

Letsemeng Local Municipality



Integrated Development Plan 2012/2013

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1. Introduction

1.1 What is the IDP?

The legislation requires each municipality to develop a plan for the development of its area of jurisdiction. The law mandates that the plan should be holistic and integrated in its approach and content. The plan should be long-term, covering a medium term revenue expenditure framework period. The Integrated Development Plan (IDP) is therefore a five-year development blueprint for a municipality. According to the Municipal Systems Act, No 32 of 2000, the IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making.

The Management Team and Middle Management are accountable for the implementation of the IDP, and this is reflected in the integrated Performance Management System that links the IDP to the strategic performance framework and subsequent to the performance contracts of Senior Managers.

1.2 Legislative context

(a) The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa outlines the kind of local government needed in the country. According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipalities, and notably is in charge of planning for the municipal area.

The constitutional mandate gives a clear indication of the intended purposes of municipal integrated development planning:

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

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

(b) The Municipal Systems Act, No 32 of 2000

Section 25 (1) of the Municipal Systems Act stipulates that “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality”.

The Act dictates that the plan should: link, integrate and coordinate plans and should take into account proposals for the development of the municipality. In addition, the plan should align the resources and capacity of the municipality with the implementation of the plan.

Moreover, the plan must form the policy framework and general basis on which annual budgets must be based. Furthermore, the plan should be compatible with national

and provincial development planning requirements binding on the municipality in terms of legislation.

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

(a) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;

(b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and

(c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.

(c) Municipal Systems Amendment Act, No 7 of 2011

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

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

Section 56A (1) states that "A municipal manager or manager directly accountable to a municipal manager may not hold political office in a political party, whether in a permanent, temporary or acting capacity."

A political office in relation to a political party or structure thereof, is defined as

(a) "the position of chairperson, deputy chairperson, secretary, deputy secretary or treasurer of the party nationally or in any province, region or other area in which the party operates; or

(b) any position in the party equivalent to a position referred to in paragraph (a), irrespective of the title designated to the position;"

Another key amendment relates to the re-hiring of dismissed staff. Section 57 A. (1) states that:-

- "Any staff member dismissed for misconduct may only be re-employed in any municipality after the expiry of a prescribed period."

The Act is much harsher on employees dismissed for financial misconduct. The Act stipulates that:-

"A staff member dismissed for financial misconduct, corruption or fraud, may not be re-employed in any municipality for a period of ten years" (Section 57A (3))

This Amendment Act contains proposals that are guaranteed to have a profound impact on the governance of Letsemeng Local Municipality and all municipalities in general.

(d) The White Paper on Local Government

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

1.3 Policy context

The Constitution stipulates that all three spheres of governance are autonomous but Inter - dependent. This in essence calls for rather closer collaboration and effective implementation of intergovernmental relations between all these spheres of Government. It is very important to note and take cognisance of the fact that most of our national and international, policies have a particular bearing on the Provincial and Local spheres of government. A few critical ones are highlighted below.

(a) Medium Term Strategic Framework

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

Municipalities are also expected to adapt their integrated development plans in line with the national medium-term priorities.

The MTSF identifies the following five development objectives:

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

(b) The 12 Outcomes of Government

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance.

The TWELVE KEY OUTCOMES that have been identified and agreed to by the Cabinet are:

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

Out of the 12 outcomes above, Outcome 9 is closest to local government. The champion of the goal is the national Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision of a “Responsive, accountable, effective and efficient local government system”.

Seven outputs have been identified, which are as follows:-

1. **Output 1:** Implement a differentiated approach to municipal financing, planning and support
2. **Output 2:** Improving Access to Basic Services
3. **Output 3:** Implementation of the Community Work Programme
4. **Output 4:** Actions supportive of the human settlement outcomes
5. **Output 5:** Deepen democracy through a refined Ward Committee model
6. **Output 6:** Administrative and financial capability
7. **Output 7:** Single Window of Coordination

The fact that all Mayors, including our own local Mayor, Mme Thandiwe Reachable signed performance contracts with the Ministry responsible for COGTA on the above outcomes is a vivid indication that Government means business. It further implies that each employee of this institution should all play our part in ensuring that we add to the achievement of the national agenda that has been put before us.

(c) National Development Plan

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

It proposes to 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 health care;
7. Fighting corruption and enhancing accountability;
8. Transforming society and uniting the nation;

At the core of the Plan is to eliminate poverty and reduce inequality is the special focus on the promotion gender equity and addressing the pressing needs of youth.

(d) Free State Growth and Development Strategy (FSGDS)

The Provincial government of Free State has developed a seven-year development strategy; The Free State Provincial Growth and Development Strategy (PGDS) (2005-2014).

- The PGDS is the fundamental policy framework for the Free State Provincial Government;
- It is the embodiment of the broad strategic policy goals and objectives of the province in line with national policy objectives;

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

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

1. Economic Development and Employment Creation;
2. Social and Human Development;
3. Justice and Crime Prevention;
4. Efficient Administration and Good Governance

The expressed “overarching goal of the PGDS is to align the provincial policies with the national policies and to guide development in terms of effective and efficient management and governance to achieve growth and development.” the Letsemeng Local Municipality should therefore strive to align its IDP to the FSGDS as one of the principle development tools in the Free State Province. Shaping the debate in pursuit of robust economic growth in our municipal area should be the order of the day.

2. Vision

“Maximized quality service to local communities”

2.1 Situational Analysis:

(a) Introduction and Overview of the Municipality

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

(b) Demographic Overview

Population distribution per town

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

The population per town are in the following sequence:-

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

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

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

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

Oppermans - **1541**

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

Source: STATS SA, 2001

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

(c) Socio Economic Profile

According to the figures in the table below, 9 510 of the people are in formal employment in the area, the remaining 27563 need to be brought into the mainstream of the development and economy of the area. The balance of the population which is 27563 derives their livelihoods from the informal sector including pensions, disability grants as well as seasonal work. The number of unemployment has most absolutely decreased during the past 11 years and the statistics of the latest CENSUS will reflect as such.

The unemployment figures pose a mammoth challenge to Letsemeng Local Municipality which enforces upon us the need to develop more social support programmes and job creation initiatives that will reduce the unemployment rate significantly. The other endeavour will be to create a business enabling environment in the area to attract more private investors to the area more bring sustainable economic growth to the municipal area.

Self-employment initiatives and SMME development programmes will increase through the Local Economic Development Unit of Letsemeng Municipality which has put a budget aside for Local Economic Development projects which will commence in the 2012/2013 financial year.

Source: STATS SA, 2001- Sector Employment Status in the Municipality

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

(d) Infrastructure & Housing

Over 32% of people are properly housed in formal housing; this however reflects the housing situation of number of people above the age of 35. The challenge lies in housing provision for the relatively youthful population in the age group 15-35. There is a portion of these, 11% who have settled in informal settlements. Most of them have been on the housing waiting list of the local municipality for a very long period, the municipality is thus challenged with an influx of informal settlements more especially by the youth and this change the whole scenario. The municipality has not received any housing allocation for the 2011/2012 financial year from the Department of Human Settlements but have however received the guarantee that the incomplete projects for Koffiefontein and Petrusburg, respectively will be completed. A further pledge was made with regard to the completion of the 66 Masakhane houses in Bolokanang.

Housing Status Quo

Financial Year	Area	Number of dilapidated houses	Number of incomplete houses	Number of Allocations
2010/2011	Koffiefontein	180	0	130
	Petrusburg	80	50	72
	Jacobsdal	200	0	0
	Luckhoff	50	0	0
	Oppermansgronde	0	0	0
TOTAL		510	50	202

The municipality have appointed a Land Surveyor to identify vacant land to be surveyed and utilised for future use, a number of 240 residential sites have been identified in Diamanthoogte. A submission has been submitted to COGTA to register the identified 240 sites and to also assist with the provision of basic services on those sites. The Surveyor was able to identify vacant in all towns of Letsemeng Municipality, except for Oppermansgronde because of the Land Claims issue.

The municipality is however experiencing some challenges with regards to housing as people are selling sites without the consent of the municipality. Those who have been allocated formal sites are not occupying the sites; whilst some are even renting sites to foreigners who then operate their business from those sites.

The influx of residents in the local municipality has contributed immensely to the waiting list of the municipality and has in essence raised the call for more houses in our local area. The establishment of Local Housing Committees in all towns of Letsemeng Municipality is high on the agenda and will most absolutely commence at the beginning of July 2013.

Source: STATS SA, 2001

	Coloured	Black African	Coloured	Indian or Asian	White
FS161: Letsemeng	House or brick structure on a separate stand or yard	5500	2062		1223
	Traditional dwelling/hut/structure made of traditional materials	165	88		23
	Flat in block of flats	11	3		3
	Town/cluster/semi-detached house (simplex: duplex: triplex)	47	19		3
	House/flat/room in back yard	61	16		3
	Informal dwelling/shack in back yard	508	127		0
	Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	1650	430		6
	Room/flatlet not in back yard but on a shared property	10	0		0

(e) Population distribution per town

A high number of 9510 people hold no formal education at all interlinked with only a number 967 people with Tertiary education. The remaining figures are shared between primary education and secondary education. This sketches an alarming picture of a need to promote and advance the level of education quite drastically. The municipality has embarked on a process of ensuring that Grade 12 learners apply for bursaries from the different Sector Departments in order to promote further educational training and tertiary education which will contribute positively to the community of Letsemeng Municipality. It must be noted that Motheo FET College has opened a satellite college in Koffiefontein, quite a significant number of students from all over the District enrolled but the intake from Letsemeng towns exceed due to obvious reasons. There has however been a challenge of learners dropping out at a high rate due to the fact that their bursaries have not paid timeously. The office of the Mayor has also embarked on a programme of encouraging the Grade 12 learners at schools in order to motivate them to excel in their school careers.

Source: STATS SA, 2001

		African/Black		Couloured		Indian or Asian		White	
		Male	Female	Male	Female	Male	Female	Male	Female
FS161: Letsemeng Local Municipality	No schooling	2160	2424	687	771	0	0	12	12
	Some primary	2188	2282	860	912	0	0	15	27
	Completed primary	562	729	258	315	0	0	8	13
	Some secondary	1809	1768	712	849	3	3	302	398
	Grade 12/Std 12	633	537	210	202	3	4	705	692
	Higher	129	124	58	70	0	0	298	288

(f) Institutional Profile

Letsemeng Local Council

The Letsemeng Local Council constitutes a component of eleven (11) elected Councillors of which eight (8) comes from the ruling party (ANC) and the remaining three (3) from two respective opposition parties in Council. Six (6) of the eleven (11) Council members are Ward Councillors serving in their respective wards, with the remaining five serving as PR Councillors. Mme Thandiwe Ivy Reachable from the ANC is the political office bearer of Council and occupies the Mayor/Speaker seat in Council. Councillor J.P. Louw serves as the Council Whip. The Council of Letsemeng Local Council has established its Section 79 Committees in accordance with the Municipal Structures Act of 2000; the established Committees are as follows:-

Committee	Chairperson
Finance and Revenue Enhancement Committee	Councillor Pudumo J Louw
Human Resource and Transformation Committee	Councillor Mike M Tsiloane
Local Labour Forum	Councillor Mike M Tsiloane
Technical and Infrastructure Committee	Councillor Mzingo Jantjies
Social and Sport Development Committee	Councillor Mike Tsiloane
Health Committee	Councillor Muso A Mpatshela
Local Economic Development Committee	Councillor Palesa Dibe
Municipal Public Accounts Committee	Councillor Kempen Nel

Letsemeng Municipal Administration

The duly appointed Municipal Manager of Letsemeng Municipality is Mr Itumeleng E. Poë and the three duly appointed Section 57 Managers are Mr. Lefa Moletsane – Chief Financial Officer; Mrs N.J. Mbonani – Manager Corporate Services and Mr T.M. Nameco – Manager Technical Services and they all accounts directly to the Accounting Officer, Mr. Itumeleng Poë.

The office of the Accounting Officer is directly responsible for the following components of the Municipal Administration:-

- *Integrated Development Planning;*
- *Performance Management;*
- *Local Economic Development;*
- *Internal Audit;*
- *Shared Services Support and Intergovernmental Relations.*

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

Herewith the Organogram as approved by Council for the effective and efficient operations of the municipality. Attached as Annexure "A"

(g) What opportunities do we offer?

As a municipality committed to maximised service delivery, we offer a number of opportunities not only to the broader public domain but also institutional memory and development of the staff complement. In our adopted first Strategic document we have resolved to become one of the most developmental municipalities in the Country and we have adopted a motto saying “We Sparkle in Pursuit of Service Excellence” and we intend to do exactly that; in terms of executing our mandate and key performance areas of our municipality.

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

(h) What are we doing to improve ourselves?

Letsemeng Local Municipality has since try it out most best to improve its operations in pursuit of providing better and improved services to its communities and also to improve the lives of the poor and most poverty stricken households within its communities. It has taken a different approach of involving its Councillors more actively in providing clear political direction to the administration in lieu of trying to achieve the electoral mandate that was put before Council and the municipal administration. The more critical committees needed to give effect to smooth operations in the institution have been established in accordance with the legislative pre-requisite’s; including the Oversight Committee.

We have gone further an aligned ourselves to the development and establishment of:

- The Anti – Corruption Strategy – our plight and commitment towards rooting out corruption in Government;
- Operation Clean Audit 2014;
- 5 Year Local Government Strategic Agenda;
- Municipal Turn Around Strategy;
- Outcome 9;
- Memorandum of Agreements; and
- Public Private Partnerships;

As Letsemeng Municipality we are committed towards the effective implementation and execution of the abovementioned strategies and service level agreements in accordance with national guidelines.

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

- War on Poverty Campaign;
- Operation Hlasela;
- Working for Water Programme;

- Expanded Public Works Programme;
- Local SMME development;
- NYS & DWA Learnership Programme;
- NARYSEC Programme with Department of Rural Development and Land Affairs;
- National Development Week with IDT; and
- Development of Local Area Plans;
- Comprehensive Rural Development Programme;

These initiatives have brought about enormous changes in our endeavours to relieve the plight of the poor and to accelerate job creation opportunities. Not only that; but it has also given us an opportunity to take an analytical look at the real issues on the ground, understanding what challenges our people are faced with on a daily basis.

Implementation of the abovementioned programmes have also put into practice “Intergovernmental Relations” and not only relations but rather working relations and cooperative governance at a Provincial and National scale, we are however still challenged in getting Sector Departments at local level on board; working in silo’s still enjoys maximum benefit and is compromising our common cause.

Some spheres of government have practically come to learn and experience that the one hand needs the other hand, and has the impact of this “modus operandi” which is a rather more effective and more visible way of rendering government services to the people. Putting the limited resources and rich diversity of minds and commitments into one basket has brought light at the end of the dark tunnel, indeed it has brought hope to those in despair and has provided to those in need.

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

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

We will further develop the following programmes and plans over a multi-year period:-

Five Year Programme	Three Year Plan	Annual Plan
<i>Unpacking the strategies into a five year programme of projects with definable outputs for realization over a five year horizon with some budget projections;</i>	<i>A more detailed project list with financial and other resources allocated over a multi – year period towards 2014;</i>	<i>A very detailed plan which corresponds to the Service Delivery Budget Implementation Plan corresponding to the immediate available funds allocated from all three spheres of government, parastatals and the private sector;</i>

We will also set of very detailed quarterly (monthly if possible) objectives, activities and outputs based on the five and three year plans. This objectives, activities and outputs should serve as the main source of Organisational and Individual Performance Management Systems. Annual review with community, intergovernmental and non-state actor inputs will take place in order to set the tone for the ensuing year.

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

- Prioritise community needs per ward;
- Align us with National and Provincial Policy and Strategy;
- Develop a brief profile of priority areas;
- Conduct an Institutional and Financial viability assessment;
- Do a SWOT analysis;
- Asses existing and envisaged backlogs and service delivery status;
- Do a detailed Spatial Analysis in conjunction with the Provincial Department responsible for Spatial Development;
- Write a Problem statement, Challenges and come up with Recommendations;

(i) How will our progress be measured?

In measuring our progress and performance in terms of implementation of the abovementioned plans we would as required by Section 38 of the Local Municipal Systems Act No. 32 of 2000, establish a Performance Management System that is, among other things:

- in line with priorities, objectives, indicators and targets contained in its IDP;
- ii. develop an alignment model which will remain confined to the principles of a **Balanced Score-Card [BSC] PMS Methodology and Approach;**
- in line with the Key performance areas and Key Performance Indicators as stipulated in the SDBIP;

We have advertised the services for the review of our current Performance Management System.

The Letsemeng Local Municipality has set itself a motto reading “in pursuit of service excellence” and we striving to the best of our ability to achieve this particular objective in all affairs of the

municipality, respectively. It is very difficult for Local Government to render effective and efficient services to its client base because of a number of reasons, which varies from:-

- Limited financial and human capital resources;
- Influx of communities into urban and rural areas, resulting in an increase in consumers leading to constant growing needs;
- Informal settlements;
- Aged infrastructure, etc.

The Letsemeng Local Municipality has however set developmental objectives which are aimed at:-

- Accelerated and improved basic service delivery to communities;
- Financial viability and sustainability;
- Good governance;
- Facilitating economic development and job creation;
- Improving municipal infrastructure;
- Fighting poverty and building safe, secure and sustainable communities; and
- Improving skills development to raise productivity.

In order to realise all of the above developmental objectives set by the municipality we have adopted the integrated development plan as the key strategic planning document to achieve our electoral mandate. In contrast to the role planning has played in the past, integrated development planning is now seen as a function of municipal management, as part of an integrated system of planning and delivery. The approach has since changed from it being a desktop document which is being shelved to an implementable, realistic and funded document with projects and programmes which derives from the respective Key Performance Areas.

The IDP process is meant to drive issues such as municipal budgets, land use management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner, hence the institutional alignment between IDP, PMS and Budget processes of the municipality. Letsemeng has come to the realisation that the IDP will not only inform the municipal operations; but it will also guide the activities of any other sphere of government, corporate service providers, NGOs and the private sector within the Letsemeng municipal jurisdiction. Letsemeng municipality has therefore aligned its planning to programmes such as the:-

- *Free State Growth and Development Strategy;*
- *War on Poverty;*
- *Operation Hlasela;*
- *5 Year Local Government Strategic Agenda;*
- *Operation Clean Audit 2014;*
- *Millennium Development Goals;*
- *Free State Growth and Development Strategy;*
- *Municipal Turn Around Strategy; and*
- *Outcome 9;*

3. Key Performance Areas

3.1 Service Delivery and Infrastructure Development

Letsemeng Local Municipality has set itself a number of strategies in place to address the backlogs on provision of basic services and to improve on the level of infrastructure development in its locality. It has come to realise that provision of new infrastructure on a limited scale which is informed by the available budget; is not good enough. The municipality has therefore changed its approach towards improving on its service delivery and infrastructure development, by means of:-

- Assessing the level of existing services;
- Assessing the level of backlog in terms of both basic services and infrastructure development;
- Assess the standard of the current infrastructure;

Letsemeng Local Municipality falls within services for classification 2 and 3 municipalities which are municipal areas with one or more established towns and it must however be noted that it has covered almost more than 95% in all the functional areas of service provision.

Function	Definition of function	MDB Prioritisation
Municipal roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.	1
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.	1
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution	1
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.	1

Cemeteries, and crematoria	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains. This includes cemeteries, funeral parlours and crematoria.	1
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.	1
Storm water	Management of systems to deal with storm water in built-up areas	1
Fire fighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions	1
Traffic and Parking	Management and regulation of traffic and parking, which includes control over speeding of vehicles on municipal roads.	1
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme	1
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities	3

Strategy: To provide basic services to the communities of Letsemeng Local Municipality in a sustainable manner.

Water

Approved Service levels: Yard connections in areas with 200metres density.

RDP connection in areas with 20metres density.

WARD 1					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Relebohile	584	584	0	0	
Teisesville	517	517	0	0	
Luckhoff	166	166	0	0	

WARD 2					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Ratanang	990	990	200	0	Finalisation of provision of services to the 200 sites which has already been formally registered last year
Sandershoogte	408	408	0	0	

WARD 3					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Phambili					Final decision on whether can be registered as a town establishment or whether the current residents should be moved from the area. Hence we have no formal records of the households
Jacobsdal	273	273	0	0	
Bolokanang (portion)	1750	1750	0	0	

WARD 4					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Khayelitsha					
Diamanthoogte	331	331	0	0	

WARD 5					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Dithlake	1867	1867	0	0	
Koffiefontein	710	710	0	0	

WARD 6					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Bolokanang	464	464	0	0	
Petrusburg	Same as above				

Sanitation:

Approved Service Levels: Water-borne sewerage in areas where the density is more than 200 metres
VIP toilets in areas of 20m density

WARD 1					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Relebohile	584	584	0	0	
Teisesville	517	517	0	0	

Luckhoff	166	166	0	0	
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WARD 2					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Ratanang	990	990	200	0	Finalisation of provision of services to the 200 sites which has already been formally registered last year
Sandershoogte	408	408	0	0	

WARD 3					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Phambili					Final decision on whether can be registered as a town establishment or whether the current residents should be moved from the area. Hence we have no formal records of the households
Jacobsdal	273	273	0	0	
Bolokanang	1750	1750	0	0	

(portion)					
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WARD 4					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Khayelitsha					
Diamanthoogte	331	331	0	0	

WARD 5					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Dithlake	1867	1867	0	0	
Koffiefontein	710	710	0	0	

WARD 6					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
Bolokanang	464	464	0	0	
Petrusburg	Same as above				

The municipality has through its Turnaround Strategy and Outcome 9 identified a number of critical areas to be filled within its Service Delivery and Infrastructure Planning which falls within the Technical Department. The most critical areas in need of urgent intervention is the provision of basic services to all areas in the municipal jurisdiction, including a very awkward area called Phambili which is situated in Ward 6 of Letsemeng Local Municipality. It still needs a directive on whether the area should be registered as a residential area or not?

Influx of residents into informal settlements has also become evident more especially in Jacobsdal and Petrusburg which contributes immensely to the challenges faced by the municipality because planning must now be re-directed to address the challenges that come with such tendencies. Another critical challenge in terms of service delivery is the lack of water provision in Petrusburg as it

is currently reliant on boreholes more especially in Bolokanang. The latest solution identified is the erection of a water pipeline from De Brug to Petrusburg which at this stage looks like the only viable project which is unfortunately quite costly and adequate funding has not been found yet. DWA and other Sector Departments have also been engaged on this crucial matter and all parties agreed that a reliable water source for bulk water supply is much needed.

A medium term intervention which is the erection of a water pressure/elevation tank has been implemented to ease the burden of constant water supply in the interim. This intervention has been complimented by the immediate interventions which have been completed.

Letsemeng Municipality anticipate having a 100% bulk water supply in all six (6) wards in the municipal jurisdiction by December 2013 at a total volume of 4.64 mega litres per day. The current status of water reticulation in terms of provision stands at 73% and will reach its peak of 100% in 2014 in accordance with the municipal planning.

One fundamental area which requires the most urgent attention is the issue of floods that infiltrates our municipal area in particular Petrusburg because the situation becomes totally unbearable during serious rains and floods, not only does it impact negatively on the residents of Petrusburg and Bolokanang but even to the national road users who are using the N8 as a gateway between Kimberley and Bloemfontein. The development of a Comprehensive Infrastructure Plan and Operations and Maintenance Plan complemented by a disaster management plan will most definitely be prioritised in the new financial year. SANRAL has also joined the round table discussions around this crucial matter.

The Technical Department has identified the need to procure additional mechanical fleet in the 2012/2013 financial year as listed below to ensure rendering of effective service delivery:-

- 2 Light duty vehicles;
- 3 Front loading Tractors;
- 2 Self-propelled lawn mowers;
- 3 Concrete and asphalt cutters for pothole repairs;
- 3 Plate compactors for pothole repairs;
- 1 Trailer mounted water pump;
- 1 Vehicle drawn compressor for sewer blockages;

The branding of all municipal vehicles and installation of tracking devices for better controls will be effected in the 2012/2013 financial year.

The maintenance for Waste disposal, roads and electrical works will be done over a period of twelve (12) months in the 2012/2013 financial year, as follows:-

Item	Period
Waste removal and cleaning service provision	6 months
Road maintenance – gravelling of internal roads	12 months
Procurement of mechanical and electrical pumps for repairs	12 months
Electrical supplies	12 months
Water treatments chemicals	12 months
Fencing material for landfill sites and pump stations	6 months

The department have also viewed it ideal to purchase garden refuse shredding machines, portable road marking machines and hand operated bitumen sprayers to improve on service delivery and maintenance methods.

The following is a reflection of the Public Amenities in Letsemeng Local Municipality, throughout all towns in the municipal jurisdiction:-

Public Amenities

Koffiefontein				
Amenities	Koffiefontein	Dithlake	Khayelitsha	Diamanthoogte
Community and Town Hall	X	X	Temporary Shack	School Hall
Library	X	X	None	None
Sport Complex	X	X	None	None
Recreational Facility	None	None	None	None
Swimming Pool	Funding by municipality to upgrade the swimming pool in the 2012/2013 FY	None	None	Dilapidated
Computer Facility/Room	Privately Owned (Petra)	None	None	None
Multi – Purpose Community Centre	None	None	MIG Project over a multi –year period (2011/12 – 2012/2013 FY's)	None
Clinic	None	X	None	None
Public Schools	X	X	None	X
Creche's	X	X	X	X
Victim Support Centre's	X	X	None	None

Jacobsdal			
Amenities	Jacobsdal	Ratanang	Sandershoogte
Community and Town Hall	X	X	School Hall
Library	X	Ratanang Sport Complex is in completion phase	None
Sport Complex	X	X	None
Recreational Facility	None	Funded by National Department of Rural Development and Land Affairs, Consulting Engineer appointed.	None
Swimming Pool	Dilapidated	None	None
Computer	None	None	None

Facility/Room			
Multi – Purpose Community Centre	None	None	None
Clinic	X	Multi – year allocation granted	None
Public Schools	X	X	X
Creche’s	X	X	X
Victim Support Centre’s	X	None	None
Petrusburg			
Amenities	Petrusburg	Bolokanang	
Community and Town Hall	X	X	
Library	X	None	
Sport Complex	X	X	
Recreational Facility	None	None	
Swimming Pool	Dilapidated	None	
Computer Facility/Room	None	None	
Multi – Purpose Community Centre	None	None	
Clinic	X	None	
Public Schools	X	X X	
Creche’s	X	X	
Community and Town Hall	X	X	
Victim Support Centre’s	None	X	

Luckhoff			
Amenities	Luckhoff	Relebohile	Teisesville
Community and Town Hall	X	X	School hall completed at the Luckhoff Combined School
Library	X	None	None
Sport Complex	X	None (Multi – purpose court only)	MIG Allocation
Recreational Facility	None	None	None
Swimming Pool	Dilapidated	None	None
Computer Facility/Room	None	None	None
Multi – Purpose Community Centre	None	None	None
Clinic	X	Funding has been granted over a multi – year period 2011-2014 FY’s	None
Public Schools	X	X	X
Creche’s	X	X	X
Victim Support	X	None	None

Centre's			
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Oppermansgronde	
Amenities	Oppermansgronde
Community and Town Hall	None
Library	X
Sport Complex	None
Recreational Facility	None
Swimming Pool	None
Computer Facility/Room	None
Multi – Purpose Community Centre	None
Clinic	X
Public Schools	X
Creche's	X
Victim Support Centre's	X

The municipality has always been providing reliable basic services to all the above mentioned public amenities and is still committed to render services in accordance with the required standards and norms of service delivery. Most of the amenities and facilities forms part of associate services and indicates that the municipality do provide sustainable and reliable services to that effect.

3.2 Public Participation and Good Governance

The municipality has made significant strides to implementation of its development objectives with regard to Good Governance, more especially to filling of critical positions in the organogram. The positions of Municipal Manager and Chief Financial Officer, Corporate Manager Services and Technical Manager have now been filled and **Performance Agreements** have been signed to that effect.

Section 79 Committees of Council are now fully operational and are properly managed by the respective Chairpersons as approved by Council. This will ensure smooth operations of Council in general and will contribute immensely to the improvement of good governance practice in the municipality. A detailed **delegation of powers policy** has been approved by Council and implementation thereof has started. **Official meetings** between the Mayor and the Municipal Manager have commenced and a high sense of cooperation between has been pledged in order to ensure the political oversight role over the administrative operations of the municipality.

A comprehensive **HR policy** which is inclusive of a number of labour relations issues and components has been approved by Council which will guarantee healthy working relations between the LLF and the Municipal Administration. **Performance Agreements** have been signed with the current Section 57 Managers and cascading the performance management system to all other components of the municipality to improve on the overall performance of the municipality will be implemented during the new financial year.

The **Workplace Skills Plan** of the municipality has been approved but is still under review and as denoted to earlier in the document still requires a dedicated Skills Development Facilitator which will be addressed in the near future. The **Oversight Committee** of Council has been established in accordance with the Legislative prescripts.

The **Supply Chain Management policy** of Council has been approved and both **SCM Committees**, which is the **Bid Evaluation** and **Bid Adjudication Committees** are in place and is fully functional and are both being Co – Chaired by the Financial Department and Technical heads.

The **Complaints management system** has not being effected quite to the desired standards but it will however be attended to the optimal in the ensuing financial year. The municipal Council has embarked on a number of **public participation** and **consultation initiatives** since inception of office under the leadership of the Mayor/Speaker, Mme Thandiwe Reachable. The municipality has started discussions with GCIS to assist with the development of a **Communications Strategy** as well as the Public Participation Directorate of COGTA requesting assistance with development **Public Participation Strategy**. The municipality is in the meantime making use of its website and circulars to communicate with communities and is in the process of re-designing the corporate image of the municipality and is intending to do it over a multi – year period.

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

Key Performance Indicator	Current Baseline	Indicators	Funding Source	Performance Target
				2012/2013
Functionality of Ward Committees	All six Ward Committees established but are not meeting regularly as per scheduled of meetings	Induction and training Ward Committees and CDWs by 30 June 2012 Council approved schedule of Council meetings and public participation programmes by 30 June 2012 Submission of monthly and quarterly reports to management and Council	LLM and COGTA	50 000
	Ward Committee funding model not implemented – payment of stipends to Ward Committee members	Implementation of Ward Committee funding model by 01 July 2012	MSIG	810 000
Broader public participation policies and plans	No public participation policy or plan developed Public Hearings not conducted with regard to municipal policies or by-laws Intergovernmental relations (working together with other sector departments and SOEs)	Develop public participation policy and implementation plan – include public hearings Coordinate the establishment of a Speakers Forum – include CDWs	LLM	0
Public Communication systems	Ward constituency meetings, notices and loudhailers are used to communicate with communities – no council approved communication system	Develop and approve Communications Policy and implementation plan that are inclusive of public communication systems	LLM and GCIS	0
Complaints management systems	No complaints management system developed	Develop a complaints management policy and implement the systems – include customer care personnel, suggestion or complaints registers and boxes, response time and linkages with provincial and national	LLM	0

		government complaints hotlines		
Feedback to communities	Feedback to communities is done through Ward Councillor constituency meetings (Ward Meetings)	Implement participation and communication policy by 01 September 2012	LLM	0
Stability of Council	Council is very stable since inception of the current Council	Develop schedule of all Council meetings and present to Council for consideration and adoption Speaker/Mayor and Council Section 79 Committee Chairpersons convening meetings as per adopted schedule Keeping records of meetings and attendance of councillors at all meetings – minutes, execution list and attendance registers	LLM	0
	PR Councillors are not deployed to Ward Committees	PR Councillors deployed into Ward Committees – clarified roles and responsibilities for effective participation	LLM	0

3.3 Financial Viability and Management

Letsemeng Local Municipality has taken an approach of adopting the following budget principles during the drafting of the 2011/2012 budget:-

- Drafting a delivering a realistic and funded budget;
- Focusing on provision of basic services;
- Improving the revenue base and payment rate for services provided;
- Maintaining commitment to deliver quality services;
- Improving the cash reserves to increase future capital investment capacity of the municipality;

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

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 10 per cent increase in revenue collection within the first six months;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services and full implementation of the approved budget related policies of the municipality;

The revenue base of the municipality has increased and the municipality is currently in the process of improving on its revenue enhancement by implementing the Revenue Enhancement Policy and principles thereof. The Council also approved a number of budget related policies which are as follows, which were effective from 01 July 2011 and has since being implemented:-

- Budget policy
- Virement policy
- Supply chain management policy
- Credit control and debt collection policy
- Indigent support policy
- Property rates policy
- Tariffs policy
- Funding and reserves policy;

Budget policy: To set out the budgeting principles which the municipality will follow in preparing each annual budget and to secure sound and sustainable management of budgeting and reporting practices by ensuring compliance with norms and standards and other requirements as established by the National Treasury.

Virement policy: The purpose of this policy is to provide a framework whereby transfers between line items within votes of the operating budget may be performed with the approval of certain officials.

Supply chain management policy: To provide for effective systems for demand management, acquisition management, logistics management, disposal management, risk management and performance management and to ensure that the procurement processes are conducted in an effective, efficient, equitable, transparent and sustainable manner.

Credit control and debt collection policy: To ensure that all consumers pay for the services that are supplied and consumed according to the approved tariff structure of the municipality and to ensure that all consumer account related enquiries are attended to promptly and diligently.

Indigent support policy: To provide procedures and guidelines for the subsidisation of basic service charges to registered indigent households, using the Council's budgetary provisions received from National Government, according to prescribed policy guidelines.

Property rates policy: To determine criteria to be applied for the levying of differential rates for different categories of properties, exemptions, reductions and rebates, and rate increases.

Tariffs policy: To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); to prescribe procedures and guidelines in terms of tariff structure to be imposed on services provided by the municipality.

Funding and reserves policy: The objective of the policy is to set out the assumptions and methodology for estimating the projected billings, collections and all direct revenues; the provision for revenue that will not be collected; the funds the municipality can expect to receive from investments; the funds to be set aside in reserves and the proceeds the municipality can expect to receive from the transfer or disposal of assets;

To improve the financial management viability of the municipality; it has advertised and filled two (2) critical positions required for execution of effective execution in the Budget and Treasury office with effect from 01 July 2011.

- **Manager Accounting Services**
- **Budget and Reporting Officer**

With all these controls in place to meet the MFMA and other financial legislations most definitely the financial viability and audit report status of the municipality will improve for the better.

Attached herewith is the Budget Tables for the 2012/2013 MTREF period:-

FS161 Letsemeng - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	3 013	3 154	4 247 23	5 106 34	5 106 34	5 106 34	-	6 382 40	7 739 42	9 157 44
Service charges	20 157	16 004	053	055	055	055	-	406	669	973
Investment revenue	-	350	525	900	1 000	1 000	-	949	1 002	1 056
Transfers recognised - operational	24 894	55 022	59 068	48 235	48 235	48 235	-	53 833	56 760	61 301
Other own revenue	1 799	2 484	1 912	581	602	602	-	690	728	703
Total Revenue (excluding capital transfers and contributions)	49 863	77 014	88 806	88 876	88 997	88 997	-	102 259	108 897	117 190
Employee costs	13 750	18 686	21 680	23 693	26 475	26 475	-	33 257	35 087	36 841
Remuneration of councillors	1 761	1 725	2 082 21	2 795	3 228	3 228	-	2 600	2 743	2 880
Depreciation & asset impairment	950	683	355	1 278	1 038	1 038	-	1 298	1 371	1 367
Finance charges	232	972	1 351	62	63	63	-	66	70	73
Materials and bulk purchases	8 386	10 726	14 711	16 396	19 800	19 800	-	22 500	23 760	25 043
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	5 815	12 350	18 996	44 379	37 396	37 396	-	42 034	37 650	39 448
Total Expenditure	30 894	51 142	80 175	88 603	88 001	88 001	-	101 756	100 680	105 653
Surplus/(Deficit)	18 970	25 872	8 631 21	273 18	996 18	996 18	-	504 22	8 217 23	537 24
Transfers recognised – capital	25 822	8 651	920	804	804	804	-	090	302	649
Contributions recognised - capital & contributed assets	1 000	2 400	2 348	696	1 788	1 788	-	1 791	1 893	1 995

Surplus/(Deficit) after capital transfers & contributions	45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181
Capital expenditure & funds sources										
Capital expenditure	26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644
Transfers recognised – capital	25	8	21	18	23	23	-	22	23	24
	822	651	920	804	804	804	-	090	302	649
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 000	2 400	2 348	696	1 788	1 788	-	1 791	1 893	1 995
Total sources of capital funds	26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644
Financial position										
Total current assets	5 087	41 448	25 741	29 560	30 754	30 754	-	39 649	41 459	41 158
Total non current assets	135 042	151 541	160 851	247 730	1 220 417	1 220 417	-	254 419	267 140	280 497
Total current liabilities	14 561	4 284	4 021	2 207	658	658	-	7 436	7 073	7 311
Total non current liabilities	251 158	16 576	19 067	1 506	12 670	12 670	-	-	-	-
Community wealth/Equity	100 409	148 154	168 249	249 494	349 282	349 282	-	261 969	275 067	288 820
Cash flows										
Net cash from (used) operating	25 874	14 580	34 592	(8) 519)	(17) 752)	(17) 752)	-	(27) 491)	(30) 022)	(34) 968)
Net cash from (used) investing	(36) 200)	(17) 342)	(29) 952)	18 726	25 592	25 592	-	28 594	30 032	31 644
Net cash from (used) financing	437 6	536 5	136 10	59 55	59	59	-	25 37	26 37	27 34
Cash/cash equivalents at the year end	741	515	290	266	7 899	7 899	-	609	645	348
Cash backing/surplus reconciliation										
Cash and investments available	(1 516)	7 168	7 695	6 858	12 695	12 695	-	14 650	15 558	14 402

Application of cash and investments	(593)	(15 509)	(18 394)	13 235	19 087	19 087	–	28 032	29 249	30 504
Balance - surplus (shortfall)	(923)	22 677	26 089	(6 377)	(6 392)	(6 392)	–	(13 382)	(13 691)	(16 102)
<u>Asset management</u>										
Asset register summary (WDV)	26 822	11 051	24 268	29 533	35 492	35 492	23 881	23 881	25 195	26 644
Depreciation & asset impairment	950	683	355	1 278	1 038	1 038	1 298	1 298	1 371	1 367
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	2 036	2 105	14 686	4 728	5 863	5 863	5 045	5 045	5 327	5 533
<u>Free services</u>										
Cost of Free Basic Services provided	11 530	8 967	8 967	9 416	9 416	9 416	3 404	3 404	10 084	10 443
Revenue cost of free services provided	13 791	10 956	10 957	11 420	11 520	11 570	36 432	36 432	13 280	13 285
<u>Households below minimum service level</u>										
Water:	–	–	–	1	1	1	1	1	0	0
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	1	1	1	1	1	1	1
Refuse:	–	–	–	8	8	8	9	9	9	9

FS161 Letsemeng - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue – Standard										
Governance and administration		4 452	3 997	6 567	11 757	11 858	11 858	13 956	15 677	17 926
Executive and council		390	587	1 021	1 548	1 548	1 548	1 830	2 095	2 280
Budget and treasury office		3 211	2 574	4 364	9 214	9 315	9 315	10 951	12 257	14 185
Corporate services		851	836	1 182	995	995	995	1 175	1 325	1 460
Community and public safety		1 891	1 870	2 360	2 348	2 363	2 363	2 881	3 295	3 664
Community and social services		763	1 005	1 094	796	798	798	974	1 113	1 237
Sport and recreation		481	330	550	749	762	762	925	1 061	1 182
Public safety		600	528	649	741	741	741	916	1 051	1 172
Housing		47	8	68	62	62	62	66	69	73
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		120	142	209	641	631	631	795	117	123
Planning and development		28	–	115	536	536	536	685	–	–
Road transport		12	142	93	105	95	95	110	117	123
Environmental protection		80	–	–	–	–	–	–	–	–
Trading services		43 411	57 092	64 489	74 131	74 145	74 145	84 626	89 810	95 478
Electricity		11 451	20 632	25 729	28 093	28 110	28 110	36 475	37 962	41 786
Water		11 668	13 837	16 959	17 727	17 725	17 725	18 218	19 178	20 278
Waste water management		10 091	11 381	13 836	14 428	14 428	14 428	15 749	16 633	17 021
Waste management		10 202	11 242	7 965	13 883	13 881	13 881	14 184	16 036	16 392
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	49 873	63 102	73 625	88 877	88 997	88 997	102 259	108 898	117 190
Expenditure - Standard	-									
Governance and administration		5 823	17 921	13 394	20 330	24 427	24 427	32 918	28 278	29 514
Executive and council		1 058	2 612	3 775	7 948	8 772	8 772	10 352	11 025	11 602
Budget and treasury office		3 831	7 212	2 500	9 168	11 228	11 228	17 110	11 368	11 823
Corporate services		935	8 097	7 119	3 215	4 427	4 427	5 456	5 885	6 088
Community and public safety		5 307	1 365	2 103	3 531	2 979	2 979	4 748	5 020	5 192
Community and social services		2 088	1 105	1 909	2 260	2 253	2 253	3 649	3 852	4 047
Sport and recreation		437	37	81	547	363	363	433	457	404

Public safety		454	–	–	600	306	306	610	644	679
Housing		90	–	5	17	9	9	20	23	16
Health		2 239	223	109	107	47	47	37	44	47
Economic and environmental services		8 864	6 667	9 482	9 458	10 400	10 400	9 020	9 222	9 688
Planning and development		–	2 809	3 321	3 165	2 219	2 219	1 075	1 157	1 219
Road transport		8 555	3 857	6 161	6 293	8 181	8 181	7 944	8 065	8 469
Environmental protection		309	–	–	–	–	–	–	–	–
Trading services		29 661	20 375	26 187	55 284	50 195	50 195	55 070	58 160	61 259
Electricity		11 313	12 093	16 202	25 794	25 612	25 612	28 167	29 775	31 375
Water		8 292	5 260	6 873	16 488	14 463	14 463	14 234	15 032	15 827
Waste water management		4 687	1 073	948	6 001	4 467	4 467	5 704	6 022	6 343
Waste management		5 370	1 949	2 163	7 002	5 653	5 653	6 967	7 331	7 714
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	49 656	46 328	51 166	88 604	88 001	88 001	756	101	100
Surplus/(Deficit) for the year		218	16 773	22 459	273	997	997	503	8 217	105
								680	653	

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

	-26 811	-24 963	-39 448	-19 499	-20 591	-20 591	-23 881	-25 194	-26 643
check oprev balance	990	045	551	828	164	164	647	159	245
	18 762		-29 009						
check opexp balance	118	-4 813 434	099	682	-116	-116	169	606	-224

FS161 Letsemeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - Budget and Treasury Office		3 211	2 574	4 364	9 214	9 315	9 315	10 951	12 257	14 185
Vote 2 - Corporate Services		1 360	836	1 182	995	995	995	1 175	1 325	1 460
Vote 3 - Council		480	587	1 021	774	774	774	914	1 043	1 172
Vote 4 - Technical Services		44 812	59 104	67 058	77 120	77 139	77 139	88 303	93 221	99 265
Vote 5 - Municipal Manager		-	-	-	774	774	774	916	1 051	1 108
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	49 863	63 102	73 625	88 877	88 997	88 997	102 259	108 898	117 190
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and Treasury Office		3 831	7 212	2 500	9 168	11 228	11 228	17 110	11 368	11 823
Vote 2 - Corporate Services		2 165	8 097	7 119	3 215	4 427	4 427	5 456	5 885	6 088
Vote 3 - Council		1 058	2 612	3 775	4 849	5 436	5 436	5 798	6 125	6 445
Vote 4 - Technical Services		42 603	28 407	37 772	68 273	63 574	63 574	68 838	72 402	76 139
Vote 5 - Municipal Manager		-	-	-	3 099	3 335	3 335	4 553	4 901	5 157
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-

Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	49 656	46 328	51 166	88 604	88 001	88 001	101 756	100 680	105 653
Surplus/(Deficit) for the year	2	207	16 773	22 459	273	997	997	503	8 218	11 537

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

check Surplus/(Deficit) for the year - - - - - - - - -

FS161 Letsemeng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Revenue By Source											
Property rates	2	3 013	3 154	4 247	5 106	5 106	5 106	–	6 382	7 739	9 157
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	8 123	11 024	13 349	15 123	15 123	15 123	–	20 453	21 598	22 764
Service charges - water revenue	2	4 462	1 845	5 051	7 500	7 500	7 500	–	7 905	8 348	8 798
Service charges - sanitation revenue	2	3 852	1 620	2 418	5 985	5 985	5 985	–	6 308	6 661	7 021
Service charges - refuse revenue	2	3 720	1 514	2 235	5 446	5 446	5 446	–	5 740	6 062	6 389
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		378	286	296	335	335	335	–	353	373	393
Interest earned - external investments		–	350	525	900	1 000	1 000	–	949	1 002	1 056
Interest earned - outstanding debtors		1 196	1 677	1 424	–	–	–	–	–	–	–
Dividends received		13	11	2	8	8	8	–	9	9	10
Fines		123	124	110	79	77	77	–	83	88	93
Licences and permits		1	7	5	5	6	6	–	5	5	6
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		24 894	55 022	59 068	48 235	48 235	48 235	–	53 833	56 760	61 301
Other revenue	2	87	380	75	154	176	176	–	239	252	202
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		49 863	77 014	88 806	88 876	88 997	88 997	–	102 259	108 897	117 190
Expenditure By Type											
Employee related costs	2	13 750	18 686	21 680	23 693	26 475	26 475	–	33 257	35 087	36 841
Remuneration of councillors		1 761	1 725	2 082	2 795	3 228	3 228	–	2 600	2 743	2 880

Debt impairment	3	-	-	465	065	6 639	6 639	-	10 608	11 202	11 807
Depreciation & asset impairment	2	950	683	355	278	1 038	1 038	-	1 298	1 371	1 367
Finance charges		232	972	351	62	63	63	-	66	70	73
Bulk purchases	2	8	10	14	16	19 800	19 800	-	22 500	23 760	25 043
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	5	12	9	34	30 757	30 757	-	31 426	26 448	27 641
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		30 894	51 142	80 175	88 603	88 001	88 001	-	101 756	100 680	105 653
Surplus/(Deficit)		18 970	25 872	8 631	273	996	996	-	504	8 217	11 537
Transfers recognised - capital		25	8	21	18	18 804	18 804	-	22 090	23 302	24 649
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		1	2	2	696	1 788	1 788	-	1 791	1 893	1 995
Surplus/(Deficit) after capital transfers & contributions		45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		45 792	36 923	32 899	19 773	21 588	21 588	-	24 385	33 412	38 181

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method

8. All materials not part of 'bulk' e.g road making materials, pipe, cable etc.

	45 584	20 149	10 439	19 500	20 591	20 591	23 882	25 194	26 643
<i>check balance</i>	361	611	452	510	048	048	044	645	448
<i>Total revenue</i>	76 685	88 065	113 074	108 376	109 589	109 589	126 141	134 092	143 834

FS161 Letsemeng - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Budget and Treasury Office		295	-	573	73	73	73	-	115	121	128
Vote 2 - Corporate Services		-	32	55	18	36	36	-	53	57	60
Vote 3 - Council		-	-	279	79	47	47	-	50	53	56
Vote 4 - Technical Services		26 527	11 019	23 361	19 331	25 406	25 406	-	23 628	24 926	26 361
Vote 5 - Municipal Manager		-	-	-	-	30	30	-	35	37	39
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-

Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644
Total Capital Expenditure - Vote		26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644
Capital Expenditure - Standard											
Governance and administration		295	32	907	169	186	186	-	253	268	283
Executive and council				279	79	77	77		85	90	95
Budget and treasury office		295		573	73	73	73		115	121	128
Corporate services			32	55	18	36	36		53	57	60
Community and public safety		7 133	4 409	4 409	240	150	150	-	12 335	2 622	2 572
Community and social services		1 331				30	30		12 125	1 900	2 338
Sport and recreation											
Public safety		4 200	4 409	4 409	240	120	120		210	722	234
Housing		1 601									
Health											
Economic and environmental services		17 000	4 256	7 721	12 408	12 308	12 308	-	9 026	10 622	10 629
Planning and development		8 000	4 256	1 147	12	12	12		15	516	517
Road transport		9 000		6 574	12 396	12 296	12 296		9 011	10 107	10 112
Environmental protection											
Trading services		2 394	1 974	5 159	6 016	12 283	12 283	-	1 599	11 013	12 460
Electricity		1 500	545	1 174	8	270	270		152	1 000	169
Water		800	809	3 180	605	6 512	6 512		435	550	553
Waste water management		10	20	30	438	438	438		263	1 170	904
Waste management		84	600	775	4 966	5 063	5 063		750	8 292	10 835
Other			380	6 072	667	665	665		668	669	700
Total Capital Expenditure - Standard	3	26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644
Funded by:											
National Government		25 122	8 651	21 415	18 804	18 804	18 804		22 090	23 302	24 649
Provincial Government		700		505		5 000	5 000				
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	25 822	8 651	21 920	18 804	23 804	23 804	-	22 090	23 302	24 649
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		1 000	2 400	2 348	696	1 788	1 788		1 791	1 893	1 995
Total Capital Funding	7	26 822	11 051	24 268	19 500	25 592	25 592	-	23 881	25 195	26 644

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

check balance	-380.0	234.0	262.0	200.0	-250.0	-250.0	-	175.0	-72.0	-46.0
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FS161 Letsemeng - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash		1	1	1 933	658	1 933	1 933		2 100	2 205	232
Call investment deposits	1	–	10 010	5 762	5 000	5 000	5 000	–	6 500	7 000	7 500
Consumer debtors	1	3 435	29 105	14 190	18 000	18 000	18 000	–	26 000	27 000	28 000
Other debtors		1 651	2 282	1 902	2 951	1 270	1 270		3 099	3 254	3 417
Current portion of long-term receivables					2 951	2 656	2 656				
Inventory	2	–	50	1 954	–	1 895	1 895		1 950	2 000	2 010
Total current assets		5 087	41 448	25 741	29 560	30 754	30 754	–	39 649	41 459	41 158
Non current assets											
Long-term receivables											
Investments		62		–	1 200	5 762	5 762		6 050	6 353	6 670
Investment property					9 988	9 855	9 855				
Investment in Associate											
Property, plant and equipment	3	134 947	151 525	160 793	236 497	160 793	160 793	–	248 322	260 738	273 775
Agricultural											
Biological											
Intangible		33	16	58	45	45	45		47	50	52
Other non-current assets						1 043 962	1 043 962				
Total non current assets		135 042	151 541	160 851	247 730	1 220 417	1 220 417	–	254 419	267 140	280 497
TOTAL ASSETS		140 129	192 989	186 592	277 290	1 251 171	1 251 171	–	294 068	308 599	321 655
LIABILITIES											
Current liabilities											
Bank overdraft	1	1 578	2 843								
Borrowing	4	2	–	–	–	8 487	8 487	–	–	–	–
Consumer deposits		510	569	643	701	643	643		736	773	811
Trade and other payables	4	12 470	–	1 995	–	–	–	–	1 200	1 300	1 400
Provisions			872	1 383	1 506	5 528	5 528		5 500	5 000	5 100
Total current liabilities		14 561	4 284	4 021	2 207	14 658	14 658	–	7 436	7 073	7 311
Non current liabilities											

Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		251 158	16 576	19 067	1 506	12 670	12 670	-	-	-	-
Total non current liabilities		251 158	16 576	19 067	1 506	12 670	12 670	-	-	-	-
TOTAL LIABILITIES		265 720	20 860	23 089	3 713	27 328	27 328	-	7 436	7 073	7 311
NET ASSETS	5	(125 591)	172 129	163 503	273 577	1 223 843	1 223 843	-	286 632	301 526	314 344
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		37 665	74 585	168 068	249 494	168 068	168 068		261 969	275 067	288 820
Reserves	4	62 744	73 569	181	-	181 214	181 214	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	100 409	148 154	168 249	249 494	349 282	349 282	-	261 969	275 067	288 820

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

check balance	#####	#####	#####	#####	#####	#####	#####	-	#####	#####	#####
	#	#	#	#	#	#	#		#	#	#

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		52 027	10 688	37 014	(25 101)	(39 377)	(39 377)		(43 771)	(47 231)	(50 787)
Government - operating	1		45 859	48 002	(47 452)	(47 452)	(47 452)		(53 833)	(56 760)	(61 301)
Government - capital	1			12 718	(18 210)	(18 210)	(18 210)		(22 089)	(23 302)	(24 649)
Interest	1	497	2 021	1 947	(900)	(900)	(900)		(945)	(992)	042
Dividends		13	11	2	(8)	(8)	(8)		(9)	(10)	(11)
Payments											
Suppliers and employees		(27 494)	(43 027)	(64 015)	82 958	88 001	88 001		82 548	87 071	91 014
Finance charges		(170)	(972)	076)	194	194	194		10 608	11 202	11 807
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 874	14 580	34 592	(8 519)	(17 752)	(17 752)	-	(27 491)	(30 022)	(34 968)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			-	133					142	144	148
Decrease (Increase) in non-current debtors									(150)	152	155
Decrease (increase) other non-current receivables									(80)	(85)	(90)
Decrease (increase) in non-current investments		(36 200)	(17 342)	(30 085)					5 800	5 850	5 900
Payments											
Capital assets					18 726	25 592	25 592		22 882	23 971	25 531
NET CASH FROM/(USED) INVESTING ACTIVITIES		(36 200)	(17 342)	(29 952)	18 726	25 592	25 592	-	28 594	30 032	31 644
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											

Short term loans											
Borrowing long term/refinancing		438	1 536	136							
Increase (decrease) in consumer deposits		(1)			59	59	59		25	26	27
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		437	1 536	136	59	59	59	-	25	26	27
NET INCREASE/ (DECREASE) IN CASH HELD		(9 889)	(1 226)	4 775	10 266	7 899	7 899	-	1 128	36	(3 297)
Cash/cash equivalents at the year begin:	2	630	6 741	5 515	45 000			-	36 481	37 609	37 645
Cash/cash equivalents at the year end:	2	741	5 515	10 290	55 266	7 899	7 899	-	37 609	37 645	34 348

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

		53			(91	(105	(105		(120	(128	(137
Total receipts		538	58 580	99 815	671)	947)	947)	-	735)	084)	576)
Total payments		(27	(44	(65	101	113	113	-	116	122	128
		664)	000)	090)	878	787	787	-	038	244	352
		25							(4	(5	(9
		874	14 580	34 725	10 207	7 840	7 840	-	697)	840)	224)
Borrowings & investments & c.deposits		(35	(15	(29							
Repayment of borrowing		763)	807)	950)	59	59	59	-	5 825	5 876	5 927
		-	-	-	-	-	-	-	-	-	-
		(9	(1								(3
		889)	226)	4 775	10 266	7 899	7 899	-	1 128	36	297)
		-	-	-	-	-	-	-	-	-	-

FS161 Letsemeng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	6 741 (8	5 515	10 290 (2	55 266 (49	7 899	7 899	–	37 609 (29	37 645 (28	34 348 (26
Other current investments > 90 days	1	319)	1 653	595)	608)	(966)	(966)	–	009)	440)	616)
Non current assets - Investments	1	62	–	–	1 200	5 762	5 762	–	6 050	6 353	6 670
		(1									
Cash and investments available:		516)	7 168	7 695	6 858	12 695	12 695	–	14 650	15 558	14 402
Application of cash and investments											
Unspent conditional transfers		5 792	–	1 995	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
		(6	(15	(20							
Other working capital requirements	3	385)	509)	389)	13 235	19 087	19 087	–	28 032	29 249	30 504
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(593)	(15 509)	(18 394)	13 235	19 087	19 087	–	28 032	29 249	30 504
Surplus(shortfall)		(923)	22 677	26 089	(6 377)	(6 392)	(6 392)	–	(13 382)	(13 691)	(16 102)

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	10 604	15 509	20 389	(13 235)	(19 087)	(19 087)	–	(26 832)	(27 949)	(29 104)
Creditors due	4 219	–	–	–	–	–	–	1 200	1 300	1 400
Total	6 385	15 509	20 389	(13 235)	(19 087)	(19 087)	–	(28 632)	(29 649)	(30 504)

	235)	087)	087)	032)	249)	504)				
<u>Debtors collection assumptions</u>										
Balance outstanding - debtors	5 086	31 387	16 091	20 951	19 270	19 270	-	29 099	30 254	31 417
Estimate of debtors collection rate	208%	49%	127%	-63%	-99%	-99%	0%	-92%	-92%	-93%
<u>Long term investments committed</u>										
Balance <i>(Insert description; eg sinking fund)</i>										

FS161 Letsemeng - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	26 822	11 051	24 268	19 545	25 592	25 592	23 881	25 195	26 644
<i>Infrastructure - Road transport</i>		9 000	–	5 984	12 396	12 296	12 296	9 011	10 107	10 112
<i>Infrastructure - Electricity</i>		–	545	3 180	8	270	270	152	1 000	169
<i>Infrastructure - Water</i>		800	809	30	605	6 512	6 512	435	550	553
<i>Infrastructure - Sanitation</i>		–	20	775	438	438	438	263	1 170	904
<i>Infrastructure - Other</i>		658	600	598	6 054	6 076	6 076	750	8 292	10 835
Infrastructure		10 458	1 974	10 567	19 500	25 592	25 592	10 610	21 119	22 572
Community		16 331	–	–	–	–	–	12 125	1 900	2 338
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	9 061	13 642	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	1 098	2 126	1 681
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		33	16	58	45	–	–	47	50	52
<u>Total Renewal of Existing Assets</u>	2	–	–	–	–	–	–	–	–	–
<i>Infrastructure - Road transport</i>		–	–	–	–	–	–	–	–	–
<i>Infrastructure - Electricity</i>		–	–	–	–	–	–	–	–	–
<i>Infrastructure - Water</i>		–	–	–	–	–	–	–	–	–
<i>Infrastructure - Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Infrastructure - Other</i>		–	–	–	–	–	–	–	–	–
Infrastructure	–	–	–	–	–	–	–	–	–	–
Community	–	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	9 000	–	5 984	12 396	12 296	12 296	9 011	10 107	10 112
<i>Infrastructure - Road transport</i>		9 000	–	5 984	12 396	12 296	12 296	9 011	10 107	10 112

<i>Infrastructure - Electricity</i>		–	545	3 180	8	270	270	152	1 000	169
<i>Infrastructure - Water</i>		800	809	30	605	6 512	6 512	435	550	553
<i>Infrastructure - Sanitation</i>		–	20	775	438	438	438	263	1 170	904
<i>Infrastructure - Other</i>		658	600	598	6 054	6 076	6 076	750	8 292	10 835
Infrastructure		10 458	1 974	10 567	19 500	25 592	25 592	10 610	21 119	22 572
Community		16 331	–	–	–	–	–	12 125	1 900	2 338
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	9 061	13 642	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	1 098	2 126	1 681
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		33	16	58	45	–	–	47	50	52
TOTAL CAPITAL EXPENDITURE - Asset class	2	26 822	11 051	24 268	19 545	25 592	25 592	23 881	25 195	26 644
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>		9 000	–	5 984	12 396	12 296	12 296	9 011	10 107	10 112
<i>Infrastructure - Electricity</i>		–	545	3 180	8	270	270	152	1 000	169
<i>Infrastructure - Water</i>		800	809	30	605	6 512	6 512	435	550	553
<i>Infrastructure - Sanitation</i>		–	20	775	438	438	438	263	1 170	904
<i>Infrastructure - Other</i>		658	600	598	6 054	6 076	6 076	750	8 292	10 835
Infrastructure		10 458	1 974	10 568	19 500	25 592	25 592	10 610	21 119	22 572
Community		1 331	–	–	–	–	–	12 125	1 900	2 338
Heritage assets		–	–	–	9 988	9 855	9 855	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		15 000	9 061	13 642	–	–	–	1 098	2 126	1 681
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		33	16	58	45	45	45	47	50	52
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	26 822	11 051	24 268	29 533	35 492	35 492	23 881	25 195	26 644
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		950	6 683	21 355	1 278	1 038	1 038	1 298	1 371	1 367
<u>Repairs and Maintenance by Asset Class</u>	3	2 036	2 105	14 686	4 728	5 863	5 863	5 045	5 327	5 533
<i>Infrastructure - Road transport</i>		–	736	1 620	1 590	2 707	2 707	1 716	1 812	1 910
<i>Infrastructure - Electricity</i>		–	447	838	761	959	959	802	847	893
<i>Infrastructure - Water</i>		–	185	431	468	826	826	493	521	549
<i>Infrastructure - Sanitation</i>		–	299	132	824	219	219	869	917	967
<i>Infrastructure - Other</i>		–	68	138	168	251	251	178	187	198

Infrastructure		–	1 734	3 158	3 811	4 962	4 962	4 057	4 285	4 516
Community		–	84	255	400	426	426	498	526	476
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	2 036	287	11 272	518	475	475	490	517	540
TOTAL EXPENDITURE OTHER ITEMS		2 986	8 788	36 041	6 006	6 901	6 901	6 343	6 698	6 900
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprechn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		1.5%	1.4%	9.1%	2.0%	3.6%	3.6%	2.0%	2.0%	2.0%
<i>Renewal and R&M as a % of PPE</i>		8.0%	19.0%	61.0%	16.0%	17.0%	17.0%	21.0%	21.0%	21.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
#	#	#	#	#	#	#	#	#	#

Check balance to A6

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
Water:										
Piped water inside dwelling		8	10	10	10	10	10	10	10	10
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Using public tap (< min.service level)	3				800	800	800	500	450	300
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	800	800	800	500	450	300
Total number of households	5	8	10	10	810	810	810	510	460	310
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		8	10	10	10	10	10	10	10	10
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Bucket toilet					-	-	-	-	-	-
Other toilet provisions (< min.service level)					-	-	-	-	-	-
No toilet provisions					-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	8	10	10	10	10	10	10	10	10
Energy:										
Electricity (at least min.service level)										

Electricity - prepaid (min.service level)		8	10	10	10	10	10	10	10	10
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Electricity (< min.service level)					704	704	704	800	900	1 000
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	704	704	704	800	900	1 000
Total number of households	5	8	10	10	714	714	714	810	910	1 010
<u>Refuse:</u>										
Removed at least once a week		8	10	10	10	10	10	10	10	10
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump					8 291	8 291	8 291	9 000	9 100	9 200
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	8 291	8 291	8 291	9 000	9 100	9 200
Total number of households	5	8	10	10	8 301	8 301	8 301	9 010	9 110	9 210
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		8	10	10	10	10	10	10	10	10
Sanitation (free minimum level service)		5	6	6	6	6	6	6	6	6
Electricity/other energy (50kwh per household per month)		5	10	10	10	10	10	10	10	10
Refuse (removed at least once a week)		5	10	10	10	10	10	10	10	10
<u>Cost of Free Basic Services provided (R'000)</u>	8									
Water (6 kilolitres per household per month)		3	2							
		159	754	2 754	2 892	2 892	2 892	2 446	2 892	2 892
Sanitation (free sanitation service)		3	3							
		105	105	3 105	3 260	3 260	3 260	389	3 594	3 774
Electricity/other energy (50kwh per household per month)		2	2					180		
		161	754	2 892	3 036	3 036	3 036	063	3 187	3 187

Refuse (removed once a week)		3 105	3 105	3 105	3 260	3 260	3 260	389	3 594	3 774
Total cost of FBS provided (minimum social package)		11 530	8 967	8 967	9 416	9 416	9 416	3 404	10 084	10 443
Highest level of free service provided										
Property rates (R value threshold)		30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		56	55	55	60	60	60	80	80	80
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		30	30	30	30	30	30	30	30	30
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		1 891	556	557	570	570	570	600	600	600
Property rates (other exemptions, reductions and rebates)										
Water		3 300	5 000	5 000	5 500	5 500	5 500	25 751	6 000	6 000
Sanitation		3 200	2 900	2 900	3 000	3 000	3 000	4 093	4 000	4 000
Electricity/other energy		2 200	1 500	1 500	1 550	1 600	1 650	1 895	1 750	1 750
Refuse		3 200	1 000	1 000	800	850	850	4 093	930	935
Municipal Housing - rental rebates	6									
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)		13 791	10 956	10 957	11 420	11 520	11 570	36 432	13 280	13 285

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level

7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

3.4 Local Economic Development

(a) Introduction

The Constitutional Provisions

Section 152 (1) c of the Constitution of the Republic of South Africa states that one of the objects of local government is to promote social and economic development. Expanding on the developmental duties of municipalities, Section 153 goes on to state:

“A municipality must

a) Structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and

b) Participate in national and provincial development programmes.”

These objectives are further articulated in the Municipal Systems Act 32 of 2000.

The stated priority function of this Act is *“To provide for the core principles, mechanisms and processes that is necessary to move progressively towards the social and economic upliftment of local communities...”* and more so *“to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities”...*

The primary means to give effect to these developmental roles is by undertaking developmentally-oriented municipal planning which should ensure progress towards

Section 152 and Section 153 of the Constitution (Chapter 5, sub-section 23, Municipal Systems Act). Thus the Integrated Development Plan (IDP) of each municipality is intended to reflect a “single inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality”.

Local Government has been identified as the primary institution for LED, however it is not exclusive; within this context Municipalities (Local Government) has *three* primary roles to play in LED:-

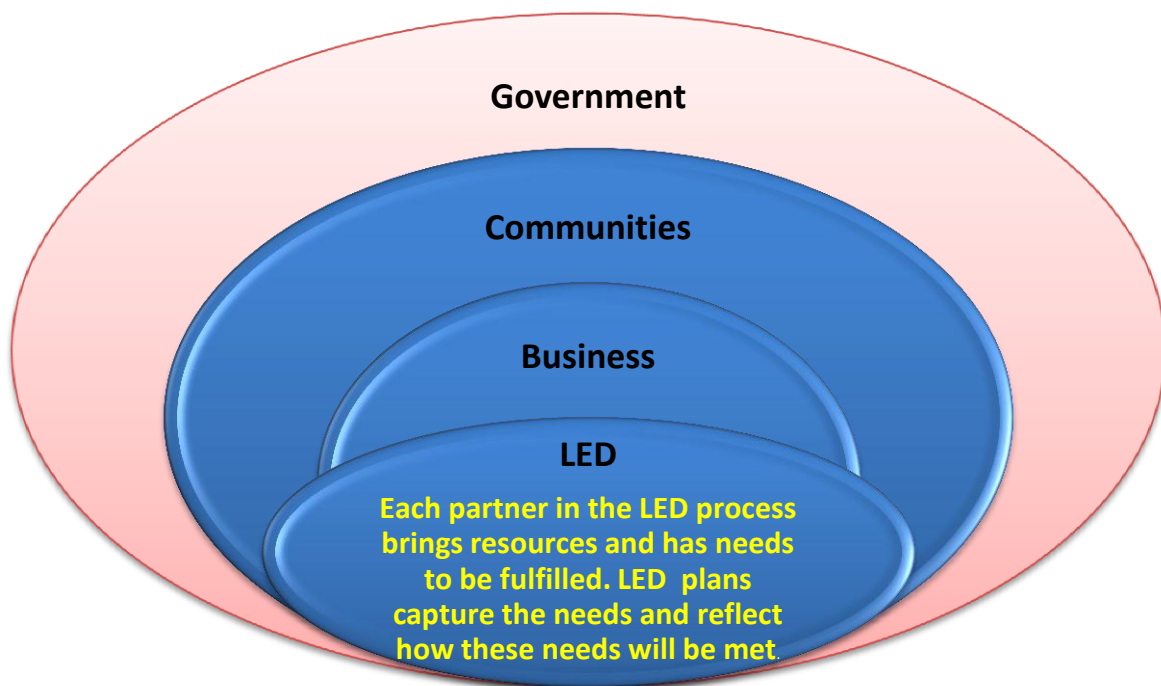
- To provide leadership and direction in policy making (by-laws and processes to regulate land in manner that reduces the costs of doing business and maximises the involvement of people in the local economy).

- To administer policy, programme and projects (the core function of anybody or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development).
- To be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) their promotion of industrial, small business development, social enterprises and cooperatives.

(b) What is LED?

LED is not one particular strategy or theory, but rather it is a wide range of activities that are implemented at the local level in response to local developmental needs and it can be described as a locally-driven process designed to identify, harness and utilise local resources to stimulate the economy and create new employment opportunities. It is therefore a process by which public, business and non-governmental sector partners collectively (or independently) work together to create better conditions for economic growth and employment creation

LED occurs best when a partnership between the local authorities, business, NGO's and most importantly, individuals is formed, and together they strive to improve the localities economic status by combining skills, resources and ideas. Herewith a chart of the LED partnership:-



Economic development is the process of building strong, adaptive and sustainable local economies. The development of Strategies which are driven by:-

- Local assets and realities;
- A diverse industry base; and
- A commitment to equality of opportunity and sustainable practices;

have emerged as those that will ensure a strong foundation for long-term stability and constant growth. Even within the parameters of these principles, what constitutes success in economic development and the specific strategies to accomplish it will look different from town to town, it is quite evident that the economy of Jacobsdal differs from the economy of Luckhoff for instance. Despite these differences, leadership is consistently identified as a critical factor in effective economic development. Dedicated leadership is needed to:-

- Raise awareness,;
- Help develop and communicate a common vision; and
- Motivate stakeholders into action.

Although leadership can come from many institutions within the community, local elected Councillors are particularly well-positioned to take on this role. The political influence of elected leadership is critical to helping communities stay the progression toward a vibrant economic future. From the podium to the design and coordination of public development strategies, the Mayor and Council members have opportunities every day to effect change and promote a strategic vision of economic growth for their respective communities.

The local economic trajectory of the Letsemeng Local Municipality is undergoing an improved way of “Shaping the debate” around LED in its municipal jurisdiction. It is essential for the municipality to create conditions under which the local economy can undergo swift growth. In attaining these swift growth patterns in the local economy of the FS161 municipal jurisdiction it is quite critical for the municipality’s local economic development Unit and Council to contextualise and understand the following principles of its local economy.

1	<i>The local economic strengths and weaknesses</i>	To have a stronger understanding of its community’s economic profile will help to create a realistic vision and strategies for economic development.
2	<i>The community’s place in the broader Regional, Provincial and National economy</i>	To gain a firm grasp of how the Letsemeng community fits into the broader Regional, Provincial and National Economy we need to work very close with other spheres of Government to gain National economic success.
3	<i>The community’s economic development vision and goals.</i>	Local Municipal officials in the LED Unit of Letsemeng Local Municipality should play a key role in building consensus for a vision and goals that provide clear direction for local economic development.
4	<i>The community’s strategy to attain its goals.</i>	A strategic approach which means linking economic development goals to specific activities, allocating a budget and appointing or placing staff to these activities and evaluating performance based on measurable outcomes.
5	<i>Connections between economic development and other Council policies.</i>	When drafting economic development policies, it is essential to consider how other Council policies (e.g. SCM policies) affect your economic development goals.

6	<i>The local economic stakeholders and development partners.</i>	Municipal officials should think strategically on a project-by-project basis about who needs to be involved, the resources they bring to the table, and what it will take to get them engaged. Integrated Development Planning in practice in spirit.
7	<i>The needs of our local business community.</i>	Municipal officials should help create an environment that supports the growth and expansion of local businesses, primarily by opening lines of communication and encouraging partnerships amongst local business.
8	<i>The community's economic development message.</i>	Municipal officials must develop a clear, accurate and compelling message that reflects its local vision and that helps ensure broad support for economic development projects undertaken by the Municipality and its partners.
9	<i>The economic development staff.</i>	Councillors will be more effective in leading economic development activities to the extent that they forge strong relationships with staff members who work on these issues on a daily basis.

The goal of the abovementioned principles is basically to identify fundamental ways on how Council can become informed and strategic decision-makers who can connect the policy “dots,” be effective communicators and take a leadership role in economic development. It is based on the premise that Councillors can and should actively participate in and lead long-term development strategies that make sense for their community.

(c) Assessing the Local Economy of Letsemeng Local Municipality

The community's strengths and weaknesses, such as quality-of-life amenities, infrastructure and workforce skills, determine the potential of the local economy to support economic growth. This economic profile lays the foundation for creating a realistic vision and strategic direction for economic success that is unique to each community.

Information about the local economy can also help engage and educate constituents and build community support for economic development decisions, on this note Letsemeng Local Municipality commits to undertake an in-depth diagnosis of its local economy as follows:-

Important Factors	Key Indicators
<i>Economic conditions</i>	Unemployment, types and sizes of business sectors/industries, wages, income, new business starts, retail sales, housing prices, number of businesses closed.
<i>Population characteristics</i>	Population size and growth, age, education level.
<i>Labour force characteristics</i>	Labour force participation, occupations, skills, commuter characteristics, productivity.
<i>Physical conditions</i>	Land use, zoning, land values, condition of buildings, vacancy rates, building activity, parking facilities, condition and capacity of

	infrastructure, water quality
<i>Business climate</i>	Community attitudes, labour relations, business taxes and regulations, level and quality of municipal services, workforce training, access to and cost of capital, public and private Infrastructure
<i>Knowledge-based resources</i>	Industry incubators, colleges and universities, technical training schools and FET's, training and research institutes
<i>Quality of life</i>	Housing availability, public services, education system, crime rate, cultural and recreational activities, parks and other natural amenities

This exercise will assist the local economic development Unit to identify factors within and outside of the control of local government that impact and shape its local economy. It will further assist in identifying strengths and opportunities which are quite crucial, but local officials also should pay attention to weaknesses and potential threats.

For example:-

What industries in our community and region are growing or struggling?

What barriers and support services exist for local entrepreneurs and small businesses?

All of these factors should be understood in comparison to the respective communities and in the context of the broader economic trends. As a result of this process, we will have a stronger sense of our unique local assets, as well as what we can and should be doing to build on strengths and mitigate weaknesses.

Though the budget for Local Economic Development in the local space is still limited the municipality and its partners has made significant strides in trying to change the communities mind-set from a state reliance syndrome; to that of a making things possible to work with community members to take inventory of their local capacity (Human, Physical, Social, Environmental and Economic Assets) and to acknowledge their own potential and strengths.

(d) Status Quo on Partnerships and Collaborations

The municipality in collaboration with the IDT has launched one of the most successive National Development Weeks in 2011 in Koffiefontein and has since started with implementation of the Local Area Plans of the respective towns on a small scale within the limited budget that has been committed by both Letsemeng Local Municipality and IDT. The Council has already allocated an amount of R 250 000.00 to fund SMME projects which was identified as quick win projects in the Local Area Plans of the respective towns by supporting sewing projects and community and school gardens in all towns of Letsemeng Municipality. The Council have made further budgetary provisions to the amount of R250 000.00 towards the development of an LED Strategy for the 2012/2013 financial year and has made an additional allocation of R350 000.00 towards effective implementation of the Local Area Plans.

The Municipality also requested supporting funding from COGTA to provide financial assistance to cover the rest of the cost for the development of the Local Economic Development Strategy which forms part of a multi – year Memorandum of Agreement with IDT.

IDC, Petra Diamonds and Letsemeng Local Municipality have signed a Memorandum of Agreement on the establishment of a LED Forum with clear Terms of Reference. The Committee is currently busy with the formulation of feasibility studies and business plans of two possible high impact local economic development projects; which are a brick making factory and crusher plant. These projects are aimed at boosting the local economy and sustaining the economy after mine closure in about 15 years from now. This process is currently at a phase of formulation of feasibility studies for the respective projects.

The municipality has also joined the discussions on the Social and Labour Plan of Petra Diamonds for 2012 – 2017 which also focuses on local economic development projects within the municipal jurisdiction.

The Department of Rural Development in conjunction with Letsemeng Municipality has established a Council of Stakeholders in Jacobsdal which has been declared a CRDP site. The Council of Stakeholders (COS) consisting of members of community based organisations and forums, school government bodies, government (national, provincial and local), community policing forum, ward committees, etc.

The Council of Stakeholders must, inter alia:

- Enforce compliance with national norms and standards for the State’s support to the CRDP beneficiaries;
- Ensure compliance to agreed codes of conduct;
- Manage the implementation of the disciplinary codes; and
- Support the disciplinary panels in the implementation of the codes.
- Identify community needs and initiate project planning;
- Play an oversight and monitoring role;

The municipality has in essence aligned itself to the four key strategies which are:-

- Improving good governance, service delivery, public and market confidence in municipalities;
- Spatial development planning and exploiting the comparative advantage and competitiveness of Districts;
- Enterprise support and business infrastructure development; and
- Introducing sustainable community investment programmes focusing on organising communities for development and maximising circulation of public spend in local economies;

The municipality will over the next multi – year period of three years focus its energies and redirect its available financial resources aimed at local economic development on implementing the following strategic objectives.

Objective	Actions/Plans	Programme/Plans
To shift towards a more strategic approach to the development of our local economy and to overcome challenges and failures	Ensure that social and economic development are prioritised within the municipal Integrated Development Plans (IDPs);	Skills programmes to respond to business and government for greater productivity and efficiency;
To support the local economy in realising its optimal potentials and making local communities' active participants in the economy of the country.	Conduct local economic regeneration studies that form a core component of the IDPs; Identify and market new economic opportunities;	Business support programmes to retain existing businesses and encourage start-up or relocating businesses to enter the area;
To wage the local fight against poverty more effectively through local level debates, strategies and actions.	Improve the quality of life, and facilitate economic opportunities, of people living within the municipality by addressing infrastructure and service delivery backlogs; Create an 'enabling environment' for local businesses through efficient and effective service and infrastructure delivery;	Infrastructure development to increase access for businesses and households;
To improve community access to economic initiatives, support programmes and information.	Motivate and support individuals, community groups and local authorities to initiate and sustain economic initiatives; Mobilise civil society to participate in LED and encourage public participation;	Social development programmes to increase participation in the local economy and build better lifestyles for the community;
To improve the coordination of economic development planning and implementation	Network with key sectors and role players to create partnerships and projects; Promote inter-departmental collaboration across line departments; and Establish sector linkages and clustering of economic activity;	Promoting of multi-stakeholder participation in the local economy;

	Establish LED groups within the community to mobilise the efforts and resources of local stakeholders around a common vision;	
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The Letsemeng Local Municipality envisage achieving the following local economic strategies by implementing the following interventions to achieve its goals:-

Strategy	Aims	Interventions
Development and maintenance of infrastructure and services	<p>Create an enabling environment</p> <p>Save time, cost and Technology</p>	<p>The provision of:</p> <p>Reliable, cost effective municipal service delivery – choose a service delivery mechanism that targets the under-served</p> <p>Efficient infrastructure maintenance</p> <p>Municipal provision of social amenities and facilities (health, recreation and pre-school)</p> <p>Effective housing and settlements policy</p> <p>Appropriate zoning</p>
Retention and expansion of existing services	<p>Assist local businesses to improve their productivity and increase market share</p> <p>Graduate to higher value added levels of the production chain</p>	<p>Development of local business skills (training)</p> <p>Providing advice and technological support</p> <p>Developing under-exploited sectors that have comparative advantages</p> <p>Outreach programmes (identifying specific problems in local economy)</p> <p>Financial schemes and assistance packages (approach banks)</p> <p>Bulk buying</p> <p>Place and product purchasing</p> <p>Networking</p>
Increase spending on products of the local economy	To stem the outflow of money from poor areas	<p>Encourage communities to buy local (understanding the reasons for external purchasing)</p> <p>Funding special events and festivals</p> <p>Providing infrastructure using local labour and locally manufactured materials</p>

		Promoting employee training within local businesses and communities Networking enterprises of all sizes in the local area
Human capital development and productivity	Ensuring that economic development brings social benefits often requires explicit linkages between 'living wages', human capital development and productivity	General and customised training within lead Sectors Basic and advanced skills development Targeted procurement policies
Community economic development	Support poverty reduction in low income communities and organisations	Promote safe savings collectives and financial services, community based environmental management and maintenance schemes, urban farming projects Support SMME development by providing business infrastructure, technical support through business advice centres, opportunities for involvement of SMMEs in government procurement, network key sectors in which SMMEs dominate
Linkage of profitable growth to redistributive development/ financing	To ensure that businesses investment benefits disadvantaged communities and areas	Example: Banks or other financial institutions opening a branch in any municipal area in Letsemeng Municipality should invest some of their turnover in local small businesses (Corporate Social Responsibility of private Companies, e.g. FNB, Petra Diamonds, OVK)

Based on both the strategic goals and strategic objectives as stated above, Letsemeng Local Municipality will use the following scheduled projects and programmes which is aligned to the strategic goals and objectives in pursuit of excellent achievements.

(e) Local Economic Development Schedule of Projects and Programmes for 2012/2013 financial year

Project Description	Funding Source	Estimated Budget	Beneficiaries	Project Timeframe
Development of LED Strategy	Letsemeng Local Municipality	250 000	Municipality	July 2012 – June 2013
Development of Tourism Plan	Letsemeng Local Municipality	150 000	Municipality	July – September 2012
Development of local business	Letsemeng	100 000	24 Local	July – August

skills (training)	Local Municipality		emerging businesses – 4 per town	2012
Training in basic and advanced skills development in lead Sectors	Letsemeng Local Municipality	80 000	12 Emerging farming groups – 2 per town	August – September 2012
SMME development projects/programmes (Beautification of entrances of towns and development of parks)	Letsemeng Local Municipality	500 000	All five towns	July 2012 – June 2013
Registration of Cooperatives and SMME's	Letsemeng Local Municipality	36 000	Registration of 60 Cooperatives and SMME's – 10 per town	July – September 2012
Outreach programmes on social infrastructure programmes	Letsemeng Local Municipality	120 000	Providing financial assistance on social programmes e.g. Launching Clubs, Disabled People etc	July 2012 – June 2013

4. Objectives

Objectives and strategies for each Priority Issue

4.1 Strategic Objectives

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

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

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

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

Further to this the Letsemeng Council has developed new Strategies since March 2010 in accordance with the National Municipal Turnaround Strategy developed by the office of the then Minister for COGTA, Mr. S. Sicheka which is applicable to all local municipalities.

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

4.2 Key Performance Area - Basic Service Delivery

Strategic objective: To provide basic services to the communities of Letsemeng Local Municipality in a sustainable manner

Objective	Project/Programmes	Target		
		2011	2012	2013
Access to Water	Provision of water to 200 households in (Ratanang/Jacobsdal)		X	
	Development of Water Infrastructure Development Plan		X	
	Develop implementation plan for Blue Drop Compliance	X	X	
	Bulk water supply for Petrusburg	X	X	X
Access to Sanitation	Provision of water-borne sanitation to 200 households in (Ratanang/Jacobsdal)	X	X	
Access to Electricity	Provision of electricity to 200 households in (Ratanang/Jacobsdal)	X	X	
Refuse removal and solid waste disposal	Extend refuse removal services to 200 households in Ratanang/Jacobsdal)	X	X	
Access to Municipal Roads	Develop a road maintenance plan for all five towns by July 2012	X	X	
	Develop and implement roads O&M plan	X	X	
Formalisation of informal settlements	Formalise 200 erven in Ratanang/ Jacobsdal	X		
Access to housing	Draw up living waiting lists for all towns	X		
Indigent Register	Update indigent register on a regular basis	X		

4.3 Key Performance Area – Good Governance and Public Participation

Strategic objective – **To promote good governance practices and to involve the community of Letsemeng in the affairs of the municipality**

Objective	Project/Programme	Target		
		2011	2012	2013
Stability of Council	Drawing up of schedule of Council meetings, Section 79 Committee meetings, Ward Committee meetings and Ward Constituency meetings		X	
	Adherence to schedule of Council meetings, Section 79 Committee meetings, Ward		X	
	Committee meetings and Ward Constituency meetings		X	
	Deployment of PR Councillors to Ward Committees	X	X	
	Role clarification of PR Councillors in Ward Committees	X	X	
	Schedule of meetings between Mayor and Municipal Manager	X	X	
Delegation of functions between political and administrative units	Development and implementation of delegation of functions policy	X		
a) Recruitment and selection policies and procedures b) Policy on suspension of employees	Development of HR Policy including recruitment, selection policies and procedures Development of HR Policy including suspension and dispute matters	X		
Organisational performance management system development	Implementation plan (system – PAs, SDBIPs, s46 and other legislative reports) WSP approved)	X		
LLF Meetings	Schedule of LLF meetings and adherence to schedule	X		
Organisational rights procedure developed	Compliance and adherence to Organisational Rights Agreement Gazette	X		
Organisational performance management system development	Implementation plan (system – PAs, SDBIPs, s46 and other legislative reports) WSP approved)	X		
Public Participation				
Functionality of Ward Committees	To facilitate working relations between Ward Committee members and Councillors with immediate effect	X		

	To clearly outline the role of Ward Committees, CDW's viz a viz the role of Ward Councillors			
Ward Committee Elections	Term of office of Ward Committee members be aligned to the term of office of Councillors - Bill already passed just need a Council resolution;	X		
Ward Committee Calendar	Develop a comprehensive Annual Public Participation Calendar and have it approved by Council	X		
Broader public participation policies and plans	Develop a Mayoral Izimbizo programme and sent it to Council for adoption	X		
Public Hearings	To conduct public hearings on all policies and systems of the municipality that requires community input/participation	X		
Civil Society engagements (e.g. Labour, CBOs, NGOs, FBOs, NPOs)	To establish a stakeholder relationship and to create a credible database of all stakeholders	X		
	Establish a Speakers Forum to improve working relations with other spheres of government and SOE's	X		
Public Communication Systems	To develop and implement a Public Participation Policy	X		
Communication Media	To establish a functional community radio station	X		
Complaints Management System	To develop a complaints management policy	X		
Resources available (office – personnel & budget) for Customer Care Desks	To appoint the Senior Customer Care Officer in Koffiefontein and to train the support staff at all remote offices on Customer Care functions	X		
Tools	To have community complaint boxes at all entrances off municipal offices and community facilities To use the Presidential Hotline more effectively for communities to lodge their complaints	X		
Feedback to communities	To have a fully functional feedback system in place	X		
Resources available (ways/sources) of giving feedback	Ward Committee and Community meetings (Ward Constituency meetings), Sectoral & Stakeholder meetings, Circulars and Municipal Accounts and local Media	X		

4.4 Key Performance Area – Financial Viability and Management

Strategic Objective: **To provide effective Financial Management and ensure Financial Sustainability**

Objective	Project/Programmes	Target		
		2011	2012	2013
Develop revenue enhancement programme	Implement monthly cut-off lists. Update indigent register Foster a culture of payment through monthly community meetings as per legislative requirements Ensure that all water meters are functional and read accurately on a monthly basis	X		
Implementation of Municipal Property Rates Act (MPRA)	Phasing in rebate for farmers 09/10 - 75% 10/11 - 50% 11/12 - 25% 12/13 - 0%	X	X	X
Provision for bad debt	Write off all irrecoverable debt with Council approval	X	X	X
Cash flow management model developed	Develop a model to control expenditure and enhance revenue collection	X		
Funding Plan shows capital expenditure	Enhance revenue to fund CAPEX	X		
Clean Audit plan developed	MFMA compliance (GRAP & GAMAP implementation)	X		
MFMA compliance (GRAP & GAMAP implementation) Service provider appointed	Service Level Agreement with Consultants should indicate transfer of skills to Finance Personnel	X		
Audit queries	Put policies, procedures and controls in place in pursuit of an unqualified audit opinion	X		
Submission of Financial Statements	To ensure timeous submission of financial statements to the Auditor General on an annual in	X		

	line with the prescripts of the MFMA			
% MIG expenditure by end of financial year	To ensure registration of all MIG projects and to ensure full implementation of the MIG plan			
Asset management register developed	Appointment of Asset Management Unit Review Asset Management Policy Keep Asset Register updated	X		
Supply Chain Management policy applied in a fair and transparent manner (e.g. open tenders, Bid Adjudication committee established)	Policy: SCM Policy and SCM Committees are in place and functional.	X		
	Appoint SCM personnel in order to have a fully-fledged SCM Unit	X		
	Compliance: Correct tender procedures be implemented and be adhered to	X		

4.5 Key Performance Area – Local Economic Development

Strategic Objective: **To improve our local economic development in order to stimulate and facilitate economic growth and social cohesion**

Objective	Project/Programmes	Target		
		2011	2012	2013
LED Plan aligned to the FSGDS; adopted by Council	Approved LED Strategy and Implementation Plan – MUST include Tourism Development Plan	X		
LED Forum	Establishment of a functional LED Forum	X		
Municipal contribution to LED	Reviewed organogram and establish fully functional LED Unit	X		
	Develop and implement a training and development plan (capacity building programme) for the LED Unit or Office	X		
Spatial Development Framework (SDF)	Review the current SDF	X		
SMME Development	Develop SMME development strategy Coordinate awareness workshops Develop comprehensive database of SMME's, Cooperatives and NPOs	X		
Commonage Development Plan	Development Draft Commonage Development Plan and submit to Council for approval	X		
Youth Development	Development of a Youth Development Policy/Strategy	X		

4.6 Key performance Areas with supporting Key Performance Indicators:-

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

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

The objectives of the MTAS are developed to:

- Address immediate financial and administrative problems in municipalities;
- Prevent indiscriminate hiring and firing;
- Ensure the implementation of a transparent municipal supply chain management system;
- Strengthen ward committee capacity and implement new Ward Committee Governance model;
- National and Provincial commitments in IDPs;
- Differentiated responsibilities and simplified IDPs;
- Funding and capacity strategy for municipal infrastructure;
- Intergovernmental agreement with metro's on informal settlement upgrade including alignment of MIG (Cities) and Housing subsidy grants;
- Capacity grants & programmes reviewed and rearranged, including Siyenza Manje support for a more effective support and intervention programme including Rapid response teams and technical Support Units;
- Upscale Community Works Programme to ensure ward based development systems;

- Implement the Revenue Enhancement – Public Mobilisation campaign;
- Launch the “Good Citizenship” campaign focusing on governance values to unite the nation and mobilize involvement in local development affairs;
- Preparations for next term of local government, inspire public confidence including commitment by political parties to put up credible candidates for elections;

5. Sector Plans

Housing Plan – Requested the Department of Human Settlements to assist with the formulation of a Housing Plan

Environmental Management Plan – Non – existent

Institutional Development Plan – Organogram Attached as Annexure “A”

HIV/AIDS Sector Plan – Attached as Annexure “B”

Transport Plan – Non – existent

Water Services Sector Plan – Non-existent but we however do have a WSDP in place, we are also in discussions with the Service Provider who is doing the unbundling of assets to look at the possibility of developing a Master Plan

Spatial Development Framework – Under review

Energy Plan – Non – existent

Financial Plan – Pages 35 - 50

Disaster Management Plan – Non – existent, we requested the National Department of COGTA to assist with formulation of one.

Gender Equity and Poverty Reduction Plan – Attached as Annexure “C”

6. PROGRAMMES and PROJECTS

The following projects have been identified by the respective communities and IDP representative forum members during the IDP Consultation processes of the municipality, it is important to note that these projects have been identified in accordance with priority areas in the respective Wards and in terms of anticipated projects over a multi-year period referred to as wishes. It is also important to note none of these projects have been funded.

It is important to note that all the projects as listed below have been identified by communities during both the IDP Steering Committee meetings and the broader Public Consultation meetings. The projects differ from project to project and fall within one of these categories:-

Type **A** = 1) Unfunded Projects;

Type **B** = 1) Projects which are currently active with guaranteed or interested funders;

Type **C** = 1) Funded projects;

In light of the above it is out most important for both the Public and Private Sector to look at those projects that fall within their scope and indicate the level of possible funding in accordance with its own financial ability and funding period.

Objective	Strategy	Key Performance Indicator/s	Town/s	Project	Target and Budget		
					12/13	13/14	14/15
Focus Area: Spatial Development and Human Settlements							
Spatial Development	Transforming rural spaces	Hectares (size) of land identified and developed No of sites developed	Oppermans	Provision of more land for development of more residential sites	X		
			Luckhoff		X		
			Jacobsdal		X		
			Khayelitsha and Diamanthoogte		X		
		No of townships registered	All Towns	Registration of township establishments	X	X	X
		Create one development node per township	All Towns	Creation of developments in townships	X	X	X
		Identify and develop business and industrial sites in all areas	All Towns	Development of business and industrial sites	X	X	X
Address housing backlog	Sustainable Human Settlements	Facilitate the allocation of houses with the Department of Human Settlements No of housing allocations per town	All Towns	Building of RDP and low cost houses	X	X	X
		Formalise all informal settlements	Jacobsdal	Establishment of township registers and surveying of land	X	X	

		No of dilapidated houses repaired	All Towns	Repair of dilapidated houses	X	X	X
		Land audit conducted	Koffiefontein	Conducting of land audit	X		
		No of two roomed houses upgraded	Jacobsdal	Upgrading of houses	X	X	

Objective	Strategy	Key Performance Indicator/s	Town/s	Project	Target and Budget		
					12/13	13/14	14/15
Focus Area: Local Economic Development							
Job Creation	Creating jobs and improving livelihoods	No of jobs created through CWP	All Towns	Community Works Programme	X	X	X
		No of jobs created through CDP	All Towns	Contractor Development Programme	X	X	X
Rural Development	Transforming Rural Spaces	No of rural development programmes and programmes implemented	Jacobsdal	Comprehensive Rural Development Programme	X	X	X
Poverty Reduction and promotion of BEE	Decent employment through inclusive economic growth	No of previously disadvantaged individuals empowered	Oppermans	Building of a butchery	X	X	X
		No of youth and PDI's empowered	Luckhoff	Establishment of a Matrass Factory	X		
		No of PDI's empowered	Luckhoff	Establishment of a milk dairy project	X		
		No of PDI's empowered	Jacobsdal	Establishment of a bakery	X	X	
		No of PDI's empowered	Jacobsdal	Establishment of a picker nuts project		X	
		No of farmers empowered	Petrusburg	Establishment of Agro – Processing Factory	X	X	
		No of PDI's empowered	Petrusburg	Establishment of a One Stop Garage	X	X	

	No of PDI's empowered	Petrusburg	Establishment of a potato processing factory	X	X	X
	No of women and youth empowered	Phambili	Establishment of a poultry project	X	X	
	No of emerging farmers empowered	Phambili	Establishment of an Agricultural plantation	X	X	X
	No of women empowered	Petrusburg	Establishment of a sewing project	X	X	
	No of PDI's empowered	Petrusburg	Establishment of a brick making factory	X	X	X
	No of young people empowered	Petrusburg	Opening of a Car Wash	X	X	
	No of PDI's empowered	Koffiefontein	Jewellery Crafting Project	X	X	
	No of PDI's empowered Development of Community Trust No of jobs created	Koffiefontein	Brick making factory	X	X	X
	No of PDI's empowered Development of Community Trust No of jobs created	Koffiefontein	Stone Crusher Plant	X	X	X
	No of PDI's empowered No of jobs created	Petrusburg	Ostrich Project	X	X	X

		No of women and youth empowered	Petrusburg	Chicken Poultry Project	X	X	
SMME Development	Environmental assets and natural resources that is well protected and continually Enhanced	Development of a credible and implementable LED Strategy	Letsemeng LM	LED Strategy	250 000		
		Training of 4 local SMME's per town	All Towns	Training of SMME's	180 000		
		Development of one park per town	All Towns	Development of Parks	500 000		
		Cleaning campaigns in all towns					
		Registration and training of 10 Cooperatives and SMME's per town	All Towns	Registration and Training of Cooperatives and SMME's	36 000		
		Xhariep Solar Hub	Luckhoff, Jacobsdal, Petrusburg	Establishment of a solar hub	X	X	

Objective	Strategy	Key Performance Indicator/s	Town/s	Project	Target and Budget		
					12/13	13/14	14/15
Focus Area: Service Delivery and Infrastructure							
Improve road conditions	Expanding infrastructure	No of internal streets upgraded	All Towns	Upgrading of internal streets	X	X	X
		No of internal gravelled streets build	All Towns	Building of gravelled roads	X	X	X
		No of streets named and maintained	All Towns	Maintenance and naming of streets	X	X	X
		No of internal roads paved	All Towns	Paving of internal roads	X	X	X
		No of speed humps build on internal roads	All Towns	Building of speed humps	X	X	X
Eradicate water backlog	Expanding infrastructure	No of sites provided with running water	Jacobsdal	Provision of water to 200 sites	X		
		Reliable water source obtained for bulk water supply	Petrusburg	Provision of bulk water supply to Petrusburg	X	X	X
		No of Reservoir dams upgraded	All Towns	Upgrading of water reservoir dams	X	X	X
Eradication of bucket system and VIP toilets	Expanding infrastructure	No of waterborne toilets build	Petrusburg	Building of waterborne toilets	X	X	X
		No of flushing toilet systems build	Jacobsdal	Building of flushing toilets	X	X	X

Accelerate Waste Removal	Expanding infrastructure	No of Waste Recycling Cooperatives established Value chain created for Waste Recycling Cooperatives	All Towns	Registration and support of Waste Recycling Cooperatives	X	X	
Infrastructural Development	Expanding infrastructure	No of taxi ranks build	Oppermans Luckhoff Petrusburg	Building of taxi ranks	X	X	X
		No of high mast lights erected	Luckhoff Petrusburg Koffiefontein	Erection of high mast lights	X	X	X
		No of cemeteries fenced	Luckhoff Jacobsdal	Fencing of cemeteries	X	X	
		No of storm water canals build	All Towns	Building of storm water canals	X	X	X
		Build bridge	Koffiefontein	Building of a new bridge	X	X	X
		Building of MPCC	Koffiefontein	Building of MPCC	14 000 000		

Objective	Strategy	Key Performance Indicator/s	Town/s	Project	Target and Budget		
					12/13	13/14	14/15
Focus Area: Social and Community Services							
Provision of recreational facilities and public amenities to all residents of Letsemeng Municipality	A long and healthy life for all South Africans	Building of a Sport Facility	Oppermans	Sport Facility		X	
	Improving education and training		Luckhoff		3 313 500		
			Khayeltsha			X	
		Building of a Secondary School	Oppermans Sonwabile	Secondary School		X	
		Building of a swimming pools	Oppermans Bolokanang	Swimming Pool		X	X
		Building of a clinic	Luckhoff Jacobsdal	Clinic	X	X	X
		Building of a library	Jacobsdal Khayelitsha Bolokanang	Library	X	X	
		Upgrading of a swimming pool	Luckhoff Koffiefontein Diamantheogte	Swimming Pool		X	X
		Building of a Victim Support Centre	Luckhoff	Victim Support Centre		X	X

		Building of a Day Care Centre	Sonwabile	Day Care Centre'		X	X
		Building of a luncheon club	Luckhoff	Luncheon Club	X	X	
		Building of extra class rooms	Jacobsdal	Extra class rooms at Ikanyegeng Secondary School		X	X
		Building of an Orphanage	Jacobsdal	Orphanage		X	X
		Building of a Recreational Facility	Jacobsdal	Recreational Facility	14 000 000		
		Establishment of cultural villages	Petrusburg	Cultural Villages		X	X
		Building of museum	Koffiefontein	Museum		X	X
Early Childhood Development		Building of a Creche'	Luckhoff Petrusburg Sonwabile	Creche'		X	

6.1 Local Area Plan Projects

PROJECT	STRATEGIC OBJECTIVE	WARD	COMMUNITY ASSETS	STAKEHOLDERS	PROJECT DURATION
SOCIAL DEVELOPMENT					
1. School garden	Food security and school nutrition program support	<ul style="list-style-type: none"> All wards 	<ul style="list-style-type: none"> Land Schools Labour Water 	<ul style="list-style-type: none"> Department of Agriculture Local Municipality School management and the SGB IDT 	Short to Medium term
2. Old age centre development	Inclusive community development support (through the construction of an old age centre)	<ul style="list-style-type: none"> Ward 1 	<ul style="list-style-type: none"> Funding from the Department of Social Development 	<ul style="list-style-type: none"> DSD Municipality 	Medium term
3. Sports promotion	Social cohesion through sports competition amongst various community	<ul style="list-style-type: none"> All wards 	<ul style="list-style-type: none"> Sports communities Soccer, netball and Rugby teams in all wards 	<ul style="list-style-type: none"> Provincial Department of Sports and Recreation Local teams SAFA 	Short to long term

	members				
4. Special school for the disabled (linking disabled community members with special schools)	Inclusive community development support.	Ward 3 and 6	<ul style="list-style-type: none"> • Disabled persons • DSD 	<ul style="list-style-type: none"> • DSD • Department of Education 	Medium term
5. Health awareness campaigns	Health awareness	All wards	<ul style="list-style-type: none"> • Clinics • Health practitioners 	<ul style="list-style-type: none"> • Department of Health • DSD 	Medium to long term
6. After hour clinic service	Enhancement of health services beyond the 8 hours	Ward 3 and 6	<ul style="list-style-type: none"> • Local Clinics 	<ul style="list-style-type: none"> • Department of Health • Municipality 	Medium term
ECONOMIC DEVELOPMENT					
7. Community based bakery	Job creation and Income generation through	Ward 1	<ul style="list-style-type: none"> • Interested members and labourers • Land 	<ul style="list-style-type: none"> • DTI • IDT (regional office) • Municipality (LED Unit) 	Medium term
8. Establishment of a community based	SMME support	<ul style="list-style-type: none"> • Ward 5 	<ul style="list-style-type: none"> • interested community members • local market 	<ul style="list-style-type: none"> • DTI • IDT 	Medium to long term

abattoir				<ul style="list-style-type: none"> • Municipality (LED Unit) • DSD 	
9. Privatisation of selling of electricity coupon by community members	<ul style="list-style-type: none"> • Job creation and Income generation 	<ul style="list-style-type: none"> • Ward 1 	<ul style="list-style-type: none"> • Interested community members • Electricity selling points currently sold by the municipality and Eskom 	<ul style="list-style-type: none"> • Municipality • Eskom • Mineral and Energy department 	Medium term
10. Bed and Mattress factory	SMME development support	<ul style="list-style-type: none"> • Ward 1 	<ul style="list-style-type: none"> • Land • Interested community members • Consumers 	<ul style="list-style-type: none"> • DTI • Municipality (LED Unit) 	Medium term
11.PPoultry project	SMME development support	<ul style="list-style-type: none"> • Ward 1, 3 and 6 	<ul style="list-style-type: none"> • Land • Interested community members • Market 	<ul style="list-style-type: none"> • Local Municipality • Department of Agriculture • DTI • IDT 	Medium term
12. Establishment of a community based goat production projects	Emerging farmers support	<ul style="list-style-type: none"> • Ward 1 	<ul style="list-style-type: none"> • A cooperative exist and engagement with the Department of Agriculture has already started. 	<ul style="list-style-type: none"> • Department of Agriculture • Municipality • IDT 	Medium term
13. Establishment of a community garden	Emerging farmer's support and food security.	<ul style="list-style-type: none"> • All wards 	<ul style="list-style-type: none"> • Land • Water • Labour • Interested community already 	<ul style="list-style-type: none"> • Municipality • DTI • IDT • Department of Agriculture 	Medium term

14. Establishment of a community based whole sale.	SMME development support.	<ul style="list-style-type: none"> All wards 	<ul style="list-style-type: none"> interested community members local market 	<ul style="list-style-type: none"> DTI IDT Municipality (LED Unit) DSD 	Medium to long term
15. Furniture manufacturing project	SMME development support through community based industries support.	<ul style="list-style-type: none"> Ward 5 	<ul style="list-style-type: none"> Unemployed and retrenched community members 	<ul style="list-style-type: none"> Municipality DSD 	Medium term
16. Establishment of a community based brick making factory	SMME development support through community owned brick making company.	Ward 4, and 5	<ul style="list-style-type: none"> Sand from the mine Skills Retrenched mine workers 	<ul style="list-style-type: none"> Municipality IDC IDT DTI DSD Department of Human Settlement 	Medium term
17. Establishment of a community livestock farm	Emerging farmers' support	Ward 5 and 4	<ul style="list-style-type: none"> Small scale livestock farmers Land 	Department of Agriculture Municipality IDT DTI	Medium term
18. Equipping and capacity building of	SMME business development support	Ward 5 and 6	<ul style="list-style-type: none"> SMME comprised of three women currently exist 	<ul style="list-style-type: none"> Municipality IDT 	<ul style="list-style-type: none"> Short term

the sewing project					
ENVIRONMENTAL DEVELOPMENT					
19.WWaste recycling project	SMME development support and environmental preservation	<ul style="list-style-type: none"> All wards 	<ul style="list-style-type: none"> Waste dumping site Interested community members Various waste collection points in each ward 	<ul style="list-style-type: none"> Department of Environmental Affairs IDT Municipality 	Medium term
20. Fencing of the cemetery	Environmental preservation	Ward 2and 5	<ul style="list-style-type: none"> Old cemetery EPWP NSS Unemployed community members 	<ul style="list-style-type: none"> IDT Public Works Department Xhariep District Municipality Municipality 	<ul style="list-style-type: none"> Short to medium term
HUMAN DEVELOPMENT					
21.SSkills Development	Community empowerment	All wards	<p>Community hall for training venue</p> <p>Interested community members</p>	<ul style="list-style-type: none"> Department of Labour IDT Municipality Department of Education SEDA NYDA Department of Agriculture DSD 	Medium to long term

22.DDevelopment of community library with internet access	Community empowerment and access to information and, research.	Ward 1, 3 and 6	<ul style="list-style-type: none"> • Old but small library • School children and community members • 	<ul style="list-style-type: none"> • Department of Education • Municipality • GCIS 	Medium term
23. Annual school motivational speakers program	Reduction of school drops out rate.	All wards	<ul style="list-style-type: none"> • Schools in each ward 	<ul style="list-style-type: none"> • Department of Education • Schools • Office of the Mayor 	Medium to long term
24. Computer centre development	Community empowerment through the resuscitation of community computer training programme.	Ward 3, 4, 5 and 6	<ul style="list-style-type: none"> • Schools • Petra Mine (contract with the municipality on CSI) • Petra mine • Two community libraries 	<ul style="list-style-type: none"> • Petra Diamonds mine • Municipality • Department of Education • USAASA 	Short term
PHYSICAL DEVELOPMENT					
25. Construction/ extension of Rietrivier Bridge	Community asset building	Ward 5	<ul style="list-style-type: none"> • One way bridge in Koffiefontein • Municipal MIG • R48 road passing to the Northern cape, De Aar. 	<ul style="list-style-type: none"> • Department of Public works • IDT • Municipality 	Long term
26. Upgrading of the	Improvement of	Ward 5	<ul style="list-style-type: none"> • Clinic 	<ul style="list-style-type: none"> • Department of Health 	Medium term

ambulance waiting room at the clinic	health services		<ul style="list-style-type: none"> • Labour 	<ul style="list-style-type: none"> • Clinic management 	
27. Completion of RDP houses	Human settlement development support	Ward 3 and 6	<ul style="list-style-type: none"> • Local contractors • 	<ul style="list-style-type: none"> • Department of Human Settlement • Municipality 	Medium term
28. Storm water drainage system development	Infrastructure development and environmental preservation.	All wards	<ul style="list-style-type: none"> • Labour • Streets(paved and unpaved) 	<ul style="list-style-type: none"> • Municipality 	Long term

6.1 MIG Action Plan

Letsemeng Local Municipality								
MIG Reference Nr	Project Description	EPWP Y/N	Project Value	MIG Value	Expenditure as on 30 June 2011	Expenditure Balance as on 30 June 2011	Planned MIG Expenditure for 2011/2012	% Progress
	2011/2012 PMU	N	910 500.00	910 500.00		910 500.00	910 500.00	
MIG/FS0523/CF/10/10	Upgrading of Koffiefontein Sports Complex	Y	3 205 788.30	3 205 788.30	2 416 475.88	789 312.42	614 270.85	95%
MIG/FS0755/S/09/09	Petrusburg: Upgrading of waste water treatment works	N	9 148 215.00	9 148 215.00	7 094 548.77	2 053 666.23	360 466.38	100%
MIG/FS0803/R,ST/10/10	Luckhoff: Phase 1 - Construction of 7,7km streets & Storm water (MIS:189925)	Y	17 323 176.00	17 323 176.00	673 853.62	16 649 322.38	5 892 017.08	90%
MIG/FS0804/R,ST/11/13	Construction of Ratanang Access Road and Storm Water (Jacobsdal) (2 km Paving)	Y	15 094 582.00	15 094 582.00	-	15 094 582.00	4 757 418.96	10%
MIG/FS0805/W/10/12	Provision of 500Kl Storage Tank in Bolokanang	N	3 380 517.00	3 380 517.00	1 683 589.44	1 696 927.56	1 516 503.39	100%
MIG/FS0806/CF/11/13	Koffiefontein: Multi-Purpose Community Centre	Y	21 254 295.41	21 254 295.41	-	21 254 295.41	4 234 260.11	0%
	Luckhoff: Upgrading of Sports Facility		3 313 500.00	3 313 500.00	-	3 313 500.00	-	
	Upgrading of Water Purification Plant in Jacobsdal	Y	4 000 000.00					
	Upgrading of Existing Waste Disposal Site in Koffiefontein	Y	22 010 000.00			-		
	Upgrading of waste water treatment works in Luckhoff		9 200 000.00					
	Upgrading of waste water treatment works in Jacobsdal (Phase 2)		3 000 000.00					
	Upgrading of Water purification Plant in Luckhoff	Y	7 500 000.00			-		
			119 340 573.71	73 630 573.71	11 868 467.71	61 762 106.00	18 285 436.77	