orphans compared to paternal orphans across the area of Letsemeng.

2.4 ECONOMIC ANALYSIS



The socio-economic development of the municipality is centred on agriculture. The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation.

	LETSEMENG	XHARIEP	FREE STATE	NATIONAL TOTAL	LETSEMENG AS % OF DISTRICT MUNICIPALITY	LETSEMENG AS % OF PROVINCE	LETSEMENG AS % OF NATIONAL
Agriculture	0.2	0.8	9.4	94.4	23.2%	1.92%	0.19%
Mining	0.8	0.9	19.7	304.4	92.0%	4.05%	0.26%
Manufacturing	0.0	0.2	22.5	517.4	26.7%	0.21%	0.01%
Electricity	0.1	0.1	9.1	144.1	55.7%	0.78%	0.05%
Construction	0.0	0.2	4.8	154.3	16.1%	0.62%	0.02%
Trade	0.1	0.7	27.4	589.7	18.2%	0.46%	0.02%
Transport	0.1	0.5	20.7	389.2	19.7%	0.46%	0.02%
Finance	0.1	0.5	33.0	781.7	16.8%	0.27%	0.01%

Community services	0.3	1.8	49.5	894.2	14.7%	0.53%	0.03%
Total Industries	1.7	5.6	196.2	3,869.5	30.2%	0.86%	0.04%

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Letsemeng Local Municipality.

Table : gross value added (gva) by broad economic sector - Letsemeng local municipality, 2016 [billions, current prices]

In 2016, the mining sector is the largest within Letsemeng Local Municipality accounting for R 798 million or 47.1% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Letsemeng Local Municipality is the community services sector at 15.3%, followed by the agriculture sector with 10.7%. The sector that contributes the least to the economy of Letsemeng Local Municipality is the construction sector with a contribution of R 29.9 million or 1.76% of the total GVA.

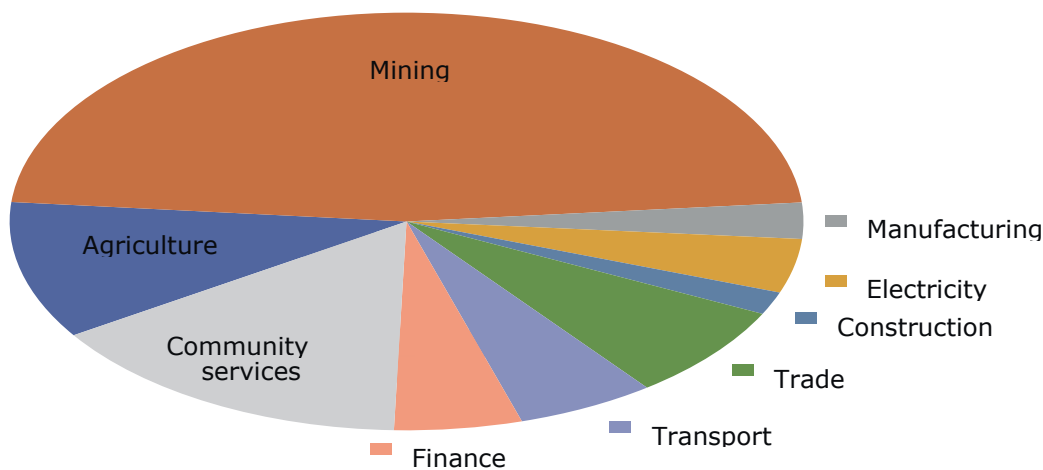


Figure : Gross Value Added (GVA) by broad economic sector Letsemeng Local Municipality, 2016

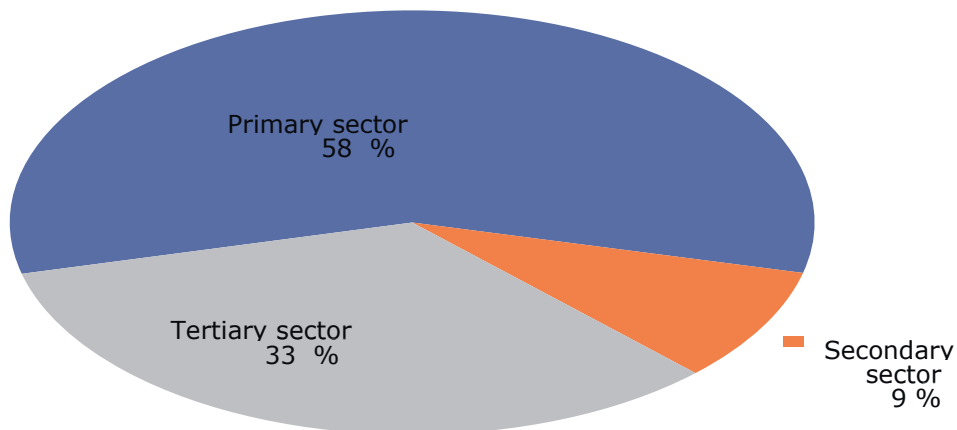


Figure : Gross Value Added by aggregate sector

2.4.1 Primary sector

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 12.6%. The mining sector reached its highest point of growth of 19.5% in 2010. The agricultural sector experienced the lowest growth for the period during 2015 at -23.2%, while the mining sector reaching its lowest point of growth in 2009 at -19.8%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.4.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2015 with a growth rate of 6.8%. The construction sector reached its highest growth in 2009 at 16.0%. The manufacturing sector experienced its lowest growth in 2013 of -17.4%, while construction sector reached its lowest point of growth in 2013 with -7.1% growth rate. The electricity sector experienced the highest growth in 2015 at 4.0%, while it recorded the lowest growth of -20.7% in 2008.

2.4.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The trade sector experienced the highest positive growth in 2011 with a growth rate of 5.4%. The transport sector reached its highest point of growth in 2015 at 5.4%. The finance sector experienced the highest growth rate in 2009 when it grew by 6.6% and recorded the lowest growth rate in 2013 at -9.8%. The Trade sector had the lowest growth rate in 2008 at -11.6%. The community services sector, which largely consists of government, experienced its highest positive growth in 2009 with 6.0% and the lowest growth rate in 2008 with -8.7%.

Letsemeng Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole. The Letsemeng Local Municipality has a very high concentrated mining sector.

Letsemeng Municipal economy is characterised by the following:

- Mining and agricultural sector are the largest contributor to the local economy.
- The decline in the agricultural sector over the recent years has had an adverse effect on the employment potential of the rural areas.
- Luckhoff has the highest unemployment rate.
- Petra Diamond Mines contributes major part to the local economy.

2.5 INSTITUTIONAL ANALYSIS

LLM is dedicated to improving as an institution by ensuring alignment and adherence to legislation as well as using innovation and technology to enhance operations. The following section highlights operational structures.

2.5.1 Committees

The Council has established two (2) Section 80 Committees in terms of the Municipal Structures Act and the Municipal Finance Management Act to assist the council in its legislative functions.

The Committees are :

Section 80 Committees

1. Finance and Technical Committee
2. Community and Corporate Services

Section 80 committees are established to assist the Executive Committee (EXCO) and the Council. The Council elects the chairpersons of these committees and may delegate power to these committees. The Mayor is the Chairperson of the EXCO. The EXCO may change or revoke any decisions/recommendations taken by these committees. All Section 80 committees report to the EXCO

FINANCE & TECHNICAL SERVICES COMMITTEE	CORPORATE & COMMUNITY SERVICES COMMITTEE
1. Cllr Itumeleng Ramohlabi – Chairperson	1. Cllr Thabo Nthapo – Chairperson
2. Cllr Molahlehi Lebaka	2. Cllr Kgomotso Molusi
3. Cllr Mariska Potgieter	3. Cllr Semakaleng Lichaba
4. Cllr Vuyani Stuurman	4. Cllr Mbuiselo Lehare

Table : Composition of the Section 80 Committees

Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) was established with specific terms of reference to assist Council with its oversight function. The MPAC functions as the oversight committee of Council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the MFMA requirements and guidance.

Table 16: Composition of the MPAC

Municipal Public Accounts Committee
1. Cllr Jessy Kumalo – Chairperson
2. Cllr Nikiwe November
3. Cllr Dalene Trablance

Table : Composition of the MPAC

2.5.2 Management and Operational Systems

The Council has the following operational and management systems in place:

Management structure

The municipal administration is divided into many different directorates and sub-directorates, all of which deliver specific services. Some sub-directorates focus on service delivery, whilst others are more concerned with internal affairs, such as the Corporate Services.

The administration of the Municipality is based on 4 directorates. These directorates are illustrated as per the structure below;

The administration is headed by the Municipal Manager as the Chief Accounting Officer. The day to day management of the municipality it's carried out by staff under the stewardship of the municipal manager and heads of directorates.

The top administration structure is made up of the following Directorates headed by members of the Senior Management Team:

- Acting Municipal Manager – Mr Chris Mokomela
- Acting Director: Finance – Mr Sithembile Tooi
- Acting Director: Technical Service – Ms Patricia Morokolo
- Acting Director: Community Services – Mr Kelihibe Motlhale
- Director Corporate Services – No one acting on the position

2.5.3 Risk Management

The municipality has a functional risk management unit in terms of Section 62 (1) (c) (i) and 95 (c) (1) of the Municipal Finance Management Act. The risk assessment is conducted on a continuous basis in order to assess issues relating to strategic operational and fraud risk. The aforesaid unit has developed Risk Management Strategy, Risk Management Policy, Anti-fraud & Corruption Strategy,

Anti-fraud and Corruption Policy, Risk Management Charter and Risk Management Implementation Plan approved by the Risk Management Committee.

Risk Management Committee

Risk Management Committee has been established and is functional.

Internal Audit

The Internal Audit functional and operates in accordance with Section 165 of Municipal Finance Management Act, 56 of 2003. There is need for the appointment of the internal auditor and provision has been made in the revised organizational structure in order to strengthen internal audit unit.

The internal unity has developed Internal Audit Charter, Audit Committee Charter, Internal Audit Framework and Internal Audit Professional Standards.

Furthermore, the Internal Audit has developed annual risk based Internal Audit Plan which is rolled-out for two (2) outer years.

2.5.4. Customer-Oriented Services/Customer Care

The municipality has centralised compliments and complaints management system both manual and electronic. The municipality will be developing Standard Operating Procedure (SOP) to effectively monitor service delivery orientated complaints. Over and above this, the municipality has also developed Draft Customer Care Policy, Service Charter and Service Standards to curb complaint management in relation to Batho Pele principles. However, the municipality has set up comments boxes to improve on customer satisfaction.

DCoG has developed GovChat as a primary platform for processing of service delivery complaints from communities and provide an account of all service and community amenities such as police stations, clinics, hospitals, halls within the municipality and it will be leveraged in this financial year (2023/2024)

2.6 SWOT ANALYSIS

STRENGTH	WEAKNESSES
Rigorous implementation of revenue enhancement to collect revenue	Non- functioning Waste Water Treatment Plants at Koffiefontein and Jacobsdal
Functional accountability institutional arrangement	Rising service arrears crowding out resources for maintenance of service delivery infrastructure and utilities
	Ageing service delivery infrastructure mostly roads and storm-water drainage system
	Limited fleet for service delivery
	Water demands outstripping supply in all towns to the exception of Oppermansgronde
OPPORTUNITIES	THREAT
LLM is part Water Service Challenges Intervention Programme implemented at the behest of the Premier, DWS and BloemWater	Violent community protest and destruction of community facilities
Announcement by the Presidency for Xhariep Special Economic Development Project for Kopanong and other municipalities	Trust deficit between communities , elected leaders and the municipality
Leveraging of economic projects financed through SLP3 and SLP4 to ignite local economic development in the municipal	
Potential fostering of strategic partnership within the realm of DDM One Plan	

Table: SWOT Analysis

2.7 LEGISLATIVE ANALYSIS

Section 40 of the Constitution of the Republic of South Africa, 1997, states that the three spheres of government are distinctive, interdependent and interrelated. They are autonomous but must co-exist and have to co-operate on decision-making, and co-ordinate budgets, policies and activities, particularly for those functions that cut across the government spheres.

Co-operative governance means that national, provincial, and local government should work together to provide citizens with a comprehensive package of services. They have to assist and support one another, share information, and co-ordinate their efforts. Implementation of policies and government programmes particularly require close cooperation between the three spheres of government.

A number of policies, strategies and development indicators have been developed in line with the prescriptions of legislation to ensure that all government activities are aimed at meeting the developmental needs of local government.

The following sections outline the national, provincial and district policy directives, sector plans and legislation, which set the strategic direction to which LLM must align for coherent planning, budgeting and implementation of programmes and projects.

2.7.1 The 2030 Agenda for Sustainable Development - Sustainable Development Goals

In 2015 all member states of the United Nations adopted the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs) are a call for action by all countries developed and developing in a global partnership. The SDGs recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth including addressing the effects of climate change and working to preserve our natural assets. The figure that follows highlights the SDGs that must be used as a guideline for all planning directives in South Africa.



Figure: Sustainable Developmental Goals

2.7.2 Agenda 2063: The Africa We Want

The African Union, in its effort to transform Africa into a global powerhouse, has developed the Agenda 2063. The Agenda 2063 is a strategic framework for the continent to achieve inclusive and sustainable development and a Pan African drive for unity, self-determination, freedom, progress, and collective prosperity pursued under Pan-Africanism and the African Renaissance. The Agenda 2063 encompasses aspirations for the Africa we want, which are:

1. A prosperous Africa based on inclusive growth and sustainable development
2. An integrated continent, politically united and based on the ideals of pan-Africanism and the vision of Africa's Renaissance
3. An Africa of good governance, democracy, respect for human rights, justice, and the rule of law
4. A peaceful and secure Africa
5. An Africa with a strong cultural identity, common heritage, shared values, and ethics
6. An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children
7. Africa as a strong, united and influential global player and partner.

The Agenda 2063 captures Africa's aspirations for the future and identifies key flagship programmes which can boost Africa's economic growth and lead to the rapid transformation of the continent. Agenda 2063 outlines key activities to be undertaken in its ten-year implementation plans which will ensure that Agenda 2063 delivers both quantitative and qualitative transformational outcomes for Africa's people.

2.7.3 National Development Plan

The South African Government through the Presidency published the NDP 2030 in 2012. 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, healthcare, 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:

1. Creating jobs and improving livelihoods;
2. Expanding infrastructure;
3. Transition to a low-carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training;
6. Providing quality healthcare;
7. Fighting corruption and enhancing accountability; and
8. Transforming society and uniting the nation.

At the core of the plan is to eliminate poverty and reduce inequality and the special focus on the promotion of gender equity and addressing the pressing needs of the youth. More importantly for efficiency in local government, the NDP 2030 proposes eight targeted actions listed as follows:

1. Stabilise the political-administrative interface;
2. Make public service and local government careers of choice;
3. Develop technical and specialist professional skills;
4. Strengthen delegation, accountability, and oversight;
5. Improve interdepartmental co-ordination;
6. Assume a proactive approach in improving national, provincial, and local government relations;
7. Strengthen local government; and
8. Clarify the governance of state-owned enterprises (SOEs).

2.7.4 Medium Term Strategic Framework

The Medium Term Strategic Framework (MSTF 2019–2024) is the implementation plan for the NDP 2030, highlighting the national development priorities for the sixth administration. This is built on three fundamental pillars: a strong and inclusive economy, capable South Africans, and a capable developmental state. The framework aims to address the triple challenges of poverty, inequality, and unemployment through seven priorities highlighted as follows:

- Priority 1: Building a capable, ethical, and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills, and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements, and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and world
-

2.7.5 Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) responds to the post 2015 SDGs, in particular to Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. It also builds on various chapters of the NDP 2030 and extends Chapter 8: Transforming human settlements and the national space economy and its vision for urban South Africa. The vision, strategic goals and policy levers are listed in the figure that follows:

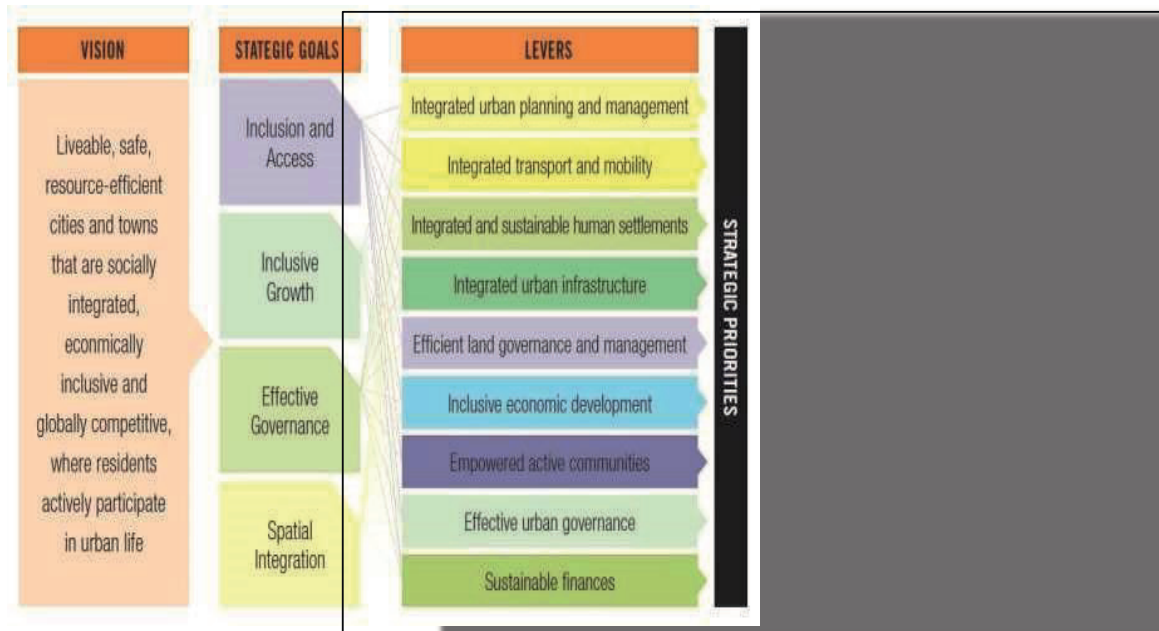


Figure : Integrated Urban Development Framework (IUDF) – Vision, Strategic
Three cross-cutting IUDF priorities are intended to be included in the conceptualisation and implementation of the IUDF policy levers.

- Rural-urban interdependency: This concept recognises the need for a more comprehensive integrated approach to urban development that responds to both the urban and the rural environments.
- Urban resilience: This describes urban environmental sustainability as well as disaster risk reduction and mitigation interventions in the planning and management of urban areas.
- Urban safety: This refers to the importance of people's safety in public spaces, which is an essential ingredient for creating liveable and prosperous cities.

Karoo small town regeneration initiative

The purpose of the Karoo Small Town Regeneration Program (KSTRI) is to highlight the role of small towns in the Karoo region as places of significant economic and social opportunity. The working problem statement for the Initiative is as follows:

- The Karoo is a water stressed biologically diverse and sensitive bio-region requiring a careful weighing up of development options
- Individual municipalities have limited resources (human, financial, technical) in order to deal with factors that affect the entire region; such as, shale gas and uranium mining, renewable energy investment, climate change and adaption, poverty and unemployment.
- Developing a strategic response to the development challenges will have limited impact, without considering the area as a region.

The Karoo Region Small Town Regeneration and Regional Economic Development Conference was convened by the SALGA in partnership with district and local municipalities from the Western Cape, Eastern Cape, Northern Cape and Free State that are located in the Karoo biophysical region, and led to the development of the KSTRI.

DISTRICT	MUNICIPALITY	TOWN
XHARIEP	Xhariep DM	Trompsburg, Gariep Dam, Springfontein, Phillipolis, Jagersfontein, Fauresmith, Edenburg & Reddersburg
	Mohokare LM	Zastron, Smithfield & Rouxville
	Letsemeng LM	Koffiefontein, Jacobsdal, Luckhoff, Oppermansgronde, Petrusburg & Farmland

Table : Districts and Local Municipalities will be affected by the KSTRP in the Free State

2.8 FREE STATE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS), 2012

The Free State Provincial Government has developed the Free State Provincial Growth and Development Strategy (FSGDS), Free State Vision 2030. The PGDS is the fundamental policy framework for the Provincial Government. It is a critical instrument to shape and coordinate the allocation of national, provincial and local resources, and private sector investment to achieve sustainable development outcomes based on provincial development needs and priorities.

The Strategy embodies 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 six priority areas of intervention by the Province, namely:

- Inclusive Economic growth and sustainable job creation;
- Education innovation and skills development;
- Improved quality of life;
- Sustainable Rural Development;
- Efficient Administration and Good Governance.
- Building social cohesion.

Importantly, the FSGDS provides a situational analysis of the province, which includes the opportunities and challenges, identify drivers, strategies and measurable performance targets (5 year, 10 year, 15 year and 20-year targets) to ensure the implementation of the identified six priority areas.

2.9 DISTRICT RURAL DEVELOPMENT PLAN

The “District Rural Development Plan” and the “District Rural Development Implementation Plan” as developed by the Department of Rural Development and Land Reform and the Department of Agriculture and Rural Development has been considered and serves in the IDP as a separate Rural Development sector plan for the Municipality.

The plan identified the following for Letsemeng: attributes of the

REGION OF DIVERSE OPPORTUNITIES (SDF, 2016/17):

DESCRIPTION	ATTRIBUTES
<p>The area includes Letsemeng Local Municipal area with the north western and south western sections of Kopanong Local Municipal area</p>	<ul style="list-style-type: none"> - The socio-economic growth of the municipality is centred on agriculture. - The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation. - The area north-east of Reddersburg and the area around Petrusburg has the highest concentration of land with a grazing capacity of 0-33ha. This is in correlation with the irrigation belt which lies within the Letsemeng Local Municipality and Land capability in this region ranges between 30% - 80%. The region around Oppermans and the area north and west of Smithfield are least capable agricultural land, as they <30% strategically located. - Pivots area largely located in the western parts of the district in the Letsemeng Local Municipality as well as along the western boundary, with a significant number of pivots found in and around the town of Jacobsdal. The location of the critical biodiversity areas, formal conservation areas and protected areas is in correlation with the location of canals, irrigated land and high agricultural land within the district. - There is a need for effective development and beneficiation of agricultural produce, creation of decent jobs on farm and establishing Agri-villages for local economic development. A developmental approach to the settlement of restitution claims will be taken - The data indicates that the Letsemeng Local Municipality has a greater affinity to the successful farming of irrigated land - The Xhariep district is a semi-arid area with extensive farming, mainly sheep. The district comprises of open grasslands with small widely dispersed towns. - The availability of Adelaide and Eccca precisely supports the mining activities occurring in the Jagersfontein and Koffiefontein since the rocks type is associated with essential minerals. Mining activities have potential of attracting people and other economic activities - A number of game farms have been identified in Petrusburg, Luckhoff, Phillipolis and Bethulie. - Large portion of the available agricultural land is suitable for livestock production. - The areas north of Koffiefontein, east of Jacobsdal and around Petrusburg have the highest concentration of land suitable for Lucerne. Furthermore, Lucerne suitable

	<p>areas are mostly found around the region of Jacobsdal, Koffiefontein, Luckhoff, Fauresmith and Smithfield</p> <ul style="list-style-type: none"> - Agricultural commodities have been identified for the Xhariep district. They are venison, aquaculture and livestock (beef and mutton) - Two-thirds of the district, mainly the region between the towns of Petrusburg, Luckhoff, Fauresmith, Jagersfontein, Philippolis, Springfontein, Trompsburg, Edenburg, Reddersburg, is not suitable for the production of vegetables - The area around Petrusburg, Jacobsdal and Zastron has the highest concentration of suitable land for the production of Fats and Oils - Irrigation scheme to grow irrigated field crops – potato, vegetables; pasture crops Lucerne and permanent crops like pecan nuts - Petrusburg area represents a combination of cattle, small stock and cereal farming - Koffiefontein and Oppermansgronde with small stock farming inclusive of potential diversification of crops - Irrigation scheme along the Orange river at Vanderkloof Dam with associated tourism activities in Rolfontein Nature Reserve (northern cape) - Existing mining activities at Koffiefontein and Jagersfontein - Historical and cultural experiences at Phillipolis with its own character. The area surrounding Petrusburg and along the N8 to Kimberley is also rich in historical - Tourism route emanating from Jacobsdal to Philippolis - Strong linkages with Kimberley - Renewable Energy project in proximity to Jacobsdal (Pulida Solar Park – 82.5 MW)
<p>Heritage sites</p>	<ul style="list-style-type: none"> - Historical buildings & Monuments of 2nd World War Kanonkop (Koffiefontein); - Voortrekker Memorial Anglican Church used in the Boer War (Petrusburg); - The cairn of commander Ds Lubbe (Jacobsdal) - Stone Church and Ossewa Tracks (Luckhoff); - Battle of Driefontein Graves of English soldiers (rural areas)

2.10 DISTRICT DEVELOPMENT MODEL

The main problem is that the current system is reliant on each sphere to align their plans with the other spheres especially in respect of strategic infrastructure investment, whereas a more efficient approach is to have all three spheres of government work off a common strategic alignment platform. A district development model provides such a platform.

In seeking to provide a solution for the misalignment the model therefore extends beyond the current approach which relies solely on the “discretionary” alignment of planning between and amongst the three spheres of government, through joint planning. Joint planning is specifically focussed on strategic and long-term issues where agreements between the three spheres are critical and necessary for cohesion and impact, and where these agreements help to shape short, medium and long-term plans and actions of all three spheres of government in context of their own planning and implementation responsibilities.) The Model is not top-down but rather based on the outcome of joint planning which determines the best or most appropriate interventions and actions according to the differentiated circumstances of different district and metropolitan areas.

The manifestation of the current situation is a highly inefficient utilization of funds and resources and even wastage. Government is not getting the outcomes it would like to see on the ground where the investment is impacting at the right scale and quality for communities. There is no clear spatial logic and outcomes that enable better integrated place-making but often sector/silo-based outputs. In this manner apartheid spatial logics are often being perpetuated, rather than being broken down.

2.11 COMMUNITY PARTICIPATION

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act (No. 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation.

Based on the legislative requirements, public participation forms an integral part of the Letsemeng IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities.

Between May and June 2023, the municipality conducted public engagements with communities to ensure its planning is aligned to community needs to budget accordingly.

The municipality had separate public engagements in terms of stakeholders and community participation.

WARD	COUNCILLOR	STAKEHOLDER/COMMUNITY	DATE	VENUE
1	Itumeleng Ramohlabi	Commonage Farmers Business,NPOs&NGOs Community Meeting	05/04/2024	Ebenezer Church
2	Vuyani Stuurman	Commonage Farmers Business,NPOs&NGOs	08/04/2024	Recreational Centre
3	Molahlehi Lebaka	Commonage Farmers Business,NPOs&NGOs	11/04/2024	Petrusburg Library

4	Xolani Mthukwane	Commonage Farmers Business,NPOs&NGOs Community Meeting	10/04/2024	MPCC
5	Thato Khumalo	Commonage Farmers Business,NPOs&NGOs Community Meeting	10/04/2024	MPCC
6	Mokgobo Molosi	Commonage Farmers Business,NPOs&NGOs	11/04/2024	Petrusburg Library
7	Semakaleng Lichaba	Commonage Farmers Business,NPOs&NGOs Community Meeting	12/04/2024	Lutheran Church

Table : Public Engagements (Community and stakeholders)

2.12 IDENTIFIED AREAS OF NEED

The core services that local government provides (clean drinking water, sanitation, electricity, shelter, waste removal, and roads) are basic human rights, and essential components of the right to dignity as enshrined in our Constitution and Bill of Rights, and according to the Back-to-Basics Programme.

LLM strive to provide each resident with the same level of services irrespective of their standing in society.

SUMMARY: Ward Based Community Needs Analysis

Ward 1 – Luckhoff, Relebohile, Teisesville

Ward 2 – Jacobsdal and Ratanang

Ward 3 – Bolokanang

Ward 4 – Khayelitsha and Diamanthoogte

Ward 5 – Dithlake and Koffiefontein

Ward 6 – Bolokanang (portion) and Petrusburg

Ward 7- Phambili, Oppermansgronde and Sanderhoogte

The community needs as raised during the IDP consultations have been included and are marked as Annexure A1-A3

CHAPTER 3 :

3.1 VISION & MISSION

LLM wants to prides itself on being a stable institution able to provide services to its residents efficiently while improving their socioeconomic conditions. Thus the vision of the municipal vision for the 2022–2027 IDP is:

“A responsive Municipality in pursuit of Service excellence”

Enhance service delivery through innovative technologies

- Enable a safe, healthy community and environment
- Promote local economic development and tourism
- Adopt clean, renewable energy
- Build strong partnerships, and
- Be a people-centred, compassionate institution.

3.2 VALUES

Values reflect the core guidelines of the organisation and by following them ensures, we remain on the right path. A customer-centric approach must shape the values of the LLM. This defines the character of the municipality and the foundation on which leadership and employees behave and conduct themselves and guides the way in which decisions are made. Furthermore, our change in approach requires for us to prioritise values that create a new behaviour within the municipality. LLM's values will be as follows:

- Equity
- Integrity
- Commitment
- Transparency
- Accountability
- Accessibility and communication
- Collaboration
- Safety and security
- Forward-thinking
- Decisive decision-making

3.3 DEVELOPMENT PRIORITIES & OBJECTIVES

The LLM's vision, mission, values, and political promises culminate in development priorities and objectives set out in the municipality's KPAs. Each KPA is specifically crafted to address the main strategic objectives of the municipality. The Service Delivery and Budget Implementation Plan

(SDBIP) is defined in Chapter one of the MFMA as “a detailed plan approved by the Mayor of a Municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget”.

Essentially the SDBIP is the Council's operational business plan and is an integral part of the planning, implementation and reporting processes. The table that follows indicates the municipality's KPAs and objectives:

KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE
KPA 1: Governance and Stakeholder Participation (Public Participation and Good Governance)	To promote and instil good governance practices within the municipality
KPA 2: Financial Management and Sustainability (Financial Viability and Management)	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems while adhering to statutory requirements
KPA 3: Municipal Transformation and Institutional Development	Improve organisational cohesion and effectiveness
KPA 4: Infrastructure Development and Basic Service Delivery	Eradicate backlogs in order to improve access to basic service delivery and ensure proper operations of infrastructure
KPA 5: Planning and Local Economic Development (LED)	Create an environment that promotes the development of the local economy and facilitate job creation
KPA 6: Community Safety and Environmental Management	Eradicate backlogs to improve access to basic services and maintenance of the existing infrastructure

Table : Municipal Key Performance Areas and Strategic Objectives

3.4 OPERATIONAL STRATEGIES

Based on the KPAs above, the municipality has crafted corresponding key focus areas (KFAs) to outline the operational strategies of the municipality. Operational strategies are further defined as KPIs in the municipality's SDBIP. The SDBIP will be approved by the Executive Mayor 30 days after the adoption of the final IDP. The figures that follow illustrate the linkage between KPAs and KFAs and listed the objectives of the KFAs that is the foundation of the operational strategies for Letsemeng.

A core element of an IDP is to ensure alignment of the municipality's development objectives to national and provincial policies and plans. The table that follows provide an indication of alignment to:

- National KPAs for Municipalities & Back to Basics
- NDP 2030 and MSTF
- Xhariep IDP and District DDM One Plan

KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	KEY FOCUS AREA	OPERATIONAL OBJECTIVE
KPA1: Governance and Stakeholder Participation (Public Participation and Good Governance)	To promote and instil good governance practices within the municipality	Risk Management	Risk Management
		Integrated development plan	Efficient administration and good governance
		Performance management	<ul style="list-style-type: none"> - Effective management of the implementation of the IDP and budget - Ensure responsibility and accountability
		Internal audit	<ul style="list-style-type: none"> - Ensure Efficient administration and good governance - To promote a culture of participatory and good governance
KPA2: Financial Management and Sustainability (Financial Viability and Management)	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems while adhering to statutory requirements	Financial Management	<ul style="list-style-type: none"> - Effective expenditure management - Financial Viability and Management - Effective internal control and compliance
		Supply Change Management	Effective Supply Chain Management
		Assets Equipment & Fleet Management	To adequately maintain the assets of the municipality

		Revenue management	To protect and enhance revenue position of the position to enable the objectives of the municipality
KPA 3: Municipal Transformation and Institutional Development	Improve organisational cohesion and effectiveness		
KPA 4: Infrastructure Development and Basic Service Delivery	Eradicate backlogs in order to improve access to basic service delivery and ensure proper operations of infrastructure	Water & Sanitation Infrastructure	<ul style="list-style-type: none"> - To plan, construct and maintain water and sanitation infrastructure. - To provide sustainable, reliable ,clean and affordable water and sanitation services to all residents
		Electricity and Energy Efficiency	<ul style="list-style-type: none"> - To plan, construct and maintain electricity networks and to improve energy efficiency - To provide sustainable, reliable and affordable electricity to all residents
		Roads & Stormwater Infrastructure	To plan, construct and maintain roads and stormwater infrastructure
		Water & Sanitation Infrastructure	<ul style="list-style-type: none"> - To plan, construct and maintain water and sanitation infrastructure - To provide sustainable, reliable and affordable water and sanitation services to all residents
		Solid Waste Management	<ul style="list-style-type: none"> - To provide sustainable, reliable and affordable waste disposal services to all residents. - To plan, construct and maintain landfill sites and transfer stations
		Project Management	To plan, construct and maintain all municipal project
KPA 5: Planning and Local Economic Development (LED)	Create an environment that promotes the development of the local economy and facilitate job creation	Municipal Planning & Built Environment	To improve land use and building developments in line with legislation and policy

		Spatial Planning and Investment	To develop an effective spatial framework to promote development in the municipality, focused on enabling and aligning development objectives
		Local Economic Development	To facilitate and promote local economic growth
KPA 6: Community Safety and Environmental Management	Eradicate backlogs to improve access to basic services and maintenance of the existing infrastructure	Effective human settlement	To ensure that all municipal plans relating to effective community development are in place
		Libraries, Arts & Culture and community Programmes	To promote the development of cultural and social programs to uplift the community
		Access to clean Municipal buildings	To promote the wellbeing of communities through provision of adequate social facilities and community development programmes
		Environmental Health	<ul style="list-style-type: none"> - Access to clean environment - To ensure healthy living environments
		Disaster Management	To outline policy and procedures for proactive disaster prevention and mitigation

Table : Municipal Key Performance Areas Linked to Key Focus Areas and operation objectives

3.5 ALIGNMENT TO NATIONAL AND PROVINCIAL POLICIES AND PLANS

NATIONAL KPAS FOR MUNICIPALITIES	
NATIONAL KPAS	LETSEMENGs KPAS
NKPA 1: Municipal Transformation & Development	KPA1: Governance and Stakeholder Participation
	KPA 3: Municipal Transformation and Institutional Development
NKPA 2: Basic Service Delivery	KPA 3: Municipal Transformation and Institutional Development
	KPA 4: Infrastructure Development and Basic Service Delivery
NKPA 3: Local Economic Development	KPA 5: Planning and Local Economic Development (LED)
NKPA 4: Municipal Financial Viability & Management	KPA2: Financial Management and Sustainability
NKPA 5: Good Governance & Public Participation	KPA1: Governance and Stakeholder Participation
BACK TO BASICS	
5 PILLARS OF BACK TO BASICS	LETSEMENGs KPAS
1. Putting people and their concerns first	KPA 3: Municipal Transformation and Institutional Development
	KPA 4: Infrastructure Development and Basic Service Delivery
	KPA 5: Planning and Local Economic Development (LED)
2. Supporting the delivery of municipal services to the right quality and standard	KPA 3: Municipal Transformation and Institutional Development
	KPA 4: Infrastructure Development and Basic Service Delivery
3. Promoting good governance, transparency and accountability	KPA1: Governance and Stakeholder Participation
4. Ensuring sound financial management and accounting	KPA2: Financial Management and Sustainability

NATIONAL DEVELOPMENT PLAN 2030	
NDP 2030 STRATEGIES	LETSEMENGs KPAS
1. Creating jobs and improving livelihoods	KPA 5: Planning and Local Economic Development (LED)
2. Expanding infrastructure	KPA 4: Infrastructure Development and Basic Service Delivery
3. Transforming urban and rural spaces	KPA 5: Planning and Local Economic Development (LED)
4. Improving education and training	KPA 3: Community Development
5. Providing quality healthcare	KPA 6: Community Safety and Environmental Management
6. Fighting corruption and enhancing accountability	KPA1: Governance and Stakeholder Participation
	KPA2: Financial Management and Sustainability
	KPA 3: Municipal Transformation and Institutional Development
7. Transforming society and uniting the nation	KPA 5: Planning and Local Economic Development (LED)
	KPA 6: Community Safety and Environmental Management
	KPA 4: Institutional Development

XHARIEP INTEGRATED DEVELOPMENT PLAN	
XHARIEP KPA	LETSEMENG KPAS
KPA 1: Municipal Transformation and Organizational development	KPA 8 Economic Growth & Spatial Transformation
KPA 2: Local Economic Development & planning	KPA 5: Planning and Local Economic Development (LED)
KPA 3: Financial sustainability and viability	KPA 2: Financial Management and Sustainability
KPA 4: Good governance and community participation	KPA1: Governance and Stakeholder Participation
	KPA 6: Community Safety and Environmental Management
KPA 5: Basic service delivery, infrastructure and community services	KPA 4: Infrastructure Development and Basic Service Delivery

KPA 6 : Spatial Rationale and Environmental Management (<i>This was added later</i>)	KPA 6: Community Safety and Environmental Management
DISTRICT DEVELOPMENT MODEL	
DDM GOALS	LETSEMENGs KPAS
Demographic / People Development	KPA 6: Community Safety and Environmental Management
Economic Positioning	KPA 5: Planning and Local Economic Development (LED)
Spatial Restructuring and Environment Development	KPA 5: Planning and Local Economic Development (LED)
Infrastructure Development	KPA 4: Infrastructure Development and Basic Service Delivery
Integrated Service Provision	KPA 3: Municipal Transformation and Institutional Development
Governance Development	KPA1: Governance and Stakeholder Participation
	KPA 3: Municipal Transformation and Institutional Development
	KPA 3: Municipal Transformation and Institutional Development

CHAPTER 4 : FINANCIAL PLANNING

4.1 BACKGROUND

The purpose of this chapter is to outline a comprehensive multiyear financial plan that will ensure long-term financial sustainability for LLM. The financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The multiyear financial plan is prepared for a planning period of five years, through this plan LLM will focus on greater financial health and sustainability, making collaboration of capital investment projects with other levels of government and private sector investors much easier.

This plan will also focus on the expansion of LLM's revenue sources in relation to its costs to ensure that the municipality stays a financially viable and sustainable going concern. LLM must utilise available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes, as set out in Chapter 3 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

4.2 FINANCIAL FRAMEWORK

The budget and Treasury office of Letsemeng Local Municipality is responsible for the financial management of the municipality as a whole. The mandate of finance department is to ensure that all departments are provided with the resources to enable them to perform their functions and that the Municipality is financially sustainable. In order to fulfil this mandate, the finance department comprises of the following six units each performing a specific function, and which collectively seek to enhance the financial viability of the municipality and they are:

4.2.1 Billing

The billing unit is responsible for ensuring that the consumers of LLM get billed for basic services, consumption, rates and taxes. This ensures that the municipality receives an income to deliver services to the community and run the administration of the municipality.

4.2.2 Financial management

The financial management unit is the custodian of the assets registers, investments, bank accounts of the municipality and is also responsible to ensure that the service providers of the municipality as well as its employees are paid on time.

4.2.3 Revenue

-The revenue unit is responsible for the collection of funds due to the municipality, and it includes the debt collection, credit control, client's services and finalization of accounts.

4.2.4 Supply Chain Management

The supply chain management unit is responsible for ensuring that all goods and services procured by the municipality is in accordance with applicable legislation. The unit is also responsible for contract management including reporting on commitments and ensuring that the new contracts are entered into to prevent irregular expenditure.

4.2.5 Budget and Reporting

The budget and reporting unit is responsible for the management of the municipality's budget including the approved budget, virements and assisting with the adjustment budget. The reports include Section 71&72, 52d.

4.2.6 Asset Management

Asset management unit is responsible for ensuring that the assets of the Municipality are used for the intended purposes, furthermore this unit ensures that all Municipal assets are adequately insured.

Key Challenges identified:

The following have been identified as the major operational issues impacting on the financial stability of Letsemeng Local Municipality:

- Deteriorating debtor's collection rate due to the economic downturn and culture of non-payment of services by residents, businesses, and farmers
- Inadequate internal controls relating to supply chain management process resulting in increased irregular expenditure.
- System and billing challenges
- Lack of cash reserves to fund capital projects and other operational activities.
- Inadequate use of technology to achieve efficient and effective operations smart metering and billing.
- Unfunded positions on the organizational structure

The critical factors towards enhanced financial sustainability are identified as follows:

- Cost containment measures to curb spending on non-core services (Expenditure)
- Credit control must be intensified to improve LLM cash flow.
- Debt collections must be implemented to improve LLM cash flow and build up reserves.

- Short- and long-term debt facilities to be considered in order to protect funding so that LLM accelerate service delivery.
- Capacitate all units particularly in different towns.

4.3 FREE BASIC SERVICES

LLM is keeping a register of all indigents. As of June 2023, a total number of 2300 have been registered on the indigents register. The approach of letting persons walk in and register has not yielded the intended results hence the public participation per town.

4.4 FINANCIAL STRATEGIES

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective which is the financial viability and sustainability of the municipality.

4.4.1 Revenue raising strategies.

The following are some of the more significant programmes that can/have been identified:

- The annual review and implementation of the credit control and debt collection policy. This policy and the relevant procedures detail all areas of customer care, credit control and debt collection of amounts billed to customers, including procedures for non-payment.
- The annual review of tariff policy. This policy will ensure that fair tariffs are charged in a throughout the municipal area.
- The annual review and maintenance of an indigent policy. This policy defines the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
- The annual review and maintenance of a property rates policy. This will ensure that a fair rates policy and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the municipality's records. Furthermore, the policy will ensure that valuations are systematically carried out for all properties on a regular basis.
- Prescribed debt will be considered for write-off on an annual basis.

4.4.2 Asset management strategies and programmes

The following are some of the more significant programmes that can be identified:

- Implementation of an integrated asset management system. This programme involves the ongoing updating of a suitable integrated asset management system. It also includes the capturing of all assets on the system, the

maintenance of this system and the production of a complete asset register in terms of the Generally Recognised Accounting Practice (GRAP).

- The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio. This programme will involve the identification of risks in conjunction with insurers and all heads of departments. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per renewal terms.

4.4.3 Financial management strategies and programmes

The following are some of the more significant programmes that can/have been identified:

- The implementation of the MFMA Regulations – Municipal Standard Chart of Accounts (mSCOA).
- The annual review of the entire organogram of the Finance Department, ensuring that adequate capacity exists to optimise service delivery.
- Implementation of integrated development planning and budgeting using community consultation processes.
- Reviewing and updating of asset, budget and accounting policies and procedures.
- Training and development of financial and other staff. The aim of this project will be to constantly ensure that the financial and other staff members receive the training they require to ensure a cost-effective and efficient service to the municipality and its customers and to ensure full compliance with the MFMA regulations on minimum competency levels.
- Enhancing budgetary controls and timeliness of financial data and building the capacity of the Budget and Treasury Office to ensure that financial information for reporting purposes is generated timeously. It will also include the monitoring and reporting on budget variances.

4.4.4 Capital financing strategies and programmes

The following is more significant programmes that can/have been identified:

- The development of a capital investment framework.

4.4.5 General financial philosophy

The financial vision of LLM is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of Letsemeng.

It is the goal of the municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain,

municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, co-ordinate and implement responsible and sustainable community development and growth.

Based on the financial framework and the financial strategies the municipality must develop financial policies that support the above. LLM's financial policies shall also address the following fiscal goals:

- To keep the municipality in a fiscally sound position in both the long and short term.
- To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations.
- To apply credit control policies which maximise collection while providing relief to the indigent.
- To implement credit control policies that recognise the basic policy of customer care and convenience.
- To maintain and protect existing infrastructure and capital assets.
- To provide a framework for the prudent use of debt financing; and
- To direct the municipality's financial resources to meet the goals of the municipality's IDP.

4.4.6 Budget-related policies

The annual budget is the central financial planning document, directed by the IDP, which embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly scrutiny and reporting to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a midyear review, which will result in an Adjustments Budget if required.

Adequate maintenance and replacement of the municipality's assets (property, plant, and equipment) will be provided for in the annual budget. It will be informed by Council's Asset Management Policy.

4.4.7 Capital infrastructure policies

The municipality will establish and implement a comprehensive three-year capital budget. This budget will be updated annually to ensure that bulk infrastructure services and internal infrastructure services together with the foreseen funding sources are planned in an integrated and co-ordinated manner.

4.4.8 Revenue policies

LLM will estimate annual revenues through a conservative, objective and analytical process based on realistically expected revenue to be collected. The municipalities will set tariffs at a level that balances the total direct and indirect costs of operations, and the affordability for the consumer.

LLM will maintain a valuation system based on market values of all properties within its boundaries as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. The valuation roll will be reviewed every five years in light of the new review due in the next financial year. Fees will be adjusted where appropriate to reflect these increases. These principles and the raising of property rates are contained in the Property Rates Policy.

The municipality will continue to identify and pursue grants and appropriations from National and Provincial province and other agencies, which are consistent with the municipality's goals and strategic plan and to eradicate unfunded mandates.

4.4.9 Credit control policies and procedures

LLM will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose, a Credit Control and Debt Collection Policy must be developed and adopted by Council. As the recoverability of all outstanding debt is questionable, the writing off of prescribed debt is considered by Council on an annual basis.

4.4.10 Supply chain management

The Supply Chain Management Policy will ensure that goods and services are procured compliant with legislative requirements in a fair, equitable, transparent, competitive and cost-effective way. It includes the disposal of goods or assets no longer needed for basic service delivery and must be read in conjunction with Council's Disposal of Assets Policy.

4.4.11 Asset management policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant, and Equipment, which are immovable and movable assets of LLM and computer software and servitudes, which are intangible assets of LLM. The principles and policy statements must be embedded in the Asset Management Policy of Council.

4.4.12 Accounting policies

The principles on which LLM operates with regard to the presentation, treatment, and disclosure of financial information forms part of the accounting policy adopted in the compiled annual financial statements.

4.5 BUDGET ASSUMPTIONS

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

- Budgeting for a funded and credible annual budget compared to a balanced budget;
- The 2023-24 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 2024-25 annual budget;
- Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, also as per guideline of Circular 128 except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- 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.

4.5.1 Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e., in August 2023 a time schedule that sets out the process to revise the IDP and prepare the annual budget.

The Mayor tabled the required IDP process plan and budget time schedule in November 2023. Adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans. Budget and IDP were tabled before Council on the 18th April 2024.

4.6. TARIFF INCREASES

As a requirement from National Treasury, our budget is based on the concept of balanced budget, Municipalities are not supposed to budget for a deficit, in order to mitigate against this issue, decision was taken to increase our tariffs.

Property rates

Property rates tariffs for all properties will increase by 4.9 % for 21 agricultural and all other properties. Municipality will be implementing a supplementary valuation roll in line with the provisions of Municipal Property rates act.

Service charges.

- Sewerage tariffs to be increased by 4.9%.
- Water tariffs to be increased by 4.9%.
- Refuse removal services tariffs will be increased by 4.9%;
- Electricity tariffs: will be increased by 12.1% for the 2024/25 financial year, this percentage increase will mostly likely change as we are still awaiting NERSA on the guideline tariff increase for Municipalities.

4.6 GRANTS

OPERATING GRANTS	2024/2025	2025/2026	2026/2027
Equitable share	90 162 000	93 664 000	96 485 000
Finance Management Grant	3 000 000	3 000 000	3 000 000
Energy Efficiency and Demand Side Management Grant	4 000 000	3 000 000	4 000 000
Expanded Public Works Incentive	1 200 000	0	0
Capital Grants			
Municipal Infrastructure Grant	27 354 000	20 105 000	21 502 000
Water Service Management Grant	15 287 000	23 285 000	25 000 000
Integrated National Electrification Programme		3 300 000	5 500 000
Total			
Allocation in kind			
INEP	65 000	0	0
TOTAL GRANTS	141 068 000.00	146 400 000	155 487 000

4.7 OVERVIEW OF THE BUDGET

4.7.1. Operating Revenue.

Total operating revenue amount to R 239 652 226, revenue has increased with R9 171 245 from financial year 2023-24 adjustment budget of R 230 480 981. Operating revenue comprises of service charges, property rates and other revenue. We anticipate collecting 100% on prepaid electricity, 70% on property rates, 50% on water services, refuse and sanitation services.

Property rates amounts to R 28 755 189 it has increased from R27 412 079, electricity increased from R 36 830 532 to R 38 635 229, water increased from R 19 123 860 to R 20 060 930, waste water management increased from R 14 786 642 to R15 511 563,

and waste management increased from R 14 443 741 to R 15 151 756. All of the service charges were increased with an average inflation rate of 4.9%.

Other revenue consist of administration costs, objection costs, photocopies costs and clearance certificate. Municipality is still awaiting NERSA tariff approval for electricity; we have however budgeted for an increase of 12.1% on electricity tariffs as per the CPI as stated on the MFMA budget circular 128.

4.7.2 Total operating expenditure

Total operating expenditure amount to R 279 664 738 it has increased with R24 743 588 from financial year 2023-24 adjustment budget of R254 921 150. Total operating expenditure for the 2024-25 financial year translates into a budgeted deficit of (R40 012 512, excluding capital grants) which includes the non-cash items amounting to R48 940 000. When non-cash items are removed, the budget of the municipality is on a surplus. The operating expenditure consist of employee related costs, remuneration of Councillors, bulk purchases, contracted services and other expenditure.

Employee related costs increased from R 79 081 000 to R 85 819 808. Remuneration of Councillors is increased from R5 446 000 to R 5 713 000 the increase is based on the salary and wage collective agreement based on the projected average CPI of 4.9%.

Bulk purchases was increased from R38 000 000 to R 39 862 000. Contracted services increased from R 16 708 000 to R 34 397 000,

4.7.3 Contracted services

it comprises of EPWP job creation, supplementary valuation roll, Insurance for municipal assets, employee wellness, rental of photocopies machines, telephones and network, maintenance of financial system (MSCOA compliant) and compilation of annual financial statements. Other expenditure decreased from R 16 039 000 to R 22 089 000. Other expenditure consist of human capital development, waste water and water chemicals, accommodation, audit fees, printing and stationery, legal expenses, office furniture and etc.

As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment R28 940 000 and Depreciation and Asset Impairment of R 40 000 000, as per circular 128 of MFMA depreciation needs to be funded.

As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment R28 940 000 and Depreciation and Asset Impairment of R 40 000 000, as per circular 128 of MFMA depreciation needs to be funded

4.8. CAPITAL EXPENDITURE DETAILS

The total capital expenditure budget of the municipality is R 44 415 000, and it is funded from the following funding sources:

- Municipal Water System Infrastructure Grant is allocated R 15 287 000
- Municipal Infrastructure Grant is allocated R 27 354 000
- Internally generated funds amount to R 1 774 000

4.8.1 Planned projects for 2024/2025 funded by MIG.

PROJECT	ALLOCATION
Project Management Unit	R 1 367 700.00
Sonwabile Upgrading of Sports Facility (Phase 2)	R 1 230 205.00
Luckhoff/Relebohile: Upgrading of Bulk Sewer Lines	R 1 400 053.50
Koffiefontein – Repair 5 pump stations	R 1 959 790.50
Bolokang - Upgrading of Sports Facility	R 8 000 000.00
Diamaandhoogte – Construction of water borne sewer – 252 sites	R 13 396 251.00
TOTAL	R 27 354 000

4.8.2. Planned projects for 2024/2025 funded by WSIG.

PROJECT	ALLOCATION
Koffiefontein and Dithlake bulk water storage (4.9ML Reservoir)	R 15 287 000

4.9 FIVE YEAR STRATEGIC OBJECTIVES

5-year Strategic objective	5-year IDP Programme	Section Changed	Reasons for Change
Availability of cost-effective capital finance to fund capital programmes	Pursue borrowing through DBSA grants and source capital funding through government grants	IDP sub programme	The municipality will be implementing MIG capital projects for upgrading infrastructure within the Municipality
Equitable and competitive tariff	Tariff Management Programme	Ensure compliance with the reviewed tariff policy of the municipality	Equitable and competitive tariff system that is informed by national inflation data and targets, comparable

			to local municipalities and circumstances of community to ensure affordability
Effective system that is informed by national inflation data and targets, comparable to local municipalities and circumstances of communities to ensure affordability	An evaluation of the tariff methodology to assess whether it is relevant to the current changes in the municipality and NERSA Revenue Enhancement Strategy	<ul style="list-style-type: none"> -Ensure compliance with the reviewed tariff policy of the municipality. - Maintain separate property rates tariffs per category of property -Improve revenue collection rate to: <ul style="list-style-type: none"> - 60% in 2024/25 - 75% in 2025/26 - 85% In 2026/27 	Equitable and competitive tariff system that is informed by national inflation data and targets, comparable to local municipalities and circumstances of community to ensure affordability
A budget system, structure and format that enables sound resources allocation and MSCOA seven segments	<p>Financial Management Programme of the municipality is currently on the implementation of version 6.8 of MSCOA.</p> <p>The department uses the MSCOA seven segments to determine the allocation of funding to each department</p>	<ul style="list-style-type: none"> -Redevelop formats to ensure that they are in line with the National Treasury's requirements -Develop and determine Medium Term Budget Framework and long-term 	A budget system, structure and format that enables sound resource allocation.

		<p>financial framework</p> <p>-Ensure that the budget system is maintained and upgraded to the latest version as issued by National Treasury</p>	
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Challenges and opportunities

CHALLENGES	OPPORTUNITIES
Placement of staff	Internal prepare Annual Financial statements by 2025/2026
Grading of the municipality resulting to lack of retention of competent staff and attraction of scare skill	Dedicated BTO staff
Satellite offices operating manually	
Unreliable meter reading leading to inconsistent billing	
Lack of clear business process	
Shortage of BTO staff	

Strategic priorities

KEY PERFORMANCE AREA	IMPLEMENTATION PLAN
Financial turnaround strategy	<ul style="list-style-type: none"> - Expenditure review and implementation recommendations - Implementation of Cost Containment measures - Revenue maximisation plan - Implementation of Credit control and debt collection policy. - Improve implementation of billing - Increased collections levels - Implementation of fraud and anti-corruption strategy - Implementation of effective supply chain management - Increase in the number of households registered as indigent. - Payment plans with Key Creditors, i.e. Waterboard, Eskom - Implementation of Consequence management
Customer service	<ul style="list-style-type: none"> - Monitor turnaround time on query resolution. - Customer feedback on accounts - Introduce SMS and Email services for delivering Accounts. - Introduce a dedicated WhatsApp number for query management
Overall financial oversight	<ul style="list-style-type: none"> - Attainment and maintenance of unqualified audit opinion - Improvement in cash coverage ratio - Reduction in total amount owing to creditors. - Functional MPAC - Functional DC Board

Financial Sustainability Sector Plan

5- YEAR STRATEGIC OBJECTIVES	IDP PROGRAMME	DELIVERY AGENDA
Empowered customers enjoying highest standard of customer care and responsiveness	Responsive customer care <ul style="list-style-type: none"> - Complaints vs. resolved. 	Responsive customer care <ul style="list-style-type: none"> - Harness the single customer experience from optimisation of customer service centre. - Reduction in time taken to answer calls to an average of 60 seconds. - Sustain customer satisfaction
The municipality that creatively evolves its billing and expenditure system to ensure long-term fiscal stability and growth, and optimal spending to support accelerated and sustainable development	Maximise Revenue Collection and Billing <ul style="list-style-type: none"> - Increase in average revenue collection to 75% (over MTREF) 	Maximise Revenue Collection and Billing <ul style="list-style-type: none"> - Increase in revenue collection to acceptable levels, including indigents. - Address meter reading. - Install smart electricity meters. - Install pre-paid water meters
	Financial control and reporting Staff trained to respond to the NCA closely monitoring its effect on income	Financial control and reporting <ul style="list-style-type: none"> - 100% compliance with NCA Support the implementation of MPRA
	Debtors book Analysis of the debtors' book	Debtors book <ul style="list-style-type: none"> - Encourage customers to utilise incentive scheme through operation patala. - Enlist the services of debt collectors from the relevant National Treasury Transversal contract
Sustained excellence in financial management	Completeness of revenue <ul style="list-style-type: none"> - Increase in number of matched accounts reaching more than 97%. 	Completeness of revenue <ul style="list-style-type: none"> - Realise all revenue maximisation projects under property valuation relating to the following areas: <ul style="list-style-type: none"> o Valuation roll

	<ul style="list-style-type: none"> - Fostering completeness of revenue partnering with poverty value chain 	<ul style="list-style-type: none"> o Reconciliation of property data o Overall completeness of data o Priority projects to raise additional revenue. o Return on investment of revenue maximisation. o Harness value add of property value chain. o Sustained incremental concise completeness of revenue project
	<p>Refunds and clearances efficiencies</p> <ul style="list-style-type: none"> - Increase of active customers receiving bills to 100% - 98% refunds issued within 30 days. - 100% clearance certificates issued within 30 days 	<p>Refunds and clearances efficiencies</p>
	<p>Refunds and clearances efficiencies</p> <ul style="list-style-type: none"> - Increase of active customers receiving bills to 100% - 98% refunds issued within 30 days. 	<p>Refunds and clearance efficiencies</p> <ul style="list-style-type: none"> - Accurate billing management - 93% to 97% clearance certificate and refunds issued within 30 days of application.

	<ul style="list-style-type: none"> - 100% clearance certificates issued within 30 days. 	<ul style="list-style-type: none"> - 97% properties on the billing system metered and billed with accurate bills. <p>97% increase in active customers receiving bills to minimum</p>
A municipality stable and growing revenue streams	<p>Credit control enforcement.</p> <p>Expansion of credit control</p>	<p>Credit control enforcement.</p> <ul style="list-style-type: none"> - Strengthened credit management. - Controls through reduction of areas where no credit control is taking place
A municipality with stable and growing revenue streams	<p>Capital Financing Programme</p> <p>Where appropriate and within a policy framework raise project finance for specific infrastructure projects</p>	<p>Capital Financing Programme</p> <p>Strengthens relationship with businesses</p>
A budget system, structure and format that enables sound resource allocation decisions	<p>Budget reform programme</p> <ul style="list-style-type: none"> - Revise the budget format to facilitate flexible programme based MSCOA budgeting. - As required by the MFMA, continue to build the system and practices enabling more effective and efficient budget tracking funded budget. 	<p>Budget reform programme</p> <ul style="list-style-type: none"> - Develop an expenditure review model on an annual basis. - Produce quarterly SDBIP reports in line with National Treasury regulations. - Review budget policies annually

<p>Measurable improvements in unit cost and allocation efficiency on a key of set indicators</p>	<p>Expenditure review programmes</p> <ul style="list-style-type: none"> - As part of the overall framework of performance tracking and strategic decision-making, build a system and practice of annual budget review that tracks trends and issues in personnel spending, unit cost efficiencies, allocative efficiencies of, and social, economic, and financial returns from, key service investments, and whether expenditure responsibilities are being adequately matched by resources. - Develop methods for evaluating for evaluating unit cost efficient in expenditure on key service and conduct regular benchmark-comparison studies with comparable to local municipalities 	<p>Expenditure review programme</p> <ul style="list-style-type: none"> - Develop an expenditure review document on an annual basis. - Review budget policies annually
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4.10. Conclusion

This financial plan with its financial framework, financial strategies and financial policy framework will contribute to ensuring that LLM remains financially viable and sustainable and that quality municipal services are provided economically to all communities within its area of jurisdiction, the plan is reviewed on an annual basis and tabled together with Budget and IDP of the Municipality.

CHAPTER 5 : HUMAN RESOURCES STRATEGY 5.1 EXECUTIVE SUMMARY

5.1 INTRODUCTION

Letsemeng Local municipality will be striving to be a learning institution. Its Human Resources Directorate will strive to enhance the mandate of the organisation through effective human resources (HR) policies, procedures, and processes. The main goal of the strategy will be to ensure that the directives are aligned to the vision and mission statement of Council, the objectives identified in the IDP and the SDBIP.

Within the given HR framework, it is imperative to define value so as to gauge the extent to which HR services should be aligned to ensure the delivery of value.

HR is an ever-evolving vocation and continuous revision of the HR strategy ensures that the organisation is better equipped to address the increasing challenges and changes within the operating environment.

In order to address some of these changes, LLM must be flexible enough to respond to the changing environment and keep abreast with developments within the labour market and labour environment to truly become an employer of choice.

This will entail a progressive mind shift from the current local government environment and applying best practice initiatives across all sectors within the South African economy. A new approach to old business should be adopted to remain relevant as a progressive organisation.

5.2 HUMAN RESOURCES AND OVERVIEW

The Human Resources Strategy will be aligned to the municipality's five-year IDP and focuses primarily on KPA 4: Institutional Development.

In order to perform and achieve the outcomes associated with the KPA and KFAs and aligned to the vision and mission statement of the organisation, the Human Resources Directorate will strive to achieve its vision by monitoring its performance through its SDBIP.

The Human Resources Directorate operates within the internal and external environment of the organisation and serves as a link between all internal stakeholders within the organisation.

5.3 OPERATING CONTEXT

External Environment

Strategic HR management will recognise the legislative, economic, social, and political factors that create and govern the external environment in which the municipality operates. External stakeholders served by the Human Resources Directorate will include the community at large in terms of job applicants, learners and other relevant groups.

Internal Environment

The Human Resources Directorate is a centralised support function that operates within a complex and dynamic framework where a range of external challenges intersect with the unique culture of the organisation.

Its role is to provide advice and support to the Executive on HR-related, issues. However, the HR function is not only applicable to the Executive; its role is also to advise and support staff.

Support will be provided by the Human Resources Directorate to line management in terms of facilitating employment processes including, but not limited to, the recruitment of staff, discipline, learning and development, engagement, and benefits.

The facilitation of these processes entails initiation by the user department, based on operational requirements and misconduct from staff, without which the Human Resources Directorate is not able to initiate or facilitate processes accordingly.

The Inconsistent application of policy and procedure by line management, has hampered facilitation of these processes.

Within this framework, effective HR management processes are required to facilitate continual staff learning and development, improve leadership capacity and encourage consultation and collaboration with all stakeholders.

Resources Directorate will again for the period under review embark on regular HR roadshows aimed at information sharing to all staff to ensure that employees are aware of policies, processes and procedures.

Through an effective Human Resources Strategy, staff can work together to achieve the vision, mission and objectives of the organisation.

This will entail effective management of staff, planning, coaching, reviewing performance and rewarding employees for good performance. A strategic HR approach will be able to assist in achieving ultimate results and ensure that the municipality remains the best.

5.4 STRATEGIC DIRECTION FOR HUMAN RESOURCES

LLM needs to review its Human Resources Strategy as a reorganisation of the existing strategy.

The Human Resources Strategy coupled with the reviewed HR structure will have to be relooked-engagement and undertaken with all HR staff to ensure sound investment, appreciation and understanding.

The revised strategy and structure will be built on the existing strategy and structure and on the foundations of organisational development, talent management, quality service delivery and sound compliance.

In the development of the 2020/2021 Human Resources Strategy, several factors were considered, including but not limited to a targeted survey by head of departments and directors and a pragmatic approach where some core departments presented to the Human Resources Directorate, focusing on the following:

- Key HR priorities based on the client needs (through surveys and engagement, or operational requirements);
 - identification of HR bottlenecks or inconsistent application of policy and procedure;
 - The negative impact HR inefficiencies on user departments' core functions; and
 - Proposed HR solutions to improve related effectiveness and efficiency.
- In response to the 2024/2025 strategy, the following will be addressed:

The department will review the processes and streamline specifically the processing of requests for inter alia recruitment requests (acting, temporary, permanent) and recruitment processes related to shortlisting, and the administrative processes associated with the process.

The Recruitment Policy will be reviewed and submitted to Council for approval. The review of processes will also address the HR solution to improve related effectiveness and efficiency.

Human Resources Strategy

In response to the proposed HR solutions, the following Human Resources Strategy is proposed in the below figure

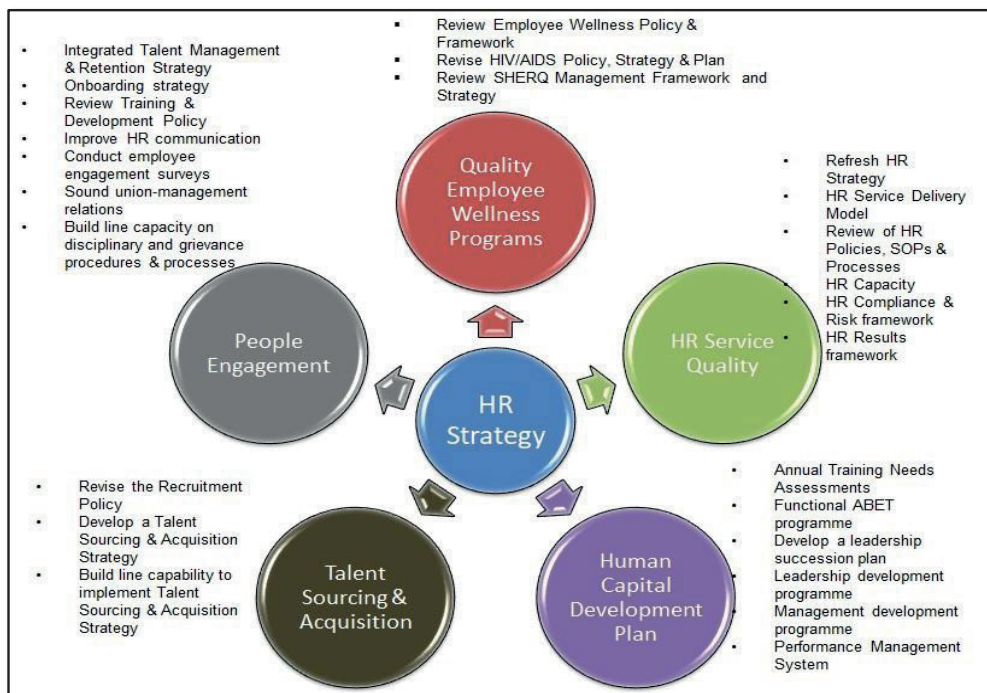


Figure 25: HR Strategy

All activities identified, with specific deliverables will have an important role to play in supporting and enabling the overall strategic objectives of the organisation, in the short, medium and long term

The identification of strategic focus areas for the 2024/2025 strategy is a priority of initiatives that will inform the design of HR services, establishment of the Human Resources Delivery Model, upgrading of HR capabilities, continuous improvement of HR operations and communicating the value of HR services.

The elements noted above will contribute to the identification and articulation of the key priorities for the department.

The following priorities have been identified and will be the focus areas for the Human Resources Directorate for the period under review:

PRIORITY AREA	ACTION REQUIRED
HR business processes	<ul style="list-style-type: none"> - Policy review and development - Procedure development - Systems review
Talent management/ organisational development	<ul style="list-style-type: none"> - Workforce planning (staff establishment) - Compensation and benefits management - Employee engagement - Improved HR communication
HR customer centricity	<ul style="list-style-type: none"> - Customer Satisfaction Index (conduct survey) - HR internal culture change
Employee value proposition	<ul style="list-style-type: none"> - LLM Brand - Organisational culture and change management
Organisational structure	<ul style="list-style-type: none"> - Review organisational structure to address strategic and business needs
Policy review	<ul style="list-style-type: none"> - Planning (priority areas) - Develop, engage, approve and implement policies - Awareness creation (workshops with employees including unions)
Improved recruitment turnaround time	<ul style="list-style-type: none"> - Review Recruitment Policy - Review Labour Register Policy & Procedure - Improve recruitment plans per department

Table : HR Priority Areas

A high-quality organisation is dependent upon the quality, reputation and productivity of its staff.

The Human Resources Directorate must and will be able to engage in regular analysis and planning to ensure its services address the long-term needs of the organisation

The goal is to have a revised Human Resources Strategy that sets a clear direction.

The strategy will also highlight the shared responsibility and accountability of its implementation among management at all levels, employees and the Human Resources Directorate, specifically.

The objectives are to ensure that the strategy supports all strategic objectives of the organisation and responds to HR needs. In order to

achieve the objectives, LLM requires a workforce that is more flexible, high-performing and fully trained to accept and execute their professional challenges.

Human Resources Service Delivery Model

The review of the Human Resources Strategy is not a complete overhaul of the existing strategy (some elements are still applicable), but rather the inclusion and refinement of some of the elements of the strategy inclusive of newly introduced elements.

The review of the strategy is aimed at easily solving issues raised by staff members, improved turnaround times, updated standard operating procedures and reviewing systems and processes that may increase the Human Resources Service Delivery Model.

The alignment to the structure must include the integration of functions and linking of related functions accordingly. The HR SDBIP objectives need to be aligned to service output.

Recruitment/Administration: Organisational Development & Talent Management Role	
Purpose	To provide consultation in change management performance and working in partnership with support functions and client team, orchestrate the development of a culture of engagement and institutional health; bring about organisational change initiatives that address institutional goals and strategies
EAP & benefit role	
Purpose	<ul style="list-style-type: none"> - Responsible for developing, implementing and administering LLM's total remuneration strategies. - The role is responsible for driving a high-performance culture by linking rewards to performance (currently an unfunded process). - The role will ensure alignment of the remuneration practices (specific to benefits) and in partnership with the Financial Services (Pay Office) department and other relevant stakeholders to ensure sector alignment of LLM's remuneration practices to attract and retain talent. - The role will also be responsible for the holistic (development, implementation and management) of all employee benefits and ensure compliance and minimisation of risk related to remuneration and benefits processes
Intervention	<ul style="list-style-type: none"> - Wellness events according to a scheduled plan for a calendar year. These will include Wellness Days and information sessions for employees on the following topics: Financial Health/Literacy Legal Awareness ,Mental Health awareness, healthy living ,sexual health, know your human rights , drug and substance abuse wellness days and Gender-based Violence

Human Resources Business Partnering Role	
Purpose	- To implement the Human Resources Strategy and deliver excellent customer service within the organisation
Intervention	- Employee surveys to inform needs and gaps to streamline interventions required, such as recruitment, labour, safety and wellness
Service delivery role	
Purpose	- To provide service excellence leadership to the HR team by partnering with the business leaders, in building organisational capabilities for driving sustainable business growth. The role is responsible for building the MLM culture and operating environment that is conducive to attracting, developing and retaining the best talent. The role is responsible for ensuring implementation of the Human Resources Strategy in partnership with the Deputy Director: Operations and Deputy Director: Centre of Excellence
Intervention	- Labour law awareness ,mitigating labour disputes - Standard of conduct - Disciplinary process(es)

5.5 HR STRATEGIC PORTFOLIOS

Staff Establishment

Letsemeng must review its staff establishment on an annual basis. The staff establishment, as governed by legislation, is linked to a multiyear budget and projects changes over a period of three years. These changes include new employees, resources needed as well as the financial implications thereof.

In developing the staff establishment, the requests for new positions are considered only if there is a demonstrable link to a service need or a resource requirement, or if it enhances the achievement of the key priorities as contained in the Council's IDP, for which funding has been allocated in the budget and which has been planned as per the departments' SDBIPs.

Positions included in the staff establishment will be added to the workforce plan and should have a job description highlighting the duties and requirements for positions.

Job evaluations will be considered for newly created positions and the organisational structure is amended accordingly following the approval of the staff establishment.

The strategic link between the staff establishment and the Human Resources Strategy will be contained in the succession plan, training and development and personal development plans of employees. This will ensure that there is business continuity and that employees are capacitated to execute their duties effectively.

The comprehensive report on the staff establishment for the municipality will be tabled for consideration and approval with the respective financial budget for each year of the multiyear budget.

Workforce Planning

The Human Resources Strategy will allow the municipality to create a workforce that is representative of the national demographics of the country.

It aims to ensure a mix of internal and external talent with the necessary skills and expertise to carry out the organisation's primary service delivery operations.

With talent acquisition, annual skills audits will be performed to maintain learning organisation standards and to ensure that staff are enabled to perform their assigned tasks.

This strategy will serve as an effective planning tool for staffing, HR planning and career development of existing employees.

Workforce Overview & Demographics

A holistic overview of the basic demographics of LLM employees is contained in the graphs and tables, which follow. Summaries and interpretations of demographics (gender, age, qualifications) reflect data for the month of January 2023.

AASDD	MALE				FEMALE				FOREIGN NATIONAL		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top Management	1	0	0	0	0	0	0		1	0	1
Senior Management	3	0	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	9	0	0	0	3	0	0	0	0	0	12
Skilled technical and academically qualified workers,	18	2	0	0	11	0	0	0	0	0	31

junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making	42	12	0	1	19	3	2	0	0	0	77
Unskilled and defined decision making	53	5	0	0	11	1	2	0	0	0	70
TOTAL PERMANENT	126	19	0	1	45	4	0	0	0	0	195
Temporary employees	3	0	0	0	20	2	0	0	0	0	25
GRAND TOTAL	129	38	0	1	65	6	7	26	0	0	220

Table : Workforce Profile per Gender and Occupation
Source: Dept of Labour EE report 2023

Recruitment

Recruitment and retention of high-quality staff in a competitive labour market is of vital importance to the municipality.

As the workforce ages, there is a concentration of staff in the older age groups and a relatively small proportion of younger academic candidates.

Successful human resources management will require effective recruitment and retention strategies that consider the following:

- There will be increased competition for limited number of quality staff in an increasingly changing competitive environment in which budget constraints may affect staffing, development and retention.
- Well-being in the workplace has become increasingly important.
- The current restrictive regulatory environment, over which Council has no influence, will further constrain the supply of quality of staff. Together with increased expectations and higher levels of accountability and reporting, including the salaries distinction between metropolitan and local municipalities (which adds to the restrictive environment), local government as a sector has the potential to become less competitive within the market.
- Remuneration of municipal staff at the local level should receive attention as the current salary components does not allow for talent acquisition at the extent required. Professionals do not apply for vacancies as more competitive salaries are offered outside the municipal area.
- Gender balance and diversity should be given consideration in the context of a fair and transparent appointment process to promote equal opportunity for all.

Retirements will be accompanied by continued growth and demand for staff

Performance Management

Although HR is not primarily responsible for performance management within the municipality, it cannot be excluded from the process. Information relating to deviations and/or shortcomings identified during the performance assessments of staff has a direct impact on training and development of staff.

Continual Learning

A rapidly changing knowledge base in the workplace, rapidly developing information technologies, the competitive environment and an increasing level of liaison with the community requires a high level of skill and knowledge on the part of staff.

This can be developed only by a commitment to lifelong learning by each employee and will require access to a comprehensive range of staff development opportunities.

The Human Capital section will have a crucial role in determining and co-ordinating the learning and development of staff to achieve a multiskilled, versatile, high-performing workforce to fulfil the municipality's mandate.

Creating an equitable and diverse workplace and enhancing change management

Diversity amongst staff, which reflects the broader South African community, has the benefit of building a workforce culture to advance important social, moral and human rights and commitments to equity and diversity.

A diverse staff will improve the quality of decision-making and is incorporated into its accountability framework. This commitment is not only important in terms of social justice, but it is an important attraction and retention strategy.

Staff

Employees have a personal responsibility to participate in the implementation of the Human Resources Strategy and to ensure its success. They have obligations reciprocal to those of managers.

Employees can encourage, mainly by adherence to sound policies, processes and procedures, a work environment that is professional and, competent and which influences the overall morale of employees.

Creating a safe and supportive workplace culture

Physically and psychologically safe work environments and safe work practices are key aspects of the organisation's risk management strategy. LLM does not have a high commitment to safety, not only for its own employees, but also for contractors and visitors.

To improve on the safety LLM reputation as an employer of choice requires a positive, inclusive and high-performance culture marked by co-operation and respect, and where the work environment promotes work/life balance for staff.

The maintenance of such a workplace culture also requires consistent and fair, but firm discipline and due attention to grievances. The HR function strives to achieve these outcomes.

5.6 VALUES

Values reflect the core guidelines of the organisation and by following them ensures, we remain on the right path. A customer-centric approach must shape the values of the LLM. This defines the character of the municipality and the foundation on which leadership and employees behave and conduct themselves and guides the way in which decisions are made. Furthermore, our change in approach requires for us to prioritise values that create a new behaviour within the municipality. LLM's values will be as follows:

- Equity
- Integrity
- Commitment
- Transparency
- Accountability
- Accessibility and communication
- Collaboration
- Safety and security
- Forward-thinking
- Decisive decision-making

and accountability of its implementation amongst HR management and employees.

The objectives ensures that the strategy supports all strategic objectives of the organisation and responds to related and relevant HR needs.

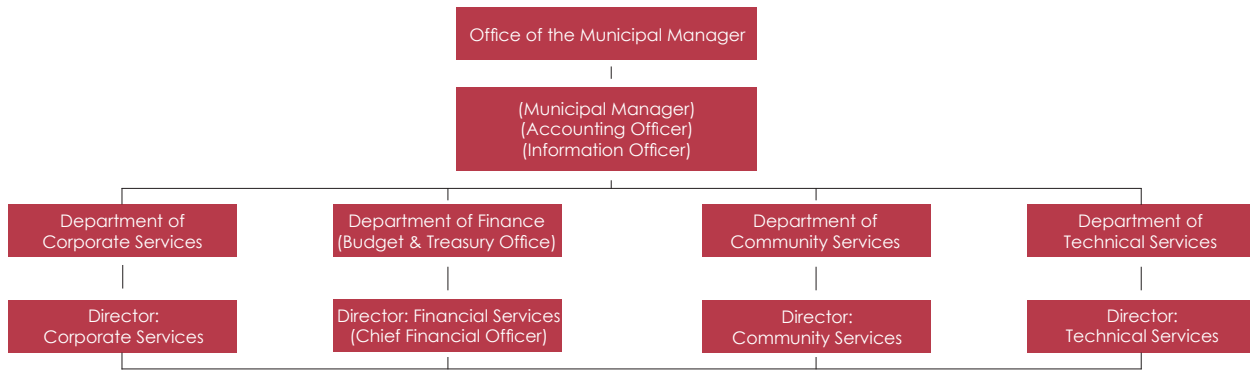
In order to achieve the objectives, LLM requires a workforce that is more flexible, high-performing and fully trained to accept and execute their professional challenges.

A high-quality organisation is dependent upon the quality, reputation, and productivity of its staff.

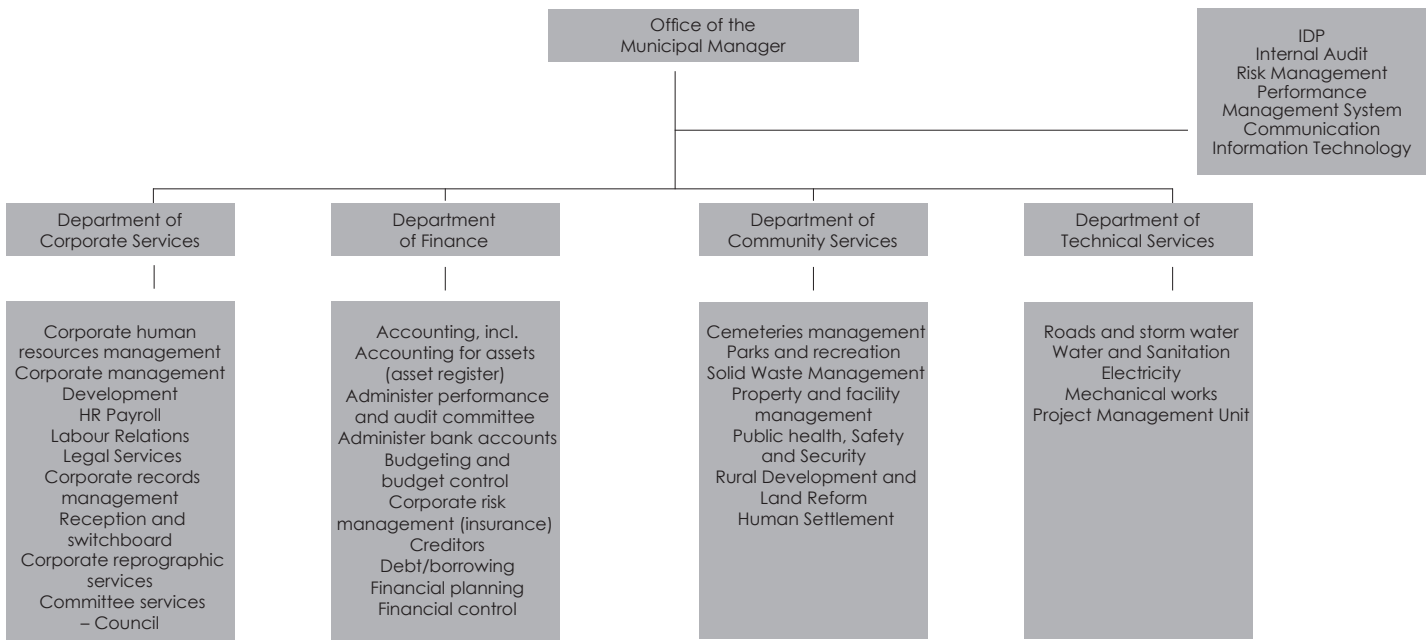
The Human Resources Directorate will continue to engage with relevant stakeholders in regular analysis and planning to ensure its services address the short, medium and long term needs of the organisation.

The strategic direction of HR is also greatly influenced by the outcomes of the annual Mayoral Strategic Session key performance indicators (KPIs) and other programmes and projects that are reviewed regularly and when required. In this way, the HR function supports the administrative structure in achieving the political priorities and objectives.

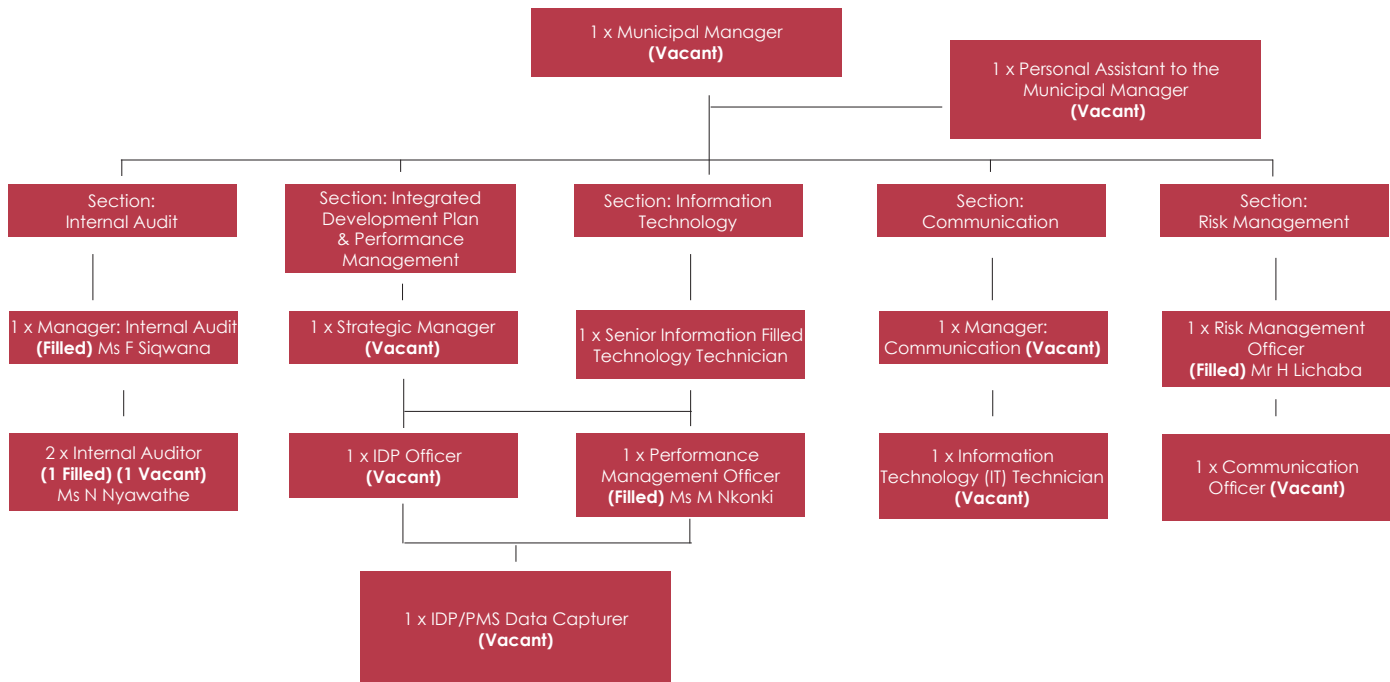
LETSEMENG LOCAL MUNICIPALITY (MACRO - STRUCTURE)



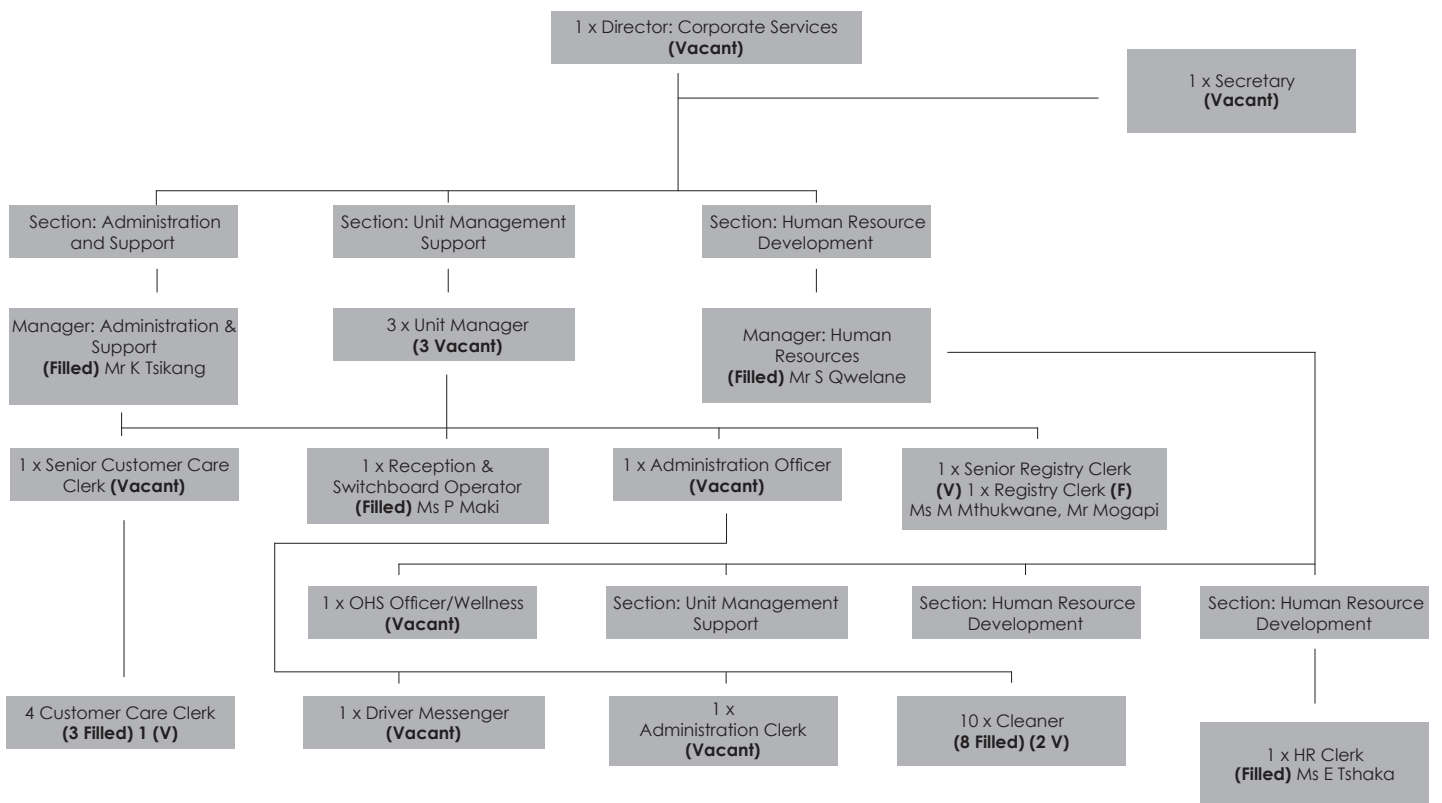
FUNCTIONAL STRUCTURE



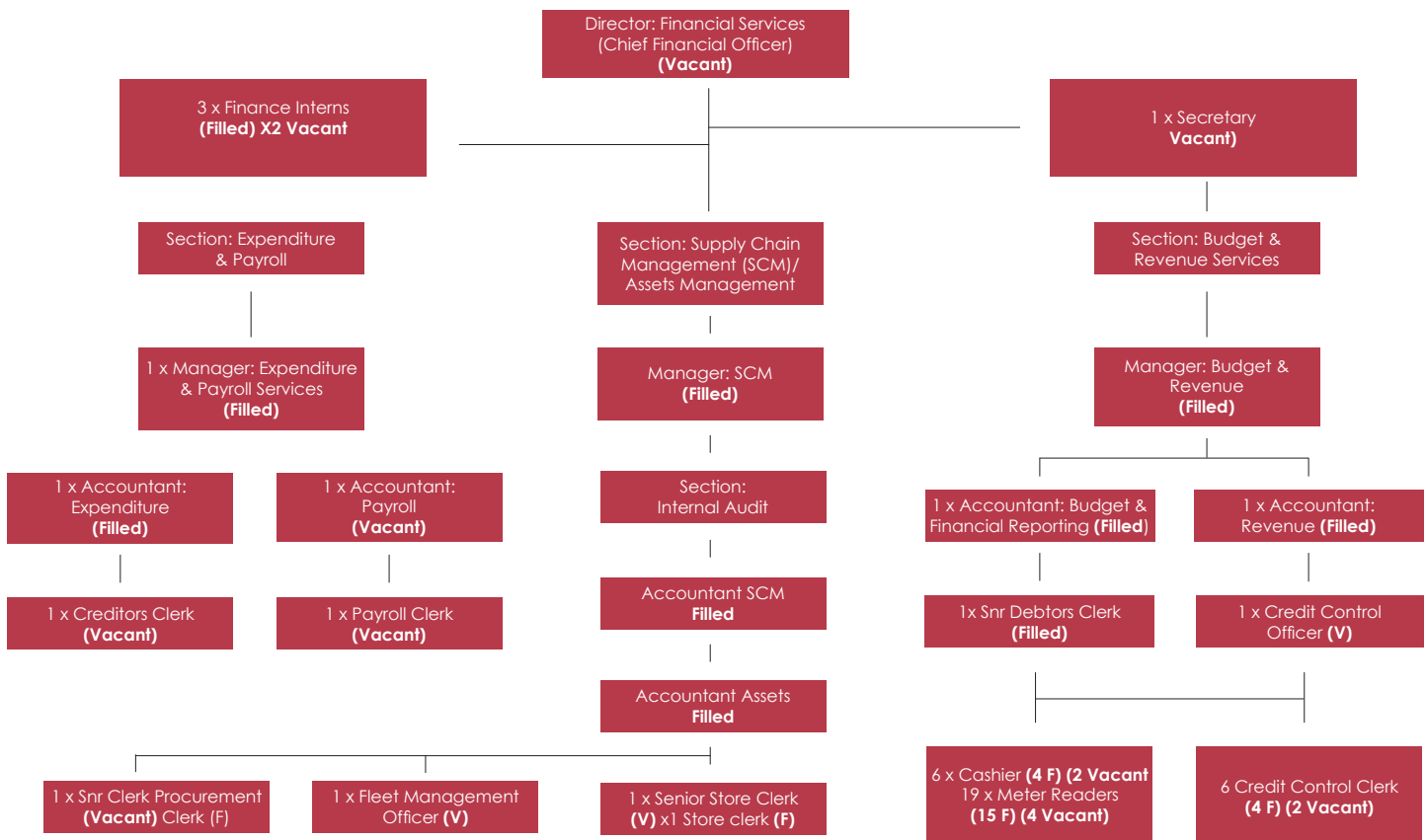
OFFICE OF THE MUNICIPAL MANAGER



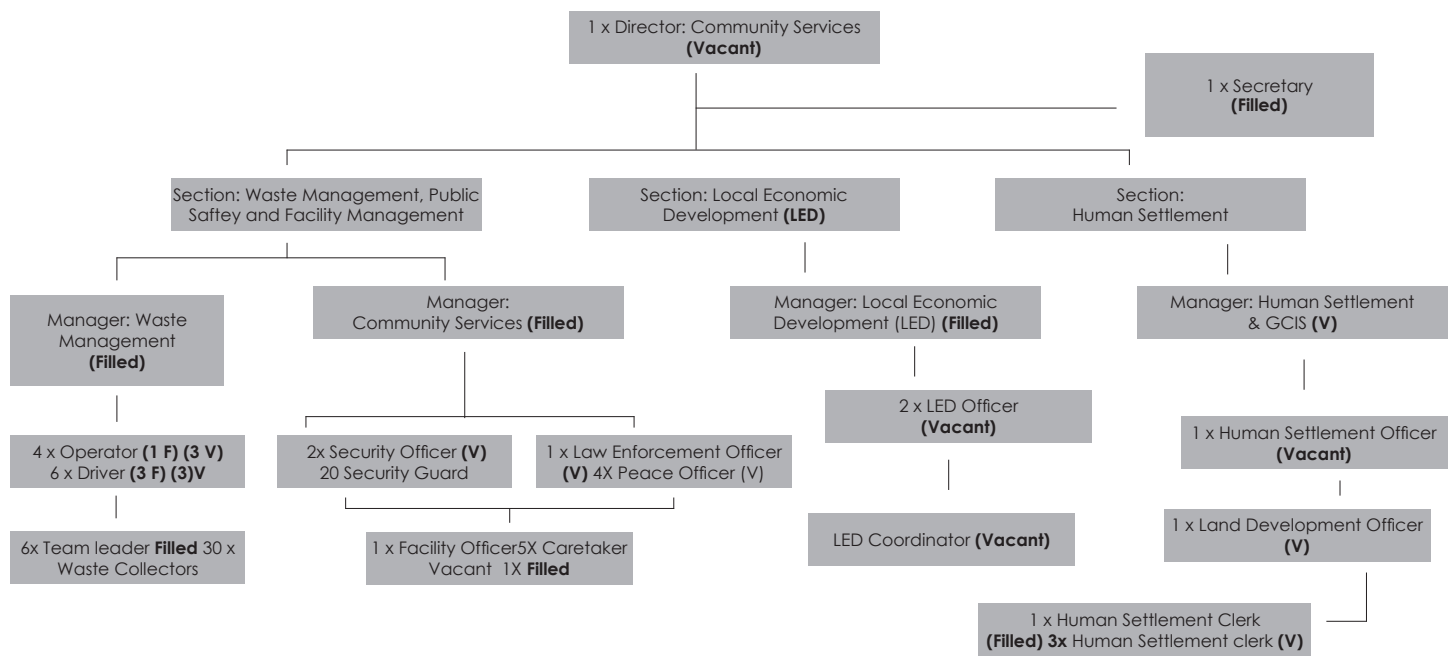
DEPARTMENT OF CORPORATE SERVICES



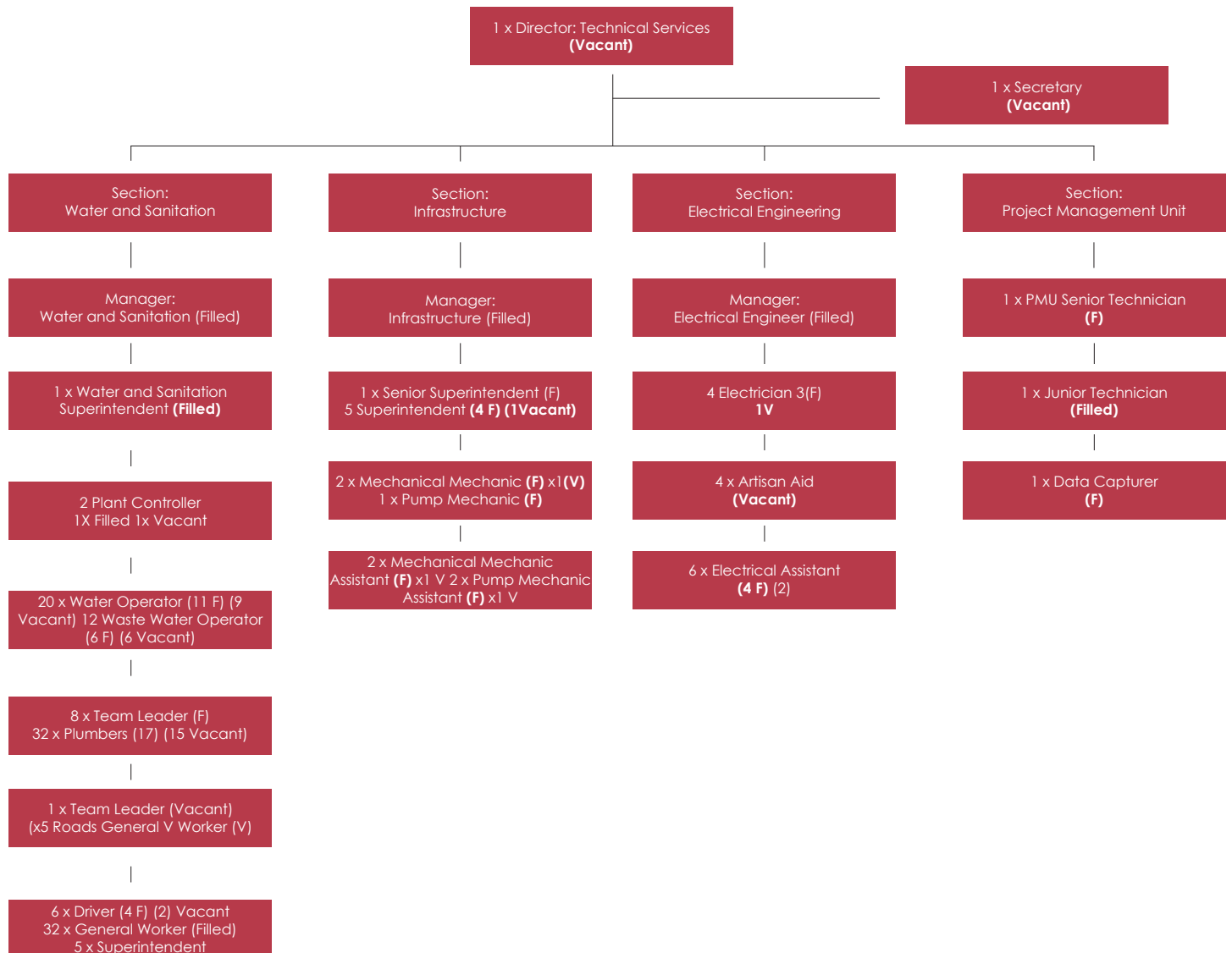
DEPARTMENT OF FINANCE (BUDGET & TREASURY OFFICE)



DEPARTMENT OF COMMUNITY SERVICES



DEPARTMENT OF TECHNICAL SERVICES



6.2 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA) [16 OF 2013]

The Spatial Planning and Land Use Management Act (2013) puts forward principles to influence spatial planning, land use management and land development. It also provides for national and regional land use frameworks as well as provincial and municipal frameworks, implying that a package of plans will be undertaken from national to municipal level to direct land use management, while providing for uniform regulation of land use management. The general principles endorsed by SPLUMA is that spatial planning, land use management and land development must promote and enhance Spatial Justice, Spatial Sustainability; Efficiency; Spatial Resilience, and Good Administration as summarised below:

6.3 NATIONAL DISASTER MANAGEMENT STRATEGY

The National Disaster Management Framework requires each District Municipality to establish a Disaster Management Centre (DMC). Xhariep District has also through their planning initiatives also identified the critical need for the establishment of such a centre. The Disaster Management initiatives have been included in the Xhariep District Municipality Integrated Development Plan (IDP) which detailed the necessity and requirement to establish a DMC for the district. Disaster Management is identified as Key Performance Area with the objective to manage and prevent occurrence loss of lives due to disasters. Supporting projects identified include:

- Prepare the review of integrated Disaster Management Plan and implementation of it;
- Lobby funding for the Establishment of the Disaster Management Centre;
- Procure at least one 4X4 van for disaster management support to LMs;
- Support LMs and their Water and Sanitation Plans to plan and implement basic services policies.

For the municipality to achieve the above objective, the following requirements have been identified:

- Implement a DMC to house all disaster management staff;
- Establish a DMC to facilitate the coordination and communication between role player during an incident;
- Establish a DMC to facilitate the implementation of the disaster management plan;
- Integration of systems to optimise service delivery;
- Provide adequate facilities for the operations of disaster management for daily activities and during emergency situations;
- Storage facilities for emergency equipment and relief measures;
- Joint operations centre to be activated and utilised during major incidents;

- Communication network to coordinate and facilitate early warning, response and relief actions;
- Implement a Disaster Management Information System, in accordance with the National, Provincial and District Disaster Management Frameworks to enable effective information systems to consolidate and disseminate information.

Section 43 of the Disaster Management Act requires, among others, that District Municipalities must establish a DMC's. It is therefore a legislative requirement that the Xhariep District Municipality establish a DMC. The Xhariep District Municipality is currently investigating the options available for the establishment of the shared service centre and have identified a site and facility for the establishment of such. Trompsburg is one of the towns where this shared services centre will be built. The proposed site is adjacent to the Trompsburg municipal buildings.

6.4 DISTRICT RURAL DEVELOPMENT PLAN

The "District Rural Development Plan" and the "District Rural Development Implementation Plan" as developed by the Department of Rural Development and Land Reform and the Department of Agriculture and Rural Development has been considered and serves in the IDP as a separate Rural Development sector plan for the Municipality.

The plan identified the following for Letsemeng: attributes of the REGION OF DIVERSE OPPORTUNITIES (SDF, 2016/17):

DESCRIPTION	ATTRIBUTES
<p>The area includes Letsemeng Local Municipal area with the north western and south western sections of Kopanong Local Municipal area</p>	<ul style="list-style-type: none"> - The socio-economic growth of the municipality is centered on agriculture -The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation -The area north-east of Reddersburg and the area around Petrusburg has the highest concentration of land with a grazing capacity of 0-33ha. This is in correlation with the irrigation belt which lies within the Letsemeng Local Municipality -Land capability in this region ranges between 30% - 80%. The region around Oppermans and the area north and west of Smithfield are least capable agricultural land, as they <30% strategically located -Pivots area largely located in the western parts of the district in the Letsemeng Local Municipality as well as along the western boundary, with a significant number of pivots found in and around the town of Jacobsdal. The location of the critical biodiversity areas, formal conservation areas and protected areas is in correlation with the location of canals, irrigated land and high agricultural land within the district. -There is a need for effective development and beneficiation of land reform beneficiaries, creation of decent jobs on farm and establishing Agri-villages for local economic development. A developmental approach to the settlement of restitution claims will be taken -The data indicates that the Letsemeng Local Municipality has a greater affinity to the successful farming of irrigated land. -The Xhariep district is a semi-arid area with extensive farming, mainly sheep. The district comprises of open grasslands with small widely dispersed towns.

	<ul style="list-style-type: none"> -The availability of Adelaide and Ecca precisely supports the mining activities occurring in the Jagersfontein and Koffiefontein since the rocks type is associated with essential minerals. Mining activities have potential of attracting people and other economic activities. -A number of game farms have been identified in Petrusburg, Luckhoff, Phillipolis and Bethulie. -Large portion of the available agricultural land is suitable for livestock production. -The areas north of Koffiefontein, east of Jacobsdal and around Petrusburg have the highest concentration of land suitable for Lucerne. Furthermore, Lucerne suitable areas are mostly found around the region of Jacobsdal, Koffiefontein, Luckhoff, Fauresmith and Smithfield. -Agricultural commodities have been identified for the Xhariep district. They are venison, aquaculture and livestock (beef and mutton) -Agricultural diversity in the Jacobsdal area supported by; -Two-thirds of the district, mainly the region between the towns of Petrusburg, Luckhoff, Fauresmith, Jagersfontein, Philippolis, Springfontein, Trompsburg, Edenburg, Reddersburg, is not suitable for the production of vegetables. -The area around Petrusburg, Jacobsdal and Zastron has the highest concentration of suitable land for the production of Fats and Oils. -Irrigation scheme to grow irrigated field crops – potato, vegetables; pasture crops lucerne and permanent crops like pecan nuts -Petrusburg area represents a combination of cattle, small stock and cereal farming
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	<ul style="list-style-type: none"> -Koffiefontein and Oppermansgronde with small stock farming inclusive of potential diversification of crops -Irrigation scheme along the Orange river at Vanderkloof Dam with associated tourism activities in Rolfontein Nature Reserve (northern cape) -Existing mining activities at Koffiefontein and Jagersfontein -Historical and cultural experiences at Philippolis with its own character. The area surrounding Petrusburg and along the N8 to Kimberley is also rich in historical -Tourism route emanating from Jacobsdal to Philippolis. -Strong linkages with Kimberley -Renewable Energy project in proximity to Jacobsdal (Pulida Solar Park – 82.5 MW)
<p>Heritage sites</p>	<ul style="list-style-type: none"> -Historical buildings& Monuments of 2nd World War Kanonkop(Koffiefontein) -Voortrekker Memorial Anglican Church used in the Boer War (Petrusburg); -The cairn of commander Ds Lubbe (Jacobsdal); -Stone Church and Ossewa Tracks (Luckhoff); -Battle of Driefontein Graves of English soldiers (rural areas)

Table : Region of diverse opportunities

6.4 MUNICIPAL LAND USE PLANNING BY-LAW

The Letsemeng Local Municipality Planning By-laws were gazetted in the Provincial Gazette No. 82, 28 August 2015.

The Letsemeng Municipal Land Use Planning By-law applies to all land situated within the municipal area, including land owned by the state and by organs of state. The SDF must be represented spatially. In order to create a uniform system across the

Province, the Draft Free State Provincial Spatial Development Framework (2014) illustrates the desired matrix of land uses through the six main Spatial Planning Categories (SPCs).

- a. Core Areas
- b. Buffer Areas
- c. Agricultural Areas
- d. Urban Areas
- e. Industrial Areas
- f. Surface Infrastructure and Buildings

The Letsemeng Municipal Land Use Planning By-law also give direction to the following:

- The procedures for the compilation, review or amendment of Municipal Spatial Development Framework;
- The establishment of the Project Committee to compile, review or amend the SDF and the functions and duties of the Project Committee;
- Procedures with/without an Intergovernmental Steering Committee;
- The alignment between the SDF and the LUS.

6.5 INTEGRATED HUMAN SETTLEMENT PLAN

The IHSP approved by council in the 2019/20 financial year. The aim of this document is to interpret the national and provincial human settlements policies; analyse the municipal human settlement status quo, needs and trends; and propose an integrated strategy towards addressing the said needs within a Five-year period. To this end the following will be required:

- The quantification of the human settlements need;
- The alignment of the IHSP with the National Human Settlement Master Plan, district municipality's infrastructure programme and Municipal IDP, SDF, SDBIP.
- Provide for accreditation and assignment processes revealing capacity constraints and requirements within the municipality.
- The identification of vacant land for future housing development. As the SDF is reviewed, so will this policy to ensure alignment between the two.
- The plan has clearly stated objectives on:
 - o Spatial restructuring
 - o Increasing typologies; and
 - o Facilitating alternative and innovative construction.

6.6 LOCAL ECONOMIC DEVELOPMENT STRATEGY

The objective of the document is to assist the municipality, with the development of a strategy that will guide local economic development, integrate existing projects/programmes, align to the priorities of the IDP, identify ways in which the municipality can facilitate and assist economic development in collaboration with the private sector.

The strategy will further provide guidance and suggestions regarding implementable projects with long-term sustainability.

To assist the municipality achieve its objectives and outcomes, the goals of this LED Strategy for Letsemeng are the:

- Development of a credible LED strategy
- Identification of competitive and comparative advantages and disadvantages, opportunities and threats to economic development based on a situational and Economic Analysis
- Identification of the strategic economic goals for the municipality
- Identification of possible projects and programmes with economic potential
- Recommendations outlining the interventions that the municipality should take regarding the implementation of the LED Strategy
- Implementation Plan
- Priorities for implementation of projects, quick wins and the partners to be involved. This too will be reviewed with the annual IDP review.

6.7 ALIGNMENT OF IDP, SDF AND LUS

All Municipalities are required to prepare Integrated Development Plans, which should include a Spatial Development Framework. A Spatial Development Framework is strategic and indicative in nature and prepared at a broad scale. The SDF of the municipality aimed at guiding and informing land development and management. It should contain the following components:

- Policy for land use and development;
- Guidelines for land use management (as proposed in the spatial Development Framework);
- A capital expenditure framework showing where the municipality intends spending its capital budget, and
- A strategic environmental assessment.

The purpose and function of the Letsemeng SDF are basically regarded as a general and indicative guide that spatially reflects the development vision and objectives of the Municipality. Because the SDF does not contain detailed proposals but broader objectives, it should not be revised annually but will guide IDP decision-making over many years. It is expected that the revision thereof be necessary when there is a shift in the Municipality's development vision and objectives. As the Land Use Scheme developed for Letsemeng, the SDF will need review.

Provision made to ensure that the SDF aligns with the principles and sections as set out by SPLUMA. The previous adopted SDF is not SPLUMA compliant and would, therefore, this is the requirement for reviewing the 2016/17 SDF.

6.8 VERTICAL AND HORIZONTAL ALIGNMENT

Vertical alignment

The vertical alignment shows the relationship and alignment between the proposals and policies of the Free State PSDP; Free State Provincial Growth and Development Strategy and the Xhariep District SDF discussed earlier in this report of importance are:

- i. Koffiefontein and Petrusburg are identified as service centres
- ii. Jacobsdal is identified as a Service Centre Manufacturing Node;
- iii. Luckhoff is identified as an Agricultural Industry;
- iv. N8 identified as a Transitional Development Corridor;
- v. Oppermansgronde is identified as a land restitution area
- vi. Attention should be paid to education, health and social infrastructure in these areas.

Horizontal alignment

The horizontal alignment shows the relationship between the Letsemeng Municipality Local and the abutting municipal spatial development frameworks. The main proposals affecting the abutting and overarching mentioned policy instruments are:

- All urban settlements should be restructured according to the principles of walking distance;
- Protect existing intensive agriculture from demands to convert it to urban development, and biodiversity conservation including ecological river corridors beyond that proposed in this SDF;
- Priority tourism routes linking from surrounding municipalities to be carried through into the Letsemeng Municipality.

6.9 SPATIAL OBJECTIVES

The Spatial Development Framework (SDF) supports the Letsemeng Vision as indicated in the IDP document and is intended to promote an urban form that will deliver the long-term vision for Letsemeng. The main purpose of the SDF is to create a town that is sustainable, accessible and efficient. The following objective will ensure that the municipality succeeds in their main purpose.

Table 5: Spatial Objectives

Objective 1	To create sustainable human settlement with quality physical, economic and social environments;
Objective 2	To encourage land reform towards more intensive land uses;
Objective 3	To encourage urban and regional integration and rectification of past imbalances;
Objective 4	To create a sustainable local land use management system;
Objective 5	Support Local Economic Development Opportunities;
Objective 6	Manage Informal settlements
Objective 7	Manage development to ensure environmental sustainability;
Objective 8	Promote regional connectivity;

6.10 BUILT ENVIRONMENT: HIERARCHY OF SETTLEMENTS

SENWES & TRANSNET

Draft LSDF: Letsemeng Public Participation (SENWES & TRANSNET)

Public participation process was followed as required. At the first public participation meeting, on the 29 October 2019 the meeting comprised of about 60-70 people who met along with one of the community members. A Letsemeng official, MISA Planning intern working at Letsemeng Municipality, MISA town planner and the COGTA spatial planning all attended. At the meeting, needs and desires were of the community were discussed and prioritised.

The second public participation meeting took place in Phambili on 19 February 2020 where the content of the plan was presented and the objective for this plan to feed into the work of Human Settlements. The processes and plans going forward were outlined, and the public had no issues or concerns with the plan presented and approved of everything that was proposed, meaning the document was ready to go to council as long as it is approved by the Project Committee, which is was on 10 March 2020.

I viability for developing the development site. Commercial uses in close proximity to residential areas are often reflected in higher property values, and therefore help raise local tax receipts. Development on gateway sites should contain land uses that

contribute to the precinct intent and outcomes, specifically those related to tourism and local economic development uses.

Environmental Management: Soil

Phambili has shortlands, sterkspruit, valsrivier soil types, Valsrivier soil type is associated with irrigation productivity, but it requires artificial drainage as the soil character consists of orthic A horizon, overlying a pedocutanic B horizon and deep clay loam etc. The amendable of the soil to handle physical intense development is minimum due to the hard setting and erodibility of the soil.

CHAPTER 7 : ALIGNMENT TO MUNICIPAL SYSTEMS ACT

CORE COMPONENTS OF INTEGRATED DEVELOPMENT PLANS	SECTION IN LLM IDP
The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs.	Chapter 3
An assessment of the existing level of development in the municipality, which must include an identification of communities that do not have access to basic municipal services.	Chapter 2
The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.	Chapter 3
The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.	Chapter 2
(e) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality.	Chapter 6
A financial plan which must include a budget projection for at least the next three years.	Chapter 4

ANNEXURES

Annexure A : Draft Community Needs

- Annexure A1 : Priority Project per Ward
- Annexure A2 : Community Needs – Non-Municipal Competency
- Annexure A3 : Community Needs – Municipal Competency



LETSEMENG LOCAL MUNICIPALITY



ADDRESS:
7 Groot Trek Street,
Koffiefontein
9986