LETSEMENG LOCAL MUNICIPALITY

FINAL INTEGRATED DEVELOPMENT PLAN (IDP) 2026-27 FINANCIAL YEAR

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ABBREVIATIONS

Abbreviations	Explanations
ANC	African National Congress
AG	Auditor General
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
DA	Democratic Alliance
DDM	District Development Model
EFF	Economic Freedom Fighters
FSPGDS	Free State Provincial Growth and Development Strategy
IDP	Integrated Development Plan
IGR	Inter- Governmental Relations
KPI	Key Performance Indicator
KPA	Key Performance Areas
LDOs	Local Government Development Objectives
LLF	Local Labour Forum
MAYCO	Mayoral Committee
MTSF	Medium Term Strategic Framework
MEC	Member of the Executive Council
MMC	Member of the Mayoral Committee
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSCOA	Municipal Regulations on Standard Chart Accounts
NDP	National Development Plan
NSDP	National Spatial Development Perspectives
NLM	Ngwathe Local Municipality
NRA	Ngwathe Residents Association
PMS	Performance Management System
PR	Proportional Representative
PSDF	Provincial Spatial Development Framework
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial development Framework
SPLUMA	Spatial Planning and Land Use Management
SOP	Standard Operating Procedure

STATSSA	Statistics South Africa
VF	Vryheid fronts Plus
WSA	Water Service Authority

MAYOR OF LETSEMENG LOCAL MUNICIPALITY

MAYOR'S FOREWORD

The Integrated Development Plan (IDP) is a critical strategic process and document of the municipality that outlines the strategic path and direction of the municipality and enlighten the operational planning fundamental focus areas. Through the development and the review of the IDP, a municipality visualises the desired state of the municipality and provides for identification of preferred options and mechanisms to progressively move towards the sought state.

This review of IDP is guided by Municipal Systems Act 32 of 2000 section 34 that states that a municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of Section 41 and to the extent that changing circumstances so demand; and may amend its integrated development plan in accordance with a prescribed process.

We are tabling this reviewed IDP in a difficult local economic environment and the institution itself has gone through a lot in this current financial year. Locally, load-shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival of many businesses. Households are under pressure from the rising cost of living, and unemployment remains stubbornly high as a result. We however in all trying situations should acknowledge coordinated efforts our government is putting to recover and stabilise the economy. The municipality is under immense financial pressures and constrained to meet the ever-increasing development needs of the community. Over the years, the financial pressures have been the decrease in municipal revenue sources that limits the capacity to deliver on the expansion of services. We call all those who can pay for municipal services to do so and those who cannot to come register for indigent subsidy. Coordinated efforts are made to ensure that our budget is funded and used mainly for service delivery programmes and initiatives. Cognisance should be taken that we are a grant reliant municipality with limited resources as such all our needs and desires will never be fulfilled.

During this review, the municipality's IDP process enabled consultation with all seven (7) wards across Letsemeng with stakeholders, commonage farmers and communities. Through this process, our stakeholders and residents were given the opportunity to reflect on the municipality's performance and effectiveness and were encouraged to extensively participate in planning its strategy. Thus, we need to find solutions to some of the developmental challenges faced by our municipality. In our meetings with the members of the community, we have emphasised the importance of paying for services. As Councillors we need to play a pivotal role in encouraging people to pay for municipal services and encourage communities to refrain from illegal connections

and theft of electricity. Our great responsibility as the Council of Letsemeng is to continue the progress to ensure a better life to our people.

Letsemeng will strive to apply sound financial discipline and good governance practices to provide quality services despite the constraints in resources and budget limitations.
For Letsemeng Local Municipality to succeed, we need to enhance service delivery through innovative technologies, enable a safe, healthy community and environment, and promote local economic development and tourism.

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

The five steps are:

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

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

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

I would like to take this opportunity to thank all the citizens, all political parties, NGOs, NPOs and stakeholders who participated in the IDP/Budget review process that commenced in May in Luckhoff.

I wish to invite all Councillors, officials, citizens, businesses, government and non-government organisations to become part of this journey. Join hands with us for together we can BUILD BETTER COMMUNITIES for all our people!

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

_____ **DATE:** _____

COUNCILLOR ANDREW VISAGIE
MAYOR LETSEMENG LOCAL MUNICIPALITY

MUNICIPAL MANAGER'S FOREWORD

This document reflects the municipality's commitment to responsive governance, sustainable development, improved service delivery, and sound financial management in addressing the needs and aspirations of our communities.

The municipality continues to operate within a challenging economic environment characterized by rising service delivery demands, infrastructure backlogs, unemployment, and constrained financial resources. Despite these challenges, the municipality remains committed to fulfilling its constitutional mandate through prudent financial management, accountable governance, and strategic developmental planning.

The 2026/2027 IDP and Budget have been developed in line with the Municipal Systems Act, Municipal Finance Management Act (MFMA), National Development Plan, District Development Model, and other applicable legislative frameworks. The municipality has ensured that planning and budgeting processes are aligned to community priorities and developmental objectives.

During public participation processes, communities identified key priorities including reliable water supply, road maintenance, sanitation services, electricity infrastructure, waste management, job creation, youth empowerment, local economic development, and community safety. The approved budget seeks to respond to these needs through targeted operational and capital investment programmes.

Infrastructure development remains central to the municipality's developmental agenda. Key projects for the 2026/2027 financial year include the upgrading of roads, maintenance of water and sanitation infrastructure, electrification initiatives, improvement of community facilities, and support for local economic development initiatives such as business promotion, agricultural development, renewable energy opportunities, and youth skills development.

The municipality also remains committed to strengthening revenue collection, improving financial controls, promoting clean governance, and ensuring accountability and transparency in the utilisation of public resources. These measures are essential in restoring public confidence and ensuring long-term financial sustainability.

I would like to extend my sincere appreciation to the Executive Mayor, Council, Ward Committees, management, organized labour, municipal employees, stakeholders, and the communities of Letsemeng for their valuable contributions and continued support during the planning and budgeting process.

Together, we remain committed to building a responsive, inclusive, and developmental municipality that improves the quality of life of all residents.

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ACTING: MUNICIPAL MANAGER

VISION

Maximized quality service to local communities

To achieve this vision Letsemeng Local municipality strives to:

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

MISSION

Letsemeng Local Municipality is committed to:

Providing the best resource management capability at our disposal

VALUES

Values reflect the core guidelines of the organisation and by following them ensures, we remain on the right path. Letsemeng's Local Municipality values are as follows:

- Commitment
- Innovativeness
- Creativity
- Integrity

MOTTO

To be a Municipality that Sparkle in Pursuit of Service Excellence

DEVELOPMENT OBJECTIVES

Strategic objectives of Letsemeng Local Municipality are informed by strategic objectives of National Government (Key Performance/Priority Areas), Provincial Priorities, National Development Plan, Free State Growth and Development and they 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
- Improving skills development to raise productivity

Letsemeng Local Municipality's vision, mission, values, and political promises culminate in development priorities and objectives set out in the municipality's KPAs. Each KPA is specifically crafted to address the main strategic objectives of the municipality.

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 BACKGROUND, LEGISLATIVE & MANDATE

A municipality is compelled by legislation, the Local Government: Municipal Systems Act (No. 32 of 2000), to prepare an Integrated Development Plan (IDP) after the establishment of a newly elected Council for a five-year electoral term.

Letsemeng Local Municipality (LLM) adopted a 5-year IDP in June 2022 that provided detail on how it will manage and administer its affairs to meet the service delivery needs of its communities during the 2022-2027 term. The Act further stipulates that the municipality shall review the IDP on an annual basis as changing circumstances deem necessary. Therefore, this version of the IDP culminates in the 2026/2027 IDP review.

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

This IDP is also developed at a time when the municipality is still impeded with huge debt owed to Eskom and Water Board. The municipality is also faced by the culture of non-payment of service by certain government departments, business and households. The culture of non-payment limits the municipality ability to effectively deliver services in a sustainable manner. This said culture is a peril to maximization of revenue accumulation and is a serious menace to the long-term viability and sustainability of the municipality and continued delivery of basic service to the community.

It is within this context and status quo that the 5th Generation IDP should be a beacon of hope to disgruntled and destitute communities. The IDP needs to introduce innovative and creative means and ways to render service delivery while improving the living conditions of these communities. The programmes and projects introduced should be labour-intensive and create sustainable job opportunities while also intensifying employment efforts of the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP).

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

the ease of doing business. To leverage partnership and collaboration, the municipality should build strong stakeholder relationships and interventions to attract new investments and retain existing investments.

It is important for the municipality to remain people-centred, ensure continuous communication and further involve communities in decision-making. Given the challenges above, it is important that the 5th Generation IDP give hope and instil confidence in the communities that municipalities can improve their socioeconomic conditions, grow the economy, and create jobs.

1.2 POWERS AND FUNCTIONS OF THE MUNICIPALITY

Section 156(1) (a) of the Constitution provides that a municipality has authority over the local government matters listed in Schedules 4B and 5B. Thus, Letsemeng Local Municipality has derived these original powers from the Constitution itself.

A municipality also has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its Schedules 4B and 5B functions. The municipality has a policy on Delegation of Powers in terms of Section 59 of the Municipal Systems Act, 32 of 2000.

These delegations were adopted by the Council during in June 2022. Section 59 of the Municipal Systems Act provides that a Municipal Council may in accordance with its system of delegation, delegate appropriate powers to any of the Municipality's political structures, political office bearers, Councillors, or staff members.
Section 60 of Municipal Systems Act No. 32 of 2000 provides that powers may, within a policy framework determined by the municipal council, be delegated to an executive committee or mayor only:

a) Decisions to expropriate immovable property or rights in or to immovable property; and
b) The determination or alteration of the remuneration, benefits, or other conditions of service of the municipal manager or managers directly responsible to the municipal manager.

The Municipal manager as head of administration of a municipality is, subject to the policy directions of the municipal council, is responsible for—

a) The formation and development of an economical, effective, efficient and accountable administration
b) Equipped to carry out the task of implementing the municipality's integrated development plan in Accordance with Chapter 5.

ii) Operating in accordance with the municipality's performance management system in accordance with Chapter 6;

Responsive to the needs of the local community to participate in the affairs of the municipality.

- The management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan.
- The management of the provision of services to the local community in a sustainable and equitable manner.
- The appointment of staff other than those referred to in section 56 (a), subject to the Employment Equity Act, 1998 (Act No. 55 of 1998).
- The management, effective utilisation and training of staff.
- The maintenance of discipline of staff.

The promotion of sound labour relations and compliance by the municipality with applicable labour legislation;

Advising the political structures and political office bearers of the municipality;

- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council, or sub delegated by other delegating authorities of the municipality, to the municipal manager in terms of section 59.

Facilitating participation by the local community in the affairs of the municipality;

- Developing and maintaining a system whereby community satisfaction with municipal services is assessed.
- The implementation of national and provincial legislation applicable to the municipality; and
- The performance of any other function that may be assigned by the municipal council. As accounting officer of the municipality, the municipal manager is responsible and accountable for—
- All income and expenditure of the municipality.
- All assets and the discharge of all liabilities of the municipality; and

Proper and diligent compliance with the Municipal Finance Management Act

1.3 PROCESS FOLLOWED TO DEVELOP THE IDP

The Local Government: Municipal Systems Act 32 of 2000 prescribe that the council of a municipality to encourage the involvement of the local community and to consult the local community about:

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

It instructs municipalities to promote gender equity in the exercise of the municipality's executive and legislative authority. The law further accords members of the local community the right to:

- Contribute to the decision-making processes of the municipality and
- Submit written or oral recommendations, representations and complaints - to the municipal council or to another political structure or a political office bearer or the administration of the municipality.

Letsemeng Local Municipality has made every effort to ensure participation by members of the local community in the development of the IDP. The process included the interaction with communities at ward levels and interactions with other groups (rural communities, business and commonage, etc) which represented all towns of our municipality.

Letsemeng Local Municipality has strived to develop the IDP in an effective manner and ensuring the inclusion of all strategic plans and alignment. It is crucial to note that the IDP is the single inclusive planning process within which other processes must be located. Through the IDP process the municipality is informed about the problems affecting its municipal area and is also guided by information on other sources.

The municipality adopted the IDP/Budget Process Plan on the 3rd of November 2023. To assist in understanding our IDP, it is important to have knowledge of the process that we followed to compile and review our IDP.

The Process Plan was adopted with due cognizance of the IDP District Framework Plan adopted by the district which seek to guide Integrated Development Planning for the District as a whole. During this time the process involved councillors, officials, and other structures.

During all this phases, the Letsemeng Local Municipality has done everything in its power to ensure support for the implementation of the IDP by all stakeholders involved or affected by it. All stakeholders must have access to the draft IDP and allowed to articulate their comments to avoid that the process becomes an endless exercise. The Municipality must adopt the final IDP and in terms of the Municipal Systems Act, a copy of the IDP as adopted by Municipality must be submitted to the MEC for Local Government within ten (10) days.

The MEC for Local Government may, within 30 days of receiving the IDP, request the municipality to amend or adjust the IDP in accordance with the MEC proposals.

A municipality must, within 14 days of the adoption of its IDP in terms of subsection (1) or (3) Municipal Systems Act:

a) Give notice to the public: of the adoption of the plan, and that the copies of the plan are available for public inspection/read at specified places. E.g. all municipal offices, Libraries and the website
b) Publicise a summary of the plan.

The IDP/BUDGET public participation meetings conducted by Letsemeng Local Municipality.

The Municipal Systems Act of 2000 indicates that Council has the duty to encourage the involvement of the local community, consulting the community about the level of quality, range and impact of municipal services provided. Community members have the right to contribute to the decision-making processes of the
Municipality and to be informed of all decisions and affairs of the municipal Council.

The Act further encourages the community members to participate in the development and review of the IDP including other developmental issues through various mechanisms and concepts such as Community Based Planning.

Communities are afforded the opportunity to identify their developmental needs.

The Importance of conducting Public Participation

The following are some of the key reasons:

- Active participation of residents is essential to improved democratic and service delivery accountability
- It enhances social cohesion as communities recognize the value of working in partnership with each other and with the municipality,
- It enhances effectiveness as communities bring understanding, knowledge, and experience essential to the regeneration process
- It enables government policies and programmes to be relevant to local communities
- It gives residents the opportunity to develop the skills and networks that are needed to address social exclusion and criminality
- It promotes sustainability as community members will have the ownership of all issued raised

Process followed

Formal invitations to other relevant stakeholders were issued beforehand and load hauling was done on the day of the public participation. Public participation engagements were conducted as per the schedule except in Jacobsdal where the community meeting did not take place due to the weather and was conducted by the Ward Councillors. Members of the community have been encouraged to attend all municipal meetings. A community-based approach is employed to solicit as many inputs from the community as possible.

IDP/BUDGET PROCESS PLAN 2026/27

Letsemeng Council adopted the IDP/ Budget process plan 2026/27 on 13 November 2025. The process plan indicates how the IDP will be implemented, the roles and responsibilities of all stakeholders, timeframes, milestones to be achieved, and alignment with the budget processes.

Schedule of the Planned Activities to Align With IDP, Budget and PMS Process Management Plan for 2026/27 Financial Year:

ACTION	LEGISLATION	RESPONSIBILITY	ACTION DATE	TO WHOM
PREPARATION PHASE				
Presentation of the Draft IDP Process Plan for 2026/27 to the IDP/ Budget Steering Committee	MFMA - Section 21(1)(b)	IDP Manager/CFO	August 2025	Mayor, Councillors and Management
Tabling of the schedule of key deadlines regarding the budget process for 2026/27 MTREF		Mayor	August 2025	Council
Submission of draft IDP Review Process to Council for approval		Mayor	August 2025	Council
Submission of adopted 2026/27 IDP/ Budget Review Process Plan to the District and COGTA		Accounting Officer	September 2025	District Municipality and COGTA
IDP/Budget Process Plan advertisement in newspapers and public places		IDP Manager	September 2025	Accounting Officer

Coordination of annual budget and IDP review process plan	MFMA - Section 21, 22, 35,36 & 53	Mayor and Accounting Officer	September 2025 June 2026	Council
PHASE 1: REVIEW ANALYSIS				
Assessment of IDP sector plans		IDP Steering Committee	September - November 2025	IDP & Sector Managers
Review of information to be added or amended to draft IDP		IDP Steering Committee	September - November 2025	Accounting Officer and all Heads of Departments
PHASE 2: STRATEGIC ANALYSIS				
Determination of strategic objectives for Key Performance Areas and 3year budget	MFMA - Section 21, 22, and 53	Mayor and Accounting Officer	January 2026	Council
Determination of strategic objectives for Key Performance Areas and 3year budget		Councillors Officials	January 2026	Council
1st IDP AND Budget Steering Committee Meeting Development/ Review of Key Performance Areas, Key Performance Indicators and Targets		Accounting Officer	January 2026	Mayor
Submission of Department Plans for 2026/2027 FY		Senior Managers	January 2026	CFO
1st IDP AND Budget Representative Forum Meeting		Accounting Officer	January 2026	Mayor
Ward Based Consultation process on IDP and Budget related Policies – Ward 1-7	Municipal Systems Act – Sections 16-22	Ward Councillors	Ward 1 February 2026	Council

			Ward 2 & 7 February 2026	
			Ward 3 & 6 February 2026	
			Ward 4&5 February 2026	
Tabling of the 2025/26 midyear budget performance review Audit Report and Annual Performance	MFMA - Section 72 (1)(a) MSA - Section 46	Mayor	January 2026	Council
Assessment of IDP implementation status		Accounting Officer Heads of Departments	January 2026	Council
Tabling of the 2025/2026 Adjustment Budget	MFMA - Section 69 (2)	Mayor	February 2026	Council
Review of Draft Budget related policies for the 2026/27 FY	MSA - Section 74&75 MFMA - Section 24 (2)(v)	Mayor with Accounting Officer, CFO and BTO	March 2026	Council
Review of tariffs (rates and service charges for 2026/27 FY)	MSA - Section 74 & 75 MFMA - Section 24 (2)(v)	Section 80 Finance BTO	March 2026	Council
PHASE 3: PROJECT IDENTIFICA TION (REVIEW OF PROJECTS)				
Review existing Project Template		IDP Steering Committee	January – March 2026	Accounting Officer
Review Development Strategies		IDP Steering Committee	October 2025 – March 2026	Accounting Officer

Ward Consultation Process on Project prioritization through Sectoral Meetings targeting Rate Payers		Mayor	March 2026	Council
Establish preliminary budget for each project		CFO and Heads of Departments	January 2026	Accounting Officer
Finalize Sector Plans		Heads of Departments	March 2026	Accounting Officer
Update 3-year Financial Plan, list of projects and 3 years Capital Investment Programme; to integrate with IDP to inform Strategic		Heads of Departments	February 2026	Accounting Officer
Preparation of the 2026/27 Financial Year's: • Capital budget • Operational budget • Salaries Budget • Tariff charges Revised • Budget Draft SDBIP		Chief Finance Officer	March 2026	Finance Committee
Draft Operating and Capital Budget to Management		CFO and Municipal Manager	March 2026	Finance Committee
Submission and presentation of all Capital projects for 2026/27 and the 3-year capital plan		Heads of Departments	February 2026	Council
IDP 2nd Representative Forum Meeting		Mayor	March 2026	Council
PHASE 4: PROJECT INTEGRATION				
Screening of projects		IDP Steering Committee	February 2026	Section 80 Committee Planning and Development
Integration with Municipal Budget/ SDBIP		Accounting Officer CFO and Manager Development Planning	February 2026	Section 80 Committee Planning and Development

Submission of draft Operating and Capital Budget to Council	MFMA - Section 16, 22, 23, 87 MSA – Section S34	Mayor	March 2026	Council
Submission of the draft SDBIP to the Mayor		Accounting Officer	March 2026	Mayor
Submission of 2026/27 Draft IDP to Council		Mayor	March 2026	Council
Submission of Oversight Report on the 2024/25 Annual Performance Report		MPAC Chairperson	March 2026	Council
Submission of draft IDP to COGTA for Provincial IDP Assessment		Accounting Officer	April 2026	MEC for COGTA
Provincial IDP Analysis			April 2026	COGTA
Submission of the tabled Annual budget to National Treasury and Provincial Treasury and publication of the tabled budget	MFMA - Section 22(b)	Accounting Officer	April 2026	National Treasury and Provincial Treasury
PHASE 5: APPROVAL				
Presentation of the Revised 2026/27 IDP (After the Provincial Assessments		IDP Steering Committee	April 2026	Municipal Manager
Consideration of inputs received from external		Accounting Officer Head of Departments	May 2026	Council
Consult Stakeholders on the Annual Budget and IDP			May 2026	
Tabling of the Annual Budget and Budget Related Policies	MFMA Section 24 (3)	Accounting Officer	May 2026	Council

Final approval of IDP, Budget and PMS by Council		Mayor Accounting Officer	May 2026	Council
Submission of final Service Delivery and Budget implementation (SDBIP)	MFMA Section 5 (1) (c) (ii) and 69	Accounting Officer Senior Managers	June 2026	Council
Submission of the budget in the approved format to the Provincial and National Treasury	MFMA Section 24 (3)	Accounting Officer	June 2026	National Treasury and Provincial Treasury
Submission of the approved and adopted 2026/27 IDP to the MEC for COGTA		Accounting Officer	10 days after date of adoption	Municipal Manager

SCHEDULE OF THE PLANNED ACTIVITIES TO ALIGN WITH IDP, BUDGET AND PMS PROCESS MANAGEMENT PLAN FOR 2026/27 FINANCIAL YEAR

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
August 2025	• Submit Draft IDP Process Plan 2026/27 to Council and COGTA. • Ensuring alignment of the Section 56 Managers individual Scorecards with the IDP strategies • Input into targets and deadlines on the SDBIP	• Signing of new performance contracts for Section 56 Managers and submission to EXCO (Section 69 of the MFMA and Section 56 of the MSA). • Prepare Departmental Business Plans • SDBIP (Component 3) for the next financial year. • Noting of 2025/26 SDBIP • Submit Chapter of the Annual Performance Report	- IDP and Finance to discuss the 2026/27 Budget planning issues - Prepare budget process plan and timetable for the 2026/27 Multiyear budget. - Previous year Section 56 Managers Performance Assessments - Submit the Draft Annual Financial Statements

		• Input into targets and deadlines on the SDBIP	
September 2025	• IDP to review comments received from the MEC on the previous year's IDP COGTA submission. This to be done with Senior Managers / steering committee / task team • IDP Review Process approved • Revision or initiation of new sector plans. • Place advertisement for public participation programme • Confirm composition of Steering Committee / Task team official representatives • Circulate IDP process Plan to sector departments for input • Prepare for Public Participation meetings • COGTA feedback on IDP submission.	- Quarterly Project Implementation Report (for last quarter of previous year) MPPR Reg. 14. - Quarterly Audit Committee meeting (for the last quarter of previous year) MFMA Sect 166 & MPPR Reg. 14(3) (a). - Performance evaluation panel (for evaluation of Sect 56 Managers final assessments) MPPR Reg. 14(3) (b). - Draft Annual Report 2024/25	- Compile the 2025/26 Multiyear Budget. - Complete Budget Evaluation - Submit checklist to National Treasury. - - Obtain Council's approval for 2026/27 multi-year budget process and timetable. - Review external mechanisms affecting the medium-term budget forecasts. - Assess Council's 2024/25 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets - Assess the funding policies

			including the tariff structures.

October 2025	• Commence Public Participation meetings • IDP, Steering committee /Task team to formalise Council's Vision, Mission, objectives and strategies • Consultation & alignment with Sector Departments / Service Providers and local municipalities. • Cross Border alignment meetings. • Feedback from MEC assessment panel. • Feedback to the Steering Committee/Task team regarding MEC's assessment • Review and update of departmental sector plans. • Revise prioritisation in terms of performance • Ward councillors and ward committees submit community request for budget consideration.	• Approval of 1st Quarter SDBIP report • Approval of 1st Quarter o Section52 (d) report	- Address various budget assumptions, internal budget processes, policies etc. - IDP and Senior Management review the prioritisation to compile the capital budget - Public information meetings (divided) into the established clusters), reviewing and strategizing the current IDP - Strategic Budget Meeting with Senior Managers - Budget information meeting regarding operational support and capacity building - Budget information session with Mayor

November 2025	• Public Participation meeting • Integration of information from adopted Sector Plans into the IDP Review document • Review and updating of the • IDP Vision, Mission and Objectives • Cross border municipal alignment • Formulate Strategies with the Task Team • Feedback from Senior • Managers on Priorities – Projects – as well as • Budget inclusions • Information sharing meeting/session with all sector departments/ service providers and neighbouring local Municipalities to ensure that synergy occurs on all levels between various local IDP documents and to align with the IDP • Review documents of the District Municipality to achieve more	- Auditor General Audit of performance measures (MFMA Sect 55(2)). Sect 56 Managers' quarterly assessments (for first quarter).	- Ensure draft budget processes are informed by the IDP - National regulators and external mechanism entities to give notification of their pricing strategies for the next 3-5 years - National Government to provide Council with their Medium-Term Expenditure Framework Plans - Obtain confirmation of financial allocations to municipalities from National and Provincial Governments in terms of the Division of Revenue Bill - Budget information meeting regarding operational support and capacity building - Submission of the Draft Capital Projects for the 2025/26 Multi-year budget and revised prioritisation model according to Council's

	support on the regional scale • Host IDP representative's forum meetings		strategic objectives, as set out in the draft IDP - Budget information session with the mayor regarding operational support and capacity building

December 2025	• Consultation & alignment with Sector Departments / Service Providers and local municipalities • Host IDP Representative Forum meeting. • Review and drafting of initial changes to IDP • Participate in the District IDP and Budget Roadshows • Follow up with the Steering Committee and the Task Team • Participate in the Budget information session with Mayor • Forward community request to various department • Submission of Public Participation Report.	- Quarterly Project Implementation Report (for first quarter) MPPR Reg. 14. - Quarterly Audit Committee meeting (For the first quarter) MFMA Sec 166 & MPPR Reg.14 (3) (a).	- Submission of the Draft operational estimates for the 2026/27 multi-year budget, analysed according to activities aligned to Council strategic objectives, as set out in the Draft IDP - Submission of the Draft Capital Projects for the 2026/27 Multi-year budget and revised prioritisation model according to Council's strategic objectives, as set out in the draft IDP - Discussion with Senior Managers/Managers on the Draft Capital Projects for the 2026/27 Multi-year budget. - Budget information session with the mayor represented by various departments - Alignment of the Draft Operational estimates to the IDP - Finalised detailed budget - Mid-year review by National Treasury - Budget information session with the mayor

January 2026	• Review KPI's and targets • Attend IDP Best Practise conferences with COGTA • Task Team meeting for strategy reviews. • Report on progress as per SDBIP • Participate in the alignment of the draft Capital estimates to the IDP	- Compile annual report (MFMA section 121)	- Perform mid-year financial review on the current year's 2025/26 budget and revised estimates to submit an Adjustment budget to Council if considered necessary - Review tariffs and charges then evaluate options - Further consultation, if needed with an internal budget committee represented by the various departments. - Discussion with senior managers/Managers on Draft Operating estimates for the 2026/27 Multi-year budget.

FEBRUARY 2026	- Preparation of Draft IDP review - IDP review integration phase	- Mayor table Annual Report MFMA Sec127 (2) - Make public Annual report and invite community inputs into report (MFMA Sec 127 & MSA Sec 21a) - Submit the Mid-year budget and performance assessment report to Council - Submit to National treasury and Provincial treasury both printed - Sect 57 Managers quarterly assessments (for second quarter) - Approve annual report 2024/25	- Submit the mid-year budget and Performance assessment report to Council. - Submit to National Treasury and Provincial Treasury both printed and electronic form the mid-year budget and performance assessment (Section 35) - Make public the mid-year budget and performance assessment report by placing on the municipal website within 5 working days. - Further consultation, if needed with an internal budget committee, represented by the various departments. - Alignment of the Draft Operating estimates to the IDP. - Prepare supporting information for the draft budget to be submitted to Executive Committee - Finalise detailed budget. - Budget information session with Mayor. - Mid-Year Review by National Treasury

March 2026	- Conclusion of Sector Plans initiated and integration into the IDP Review re integration into the IDP Review report - Finalise outstanding MEC assessment issues - Draft IDP & Budget - Prioritization & Budget allocation - Participate in the review of the Midyear visit Report by National Treasury and implementation of any recommendations	- Quarterly Project Implementation Report (for second quarter) MPPR Reg. 14 - Quarterly Performance Audit Committee meeting (for the second quarter) MFMA Sect 166 & MPPR Reg. 14(3) (a). - Submit Annual report AG, Provincial &DTLGA (MFMA Sec 127)	- Adjustment budget to be considered if necessary. - Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (section 26). - Submit to National Treasury and Provincial Treasury in both printed and electronic form the adjustment budget, supporting documentation and the adjusted service delivery and budget implementation plan (SDBIP) within 10working days after the Mayor has tabled in adjustment in budget in Council (Section 24). - Table 2026/27 Multi Year Budget together with the IDP for consideration to Finance Portfolio. - Submit 2026/27 SDBIP to Council for consideration - Review of the Mid-Year visit report by National Treasury and implementation of any recommendations.

April 2026	• Alignment with the Local Municipalities IDPs • Council workshop of final draft IDP & budget • Prioritization & Budget allocation • Council to adopt the final draft Budget & IDP and resolve to advertise for public comment • Draft IDP submission to COGTA by end of March ○ 2025 • Report on progress as per SDBIP	- Council to consider and adopt an oversight report [Due by 31 March MFMA Sec 129(1)]. - Set performance objectives for revenue for each budget vote (MFMA Sect 17). - Annual Customer satisfaction survey (to be consolidated to annual report) MSA Sect 40.	- Submit 2026/27 Multi-year budget and IDP submitted to Executive Committee and Council for approval. - Submit 2026/27 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval. - Submit 2026/27 Multiyear budget, IDP and SDBIP in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council. - Make public the tabled budget and supporting documentation within 10 working days after being approved by Council. - Ward Committee meeting highlighting involvement of members in the Budget Public Participation process. - Undertake a 4-week community consultation process of the budget

May 2026	• Publish draft Budget & IDP for comment. • Assess & incorporate comments • Adjust the IDP & budget where necessary. • Attend assessment week by COGTA. • Report back on the results of the assessment Feedback.	- Strategies, Objectives, KPA's, KPI's and targets and inclusion into IDP Review report. - S57 Managers' Quarterly Performance Assessments. - Publicise Annual Report [Due by April MFMA Sec 129(3)]. - Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April MFMA Sec132 (2)].	- Undertake a 4-week community consultation process of the budget. - Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury

June 2026	- Final approval of IDP& Budget by Council. - Submission of approved IDP TO COGTA. - Report on progress as per SDBIP. - Prepare IDP Process Plan for the IDP Review 2027/28.	- Implementation Report (for third quarter) MPPR Reg. 14. - Quarterly Audit Committee meeting (for third quarter) MFMA Sect 166 & MPPR Reg.14 (3) (a). - Annual review of organisational KPIs (MPPR Reg 11). - Review annual organisational performance targets (MPPR Reg 11)	- Publish tariffs and budget for the 2026/27 financial year. - Assessment of the progress of the 2025/26 budget by National Treasury. - Submission of the draft SDBIP to the Mayor within 14 days of approval of the budget. - Approved 2026/27 multi-year budget, IDP in both printed and electronic form forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council. - Make public the approved budget and supporting documentation within 10 working days after being approved by Council. - Publish Council's budget and IDP on its website. - Establish and complete performance evaluations for functional outcomes based on operational plans and the IDP. - Approval of the SDBIP within 28 days after approval of the budget and completion of the annual performance contracts in accordance with Sec 57(2) of the MSA - Make public the SDBIP within 10 working days after being approved by Council in both printed and electronic format to be forwarded to National Treasury and Provincial

			Treasury within 10 working day

CHAPTER 2

DEVELOPMENT PROFILE (SITUATIONAL ANALYSIS)

2.1 SPATIAL ANALYSIS

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

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

2.2 DEMOGRAPHIC OVERVIEW

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

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

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

In this regard, Luckhoff serves as a general agricultural service centre and is situated approximately 45 km south of Koffiefontein. Access to the town is gained from the R12 route between Koffiefontein

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

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

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

The figure below shows the Letsemeng area:

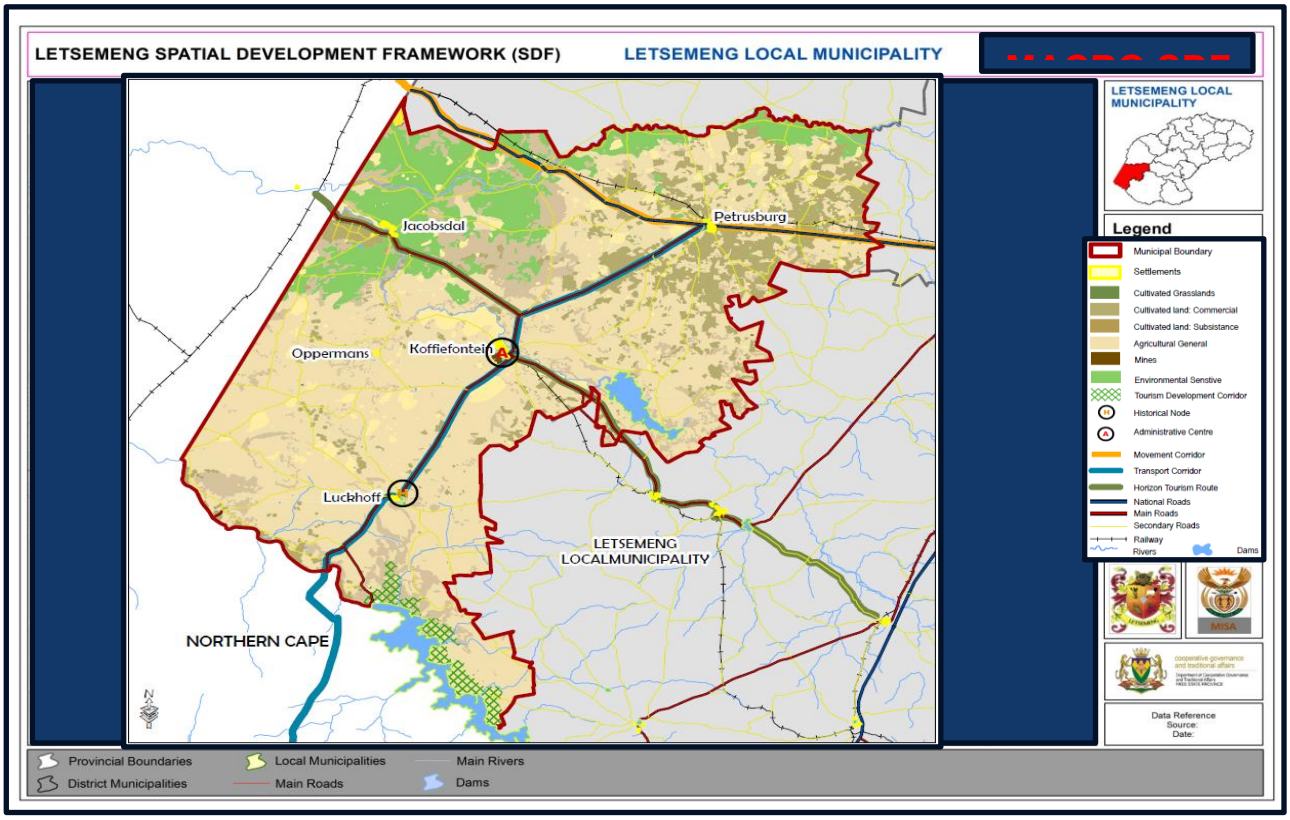


Figure 1: Letsemeng Municipal Area

2.3 DEMOGRAPHIC ANALYSIS

The population figures are based on the community survey conducted between 2016 and 2022. Migration tends to be voluntary; in most cases it is in search of better economic opportunities and a quality of life. A case in point is foreign nationals. Thus, migration patterns are difficult to measure, keep track and get the exact reasons for migrating.

According to the 2022 survey, there is a growth in Letsemeng. It is an indication that more people are moving to Letsemeng municipality for various reasons. The total population of Letsemeng Local Municipality as counted in Census 2022 increased by 1.1%, from 38 628 more than a decade ago in Census 2011 to almost 43 101 in the latest population and housing census. This was the fourth highest population change among all municipalities in the Free State Province. Letsemeng, the only municipality in the Xhariep District that showed a significant increase than Kopanong and Mohokare that increased by 0.5 and 0.8 respectively. Overall, the Xhariep District Municipality increased by 0.8 from a total population of 121 945 in 2011 to a total population of 131 901 in 2022. This is according to the latest STATSSA figures.

Unemployment has marginally increased from 22.08% to 22.30%. Suffice to say the effect of drought and decreasing job opportunities might have a direct effect on migration out of the Letsemeng jurisdiction. Youth unemployment stands at 27.7%, which poses another challenge to the municipality and all Sector Departments to pay special attention to the youth in terms of both employment and economic empowerment.

TABLE 1: CENSUS KEY STATISTICS

Census Key Statistics	
Population	43 101
Age Structure	
Population under 0 - 15	28.53%
Population 15 to 65	73.5%
Dependency Ratio	
Per 100 (15-64)	54.6
Sex Ratio	
Males per 100 females	96
Population Growth	
Per annum	1.1%
Labour Market	
Unemployment rate (official)	22.30%
Youth unemployment rate (official) 15-34	27.70%
Education (aged 20 +)	

Census Key Statistics	
No schooling	10.8%
Higher education	5.1%
Matric	29.0%
Household Dynamics	
Households	10 940
Average household size	3,9
Female headed households	33.50%
Formal dwellings	84.8%
Housing owned	54.00%
Household Services	
Flush toilet connected to sewerage	82.5%
Weekly refuse removal	69.2%
Piped water inside dwelling	90.8%
Electricity for lighting	90%

Name	Status	Population Census 2022-02-02
Letsemeng	Local Municipality	43,101

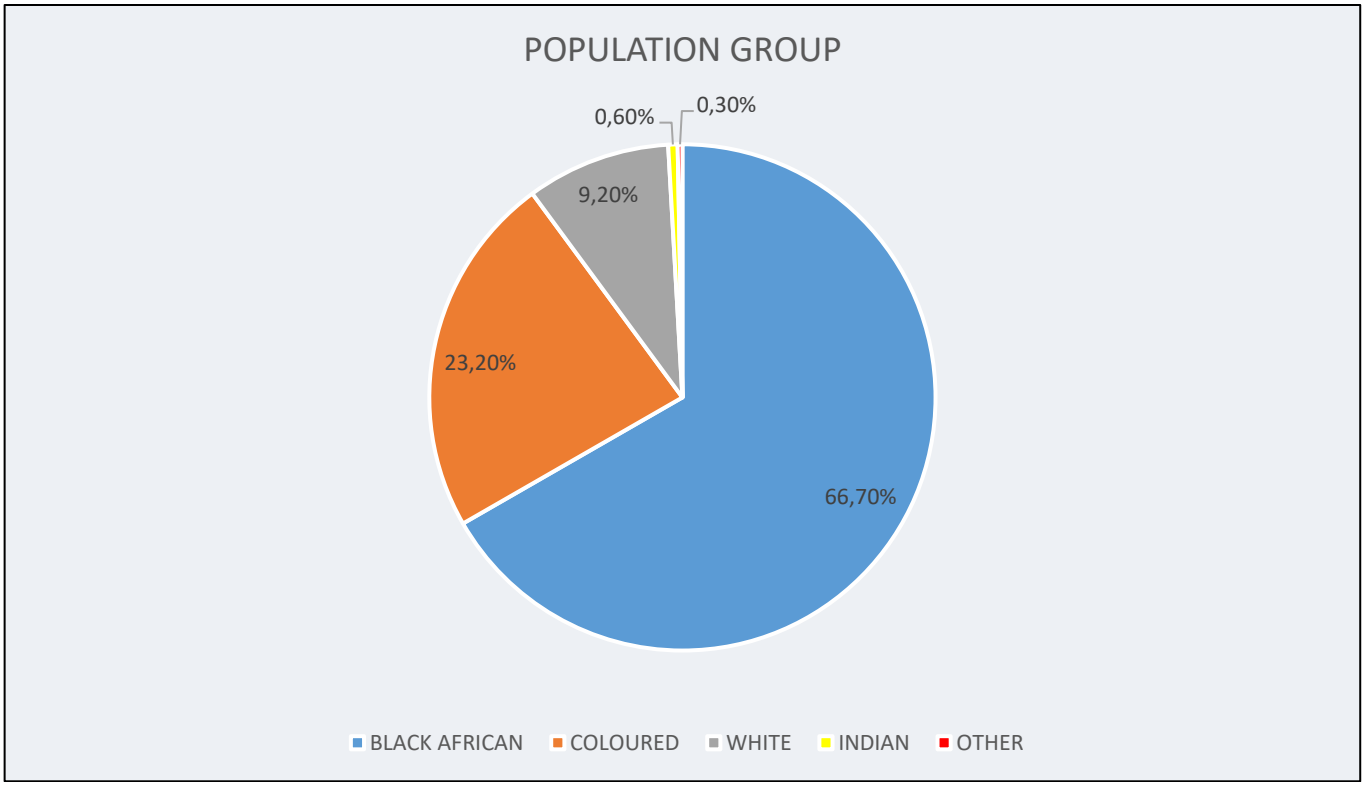
Source: Statssa census 2022

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

TABLE 2: Distribution of Population-by-Population Group

	Census 2022
Black African	66.7%
Coloured	23.2%
Indian/Asian	0.6%
White	9.2%
Other	0,3%

POPULATION GROUP (CENSUS 2022)



Source : Census 2022 StatsSA

GENDER (CENSUS 2022)

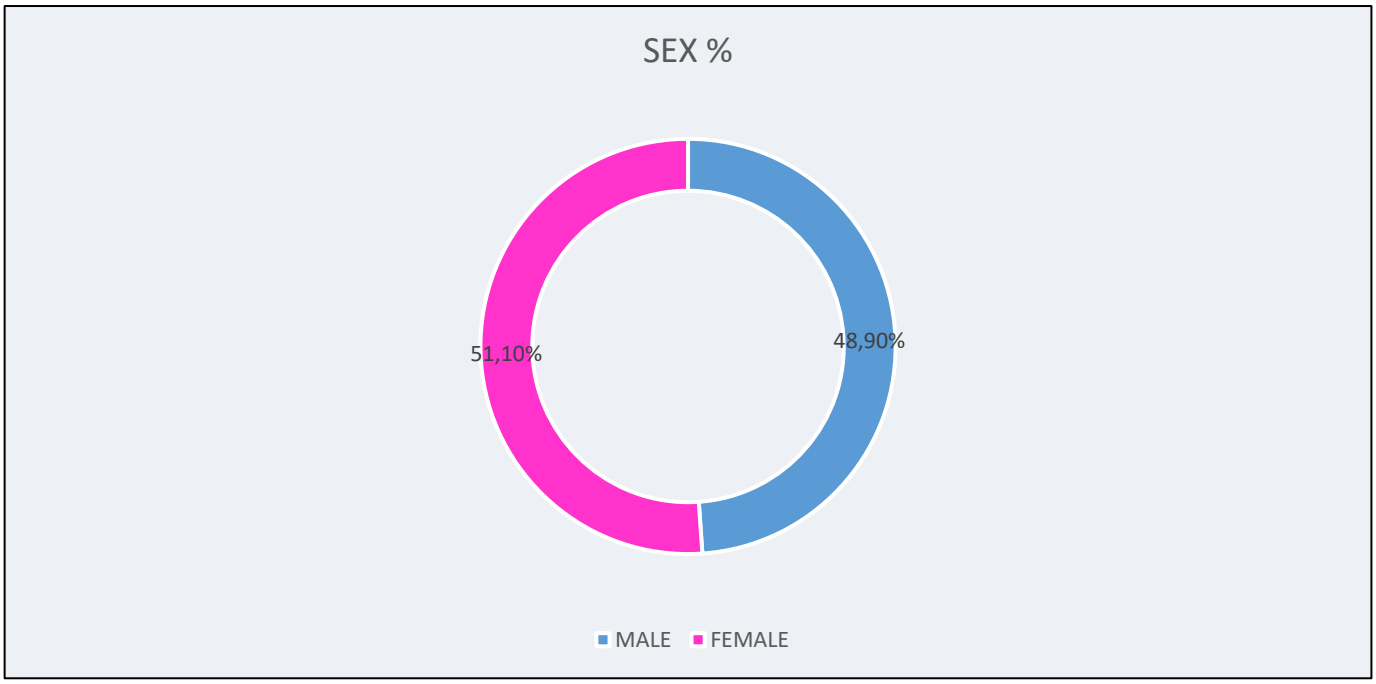


Table 3: SEX BY GROUP

NAME	FREQUENCY	%
MALE	21 056	48,9%
FEMALE	22 045	51,1%

Some key variables that need to be noted in the census report is average household size. The average household size in the Letsemeng Local Municipality was 3.4 persons in Census 2011, which increased to 3.9 in Census 2022. There were also decrease in the number of formal dwellings of 9 358 in 2011 to 9 279 in 2022, informal dwellings declined from 1 812 to 1 586 the same period, an increment of flushed toilets connected to sewerage from 8 492 in 2011 to 9 031 in 2022, weekly refuse disposal service (53.3%), while the electricity provisioning decline from 9 896 in 2011 to 8 739 in 2022.

However, there has been an increase in the usage of gas from 293 in 2011 to 1 336 in 2022.
The economic output of mining in Letsemeng / Kopanong was far more 20.6% than the employment contribution of this sector 1.3%. The mining sector has mechanised over the past two decades, and diamond mining (practiced in this area) is less dependent on low-skilled workers and easier to mechanise than, for example, the gold mines.

2.3.1 Population Pyramids

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

Table 4: Population by age group

Age group	DC 16: Xhariep	FS 161: Letsemeng
0-4	12 086	4 100
5-15	24 885	8 200
15-34	43 230	14 569
35-59	36 569	11 677
60+	15 128	4 554
Total	131 898	43 101

Data source: *Statistics South Africa, Census 2022.*

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

2.3.2 Population Categorised by Sex, Population Group and Functional Age Group

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The subcategories of age groups are (0-4 children, 15-34 youth, 35-64 adult and 65+ elderly) and sex is male or female.

Table 5: Population distribution of Letsemeng Local Municipality by gender and sex ratios

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

Data source: *Statistics South Africa, Census 2011&22 and Community Survey 2016*

Table 5 above shows the distribution of total population in Letsemeng local municipality by gender as well as sex ratio for Census 2011 and CS 2016. The male's population has increased from 19852 in 2011 to 21 140 in 2016 and as for females, it has slightly increased from 18 777 in 2011 to 18 904 in 2016. In both 2011 and 2016, the number of females was found to be less than those of males as the sex ratios were 105 and 111 in both 2011 and 2016 respectively. Overall, the results indicate that the population is predominantly male.

Table 6: Distribution of population by province, municipality, functional age group and sex

Province, District and Local Municipality	0-14 (Children)			15-34 (Youth)			35-64 (Adults)			65+ (Elderly)			Total			Dependency Ratio
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Free State	397502	399763	797265	530743	528205	1058948	355678	377185	732863	96042	149596	245638	1379965	1454749	2834714	58.2
DC16: Xhariep	20074	20511	40585	28926	28775	57701	18943	18709	37652	5984	8758	14743	73927	76754	150681	58.0

FS161: Letsemeng	4930	5025	9955	8744	7050	15794	5718	4938	10656	1747	1892	3639	21056	22 045	43 101	54,6

Data source: *Statistics South Africa, Community Survey 2016*

Table 6 above shows comparison regarding the distribution of total population between males and females of the Free State, district and letsemeng males, females, functional age groups and its dependent ratios.

Table 7: Distribution of population by functional age group and gender Population Group and Sex

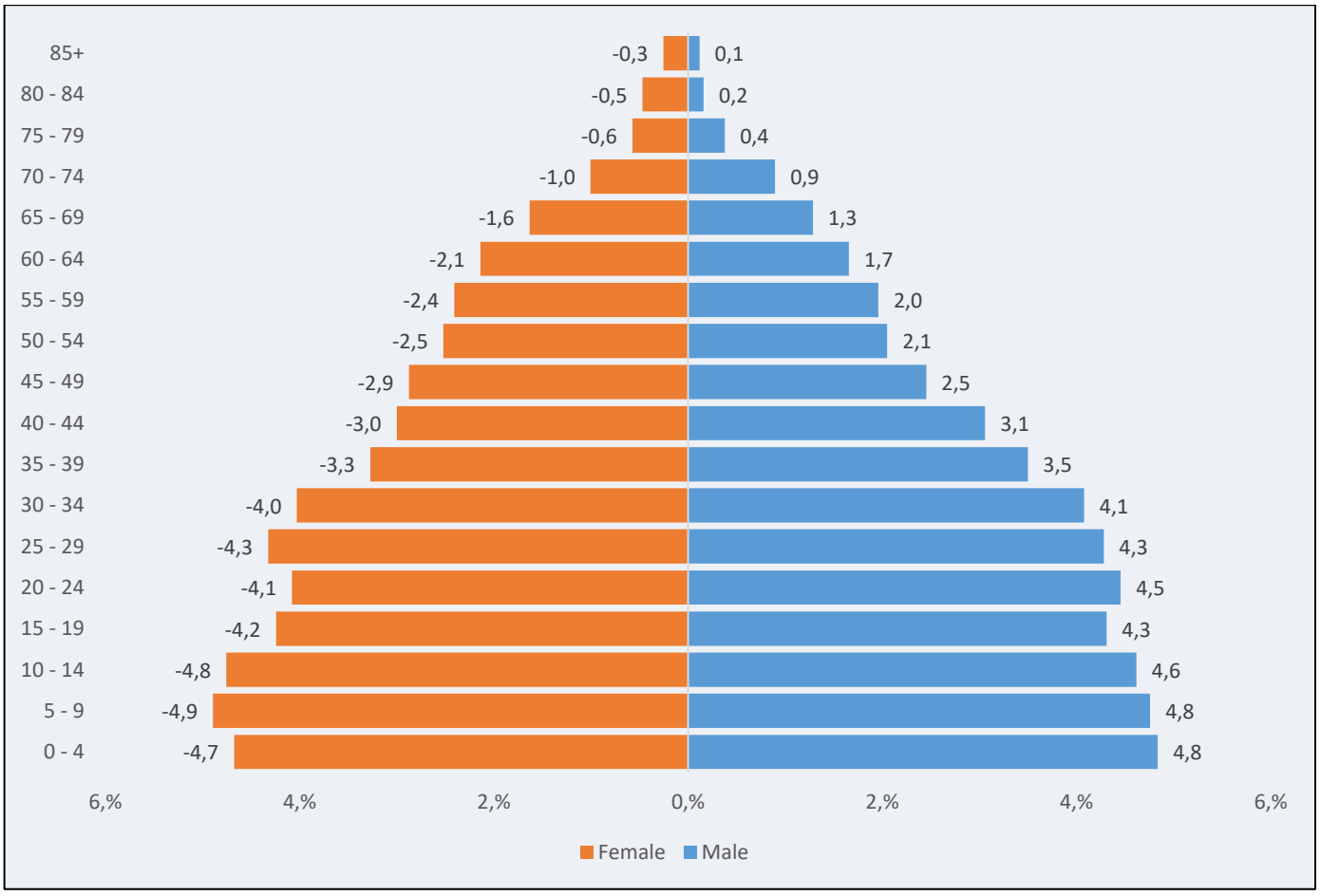
Province, District and Local Municipality	Black african			Coloured			Indian/asian			White			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Free State	1225180	1289810	2514990	35042	37052	72095	4700	2596	7296	115042	125291	240333	1379965	1454749	2834714
DC16: Xhariep	58318	60539	118857	9022	9010	18032	216	37	253	6371	7167	13539	73927	76754	150681
FS161: Letsemeng	14134	12339	28 745	4557	4037	9 993	43	-	250	2406	2529	3 961	21140	18904	43 101

Data source: *Statistics South Africa, Community Survey 2022*

Table above shows the population group between male and female individual, particularly within the vicinity of Letsemeng Local Municipality with the overall population of 43 101 for both male and female during 2022 census. The number of Black African males was found to be high compared to female individuals and to other population groups and sex within the area of Letsemeng followed by females of the same group.

Figure 5: Distribution of population by municipality, sex and functional age group

AGE AND SEX STRUCTURE, LETSEMENG LM, 2022



Source: *StatsSA*

Figure 5 above illustrates that age group of 15 – 34 which is mostly youth, contributes a large population number of Letsemeng municipality, while the male population is slightly higher than that of the female.

2.3.3 Employment

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

Table 8: EMPLOYMENT STATUS

Employment Status	Gender		Total	Unemployment rate
	Male	Female		
Employed	5928	3236	9164	22.3
Unemployed	1170	1454	2624	
Not economically active	6036	7227	13263	

Data source: *Statistics South Africa, Census*

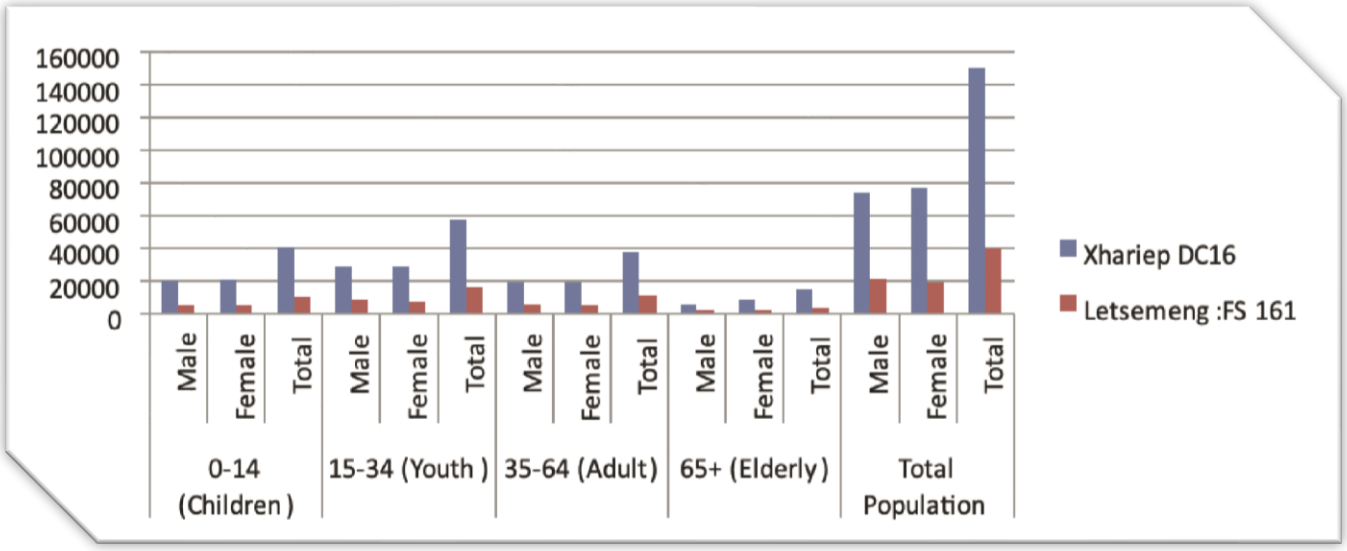
Table 8 above indicates the distribution of unemployment status, gender as well as unemployment rate of population aged between 15 and 64 years in Letsemeng local municipality for Census 2011. 9 164 thousand people were employed in 2011, 2 624 thousand were unemployed whereas 13 263 thousand were not economically active. The overall municipal unemployment rate it was found to be 22.3%. (Based on the official definition of unemployment)

Table 9: Distribution of employed population aged between 15 and 64 years by type of sector and gender in Letsemeng Local Municipality

Type of sector	Gender		Total
	Male	Female	
In the formal sector	3100	1930	5030
In the informal sector	2119	764	2883
Private household	513	448	960

Data source: *Statistics South Africa, Census 2011*

Table 9 above indicates the distribution of employed population aged between 15 and 64 years in Letsemeng local municipality by type of sector and gender. The overall municipal employed people were found to be in formal sector with 5 030 employed people. The informal sector was found to be more than that of private households with 2 883 employed people whereas private household had 960 employed people.



Data source: *Statistics South Africa, Census 2011 and Community Survey 2016*

Table 10: Household Dynamics

Province, District and Local Municipality	Formal dwelling	%	Traditional dwelling	%	Informal dwelling	%	Other	%	Total	%
Free State	748 304	88,5	10 497	1,2	81 693	9,7	4757	0,6	845 250	100.0
DC16: Xhariep	32 814	91,0	122	0,3	2 939	8,1	189	0,5	36b064	100,0
FS161: Letsemeng	9 279	84,8	33	0,3	1 586	14,5	43	0,4	10 940	100,0

Table 10 above indicates the comparison between numbers of main dwelling that household currently lives in. Of note, the formal dwelling /concrete block structure has been found to be the highest followed by informal dwelling/shack not in backyard within the vicinity of Letsemeng.

Table 11: Number of Household

Province, District and Municipality	Households
Free State	845 250
DC16: Xhariep	36 064
FS161: Letsemeng	10 940

Data source: *Statistics South Africa, Census 2022 and Community Survey 2022*

The table above indicates the total number of households between Letsemeng Local Municipality, Province and District. The municipality is sitting with 10 940 total number of households within the area of Letsemeng.

Figure 5: No. of Households

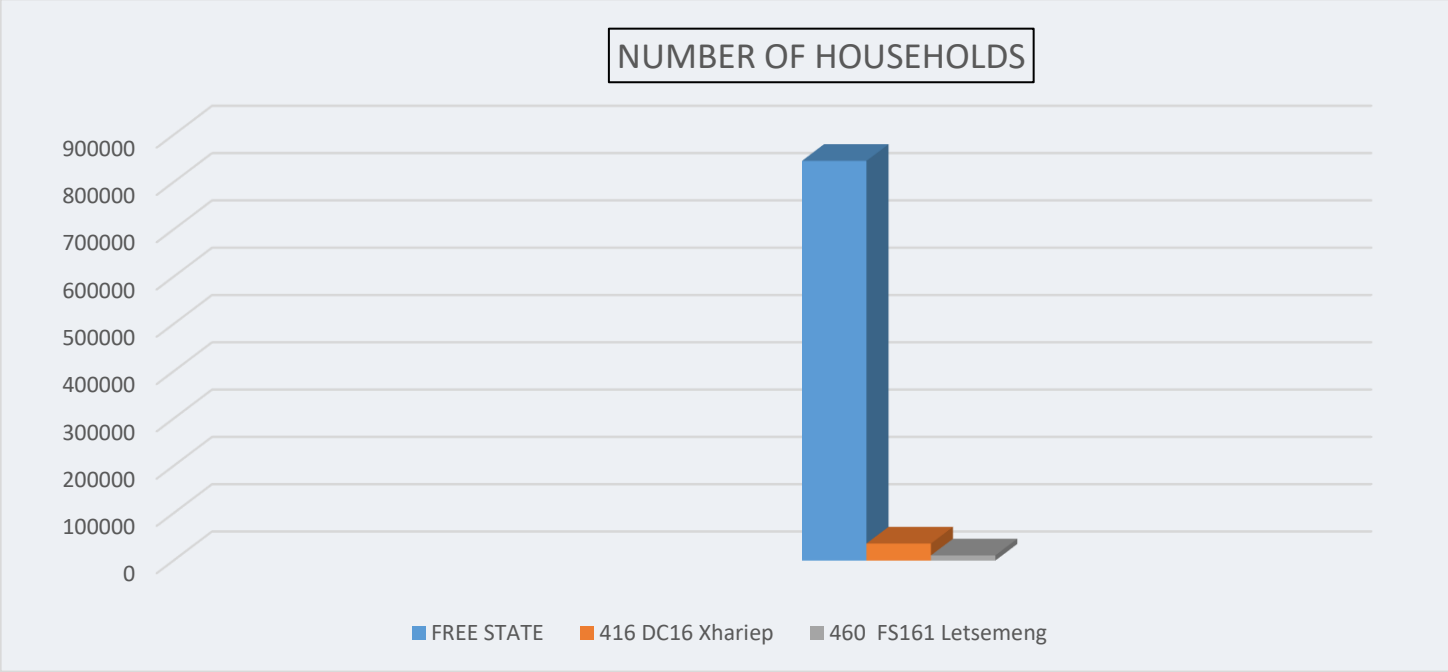


Table 12: Distribution of households by energy used for Cooking

Municipality	Households
Other source of electricity (e.g. generator etc.)	49
Gas	1360
Paraffin	437
Wood	470
Coal	7

Animal dung	-
Solar	24
Other	7
None	53
Other source of electricity (e.g. generator etc.)	49

Data source: Statistics South Africa, Census 2022

Table 13: Distribution of households by energy used for Lighting

Municipality	Households
Electricity from mains	10622
Other source of electricity (e.g. generator etc.)	46
Gas	30
Paraffin	188
Candles	845
Solar	112
Other	25
None	37

Data source: Statistics South Africa, Census 2022

Table 14: Distribution of households by refuse removal

Municipality	Households
Removed by local authority/private company/community members at least once a week	8039
Removed by local authority/private company/community members less often	292
Communal refuse dump	618
Communal container/central collection point	56
Own refuse dump	1598
Dump or leave rubbish anywhere (no rubbish disposal)	1239
Other	63

Data source: Statistics South Africa, Census 2022

Table 15: Distribution of households by Tenure Status

Municipality	Households
Rented from private individual	1239
Rented from other (including municipality and social housing	113
Owned but not yet paid off	179
Owned and fully paid off	4905
Occupied rent-free	3273
Other	194

Data source: Statistics South Africa, Census 2022

Table 16: Distribution of households with Access to Piped Water

Municipality	Households
Access to piped (tap) water	11 395
No access to piped (tap) water	509
Total	11 904

Table 17: Distribution of households by Toilet Facilities

Municipality	Households
Flush toilet connected to a public sewerage system	9156
Flush toilet connected to a septic tank or conservancy tank	172
Chemical toilet	99
Pit latrine/toilet with ventilation pipe (VIP)	1112
Pit latrine/toilet without ventilation pipe	260
Ecological toilet (e.g. urine diversion, enviroloo, etc)	-
Bucket toilet (collected by municipality)	182
Bucket toilet (emptied by household)	323
None	572
Other	28

Table 18: Distribution of population by Letsemeng Local Municipality and broad age groups, Census 2022

	0-14		15-59		60+		Total	
	N	%	N	%	N	%	N	%
DC 16: Xhariep	36 971	28,1	79 799	60,5	15 128	11,5	131 898	100.0
FS161: Letsemeng	12 300	28,5	26 246	60,9	4 554	10,6	43 100	100.0

Data source: Statistics South Africa, Census 2022

Table 18: The results presented in the above-mentioned table show the population in broad age groups of children aged 0-14, working age and elderly persons within Letsemeng area.

2.3.4 Parental Survival

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

Table 13: Orphan hood

Municipality	Maternal orphans	Parental orphans	Double orphans
DC 16	3 712	4 164	1 236
FS161	1206	1035	328

Data source: *Statistics South Africa, Census 2011 and Community Survey 2016*

Table 13 presented above show a high number of maternal orphans compared to paternal orphans. This is observed across the area of Letsemeng.

2.4 ECONOMIC ANALYSIS

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

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

Table 14: Gross Value Added (GVA) By Broad Economic Sector - Letsemeng Local Municipality, 2016 [Billions, Current Prices]

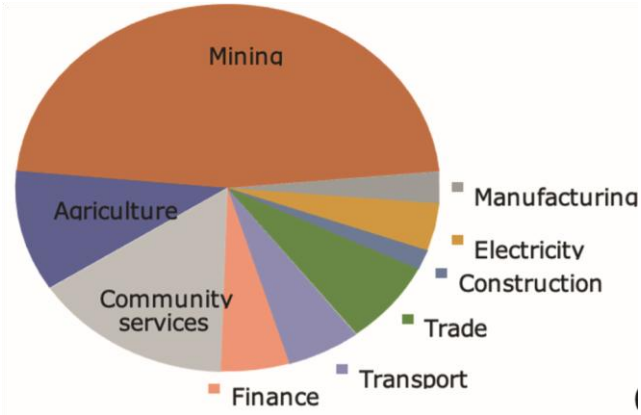
Letsemeng		Xhariep	Free State	National Total	Letsemeng as % of district municipality	Letsemeng as % of province	Letsemeng as % of national
Agriculture	0.2	0.8	9.4	94.4	23.2%	1.92%	0.19%
Mining	0.8	0.9	19.7	304.4	92.0%	4.05%	0.26%
Manufacturing	0.0	0.2	22.5	517.4	26.7%	0.21%	0.01%
Electricity	0.1	0.1	9.1	144.1	55.7%	0.78%	0.05%
Construction	0.0	0.2	4.8	154.3	16.1%	0.62%	0.02%
Trade	0.1	0.7	27.4	589.7	18.2%	0.46%	0.02%
Transport	0.1	0.5	20.7	389.2	19.7%	0.46%	0.02%
Finance	0.1	0.5	33.0	781.7	16.8%	0.27%	0.01%

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

Source: *IHS Markit Regional eXplorer version 1070*

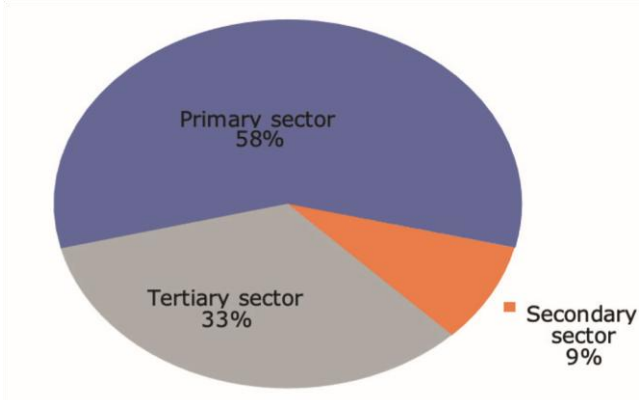
In 2016, the mining sector is the largest within Letsemeng Local Municipality accounting for R 798 million or 47.1% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Letsemeng Local Municipality is the community services sector at 15.3%,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

Figure 6: Gross Value Added (GVA) by broad economic sector Letsemeng Local Municipality, 2016



(Source: IHS Markit Regional eXplorer version 1070)

Figure 7: Gross Value Added by Aggregate Sector



(Source: IHS Markit Regional eXplorer version 1070)

2.4.1 Primary

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

2.4.2 Secondary Sector

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

2.4.3 Tertiary Sector

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

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

Letsemeng Municipal economy is characterised by the following:

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

2.5 LEGISLATIVE ANALYSIS

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

Co-operative governance means that national, provincial, and local government should work together to provide citizens with a comprehensive package of services. They must assist and support one another, share information, and co-ordinate their efforts.

Implementation of policies and government programmes particularly require close cooperation between the three spheres of government.

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

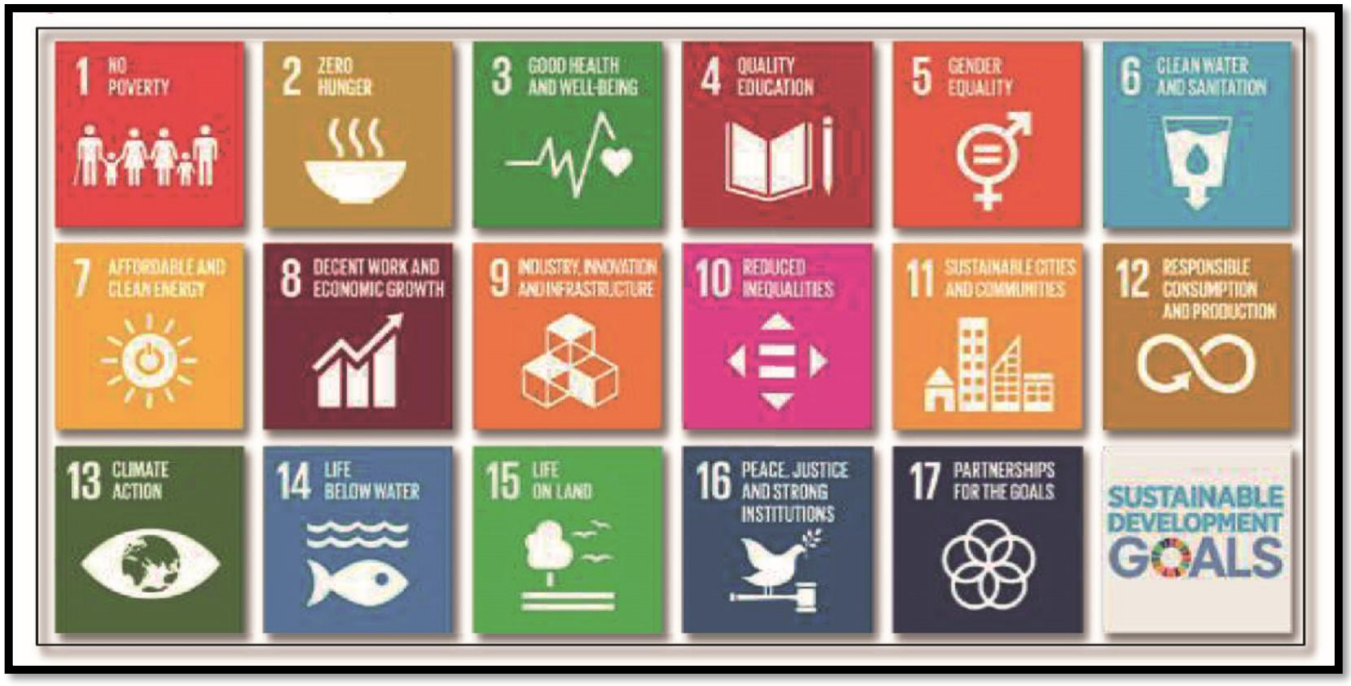
The following sections outline the national, provincial and district policy directives, sector plans and legislation, which set the strategic direction to which LLM must align for coherent planning, budgeting and implementation of programmes and projects.

2.5.1 The 2030 Agenda for Sustainable Development - Sustainable

Development Goals

In 2015 all member states of the United Nations adopted the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs) are a call for action by all countries developed and developing in a global partnership.

The SDGs recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth including addressing the effects of climate change and working to preserve our natural assets. The figure that follows highlights the SDGs that must be used as a guideline for all planning directives in South Africa.



2.5.2 Agenda 2063: The Africa We Want

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

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

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

2.5.3 National Development Plan

The South African Government through the Presidency published the NDP 2030 in 2012. The plan aims to eliminate poverty and reduce inequality by 2030. The plan has the target of developing people's capabilities to improve their lives through education and skills development, healthcare, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety.

It proposes to the following strategies to address the above goals:

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

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

More importantly for efficiency in local government, the NDP 2030 proposes eight targeted actions listed as follows:

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

2.5.4 Medium Term Strategic Framework

The Medium-Term Strategic Framework (MSTF 2019–2024) is the implementation plan for the NDP 2030, highlighting the national development priorities for the sixth administration. This is built on three fundamental pillars: a strong and inclusive economy, capable South Africans, and a capable developmental state.

The framework aims to address the triple challenges of poverty, inequality, and unemployment through seven priorities highlighted as follows:

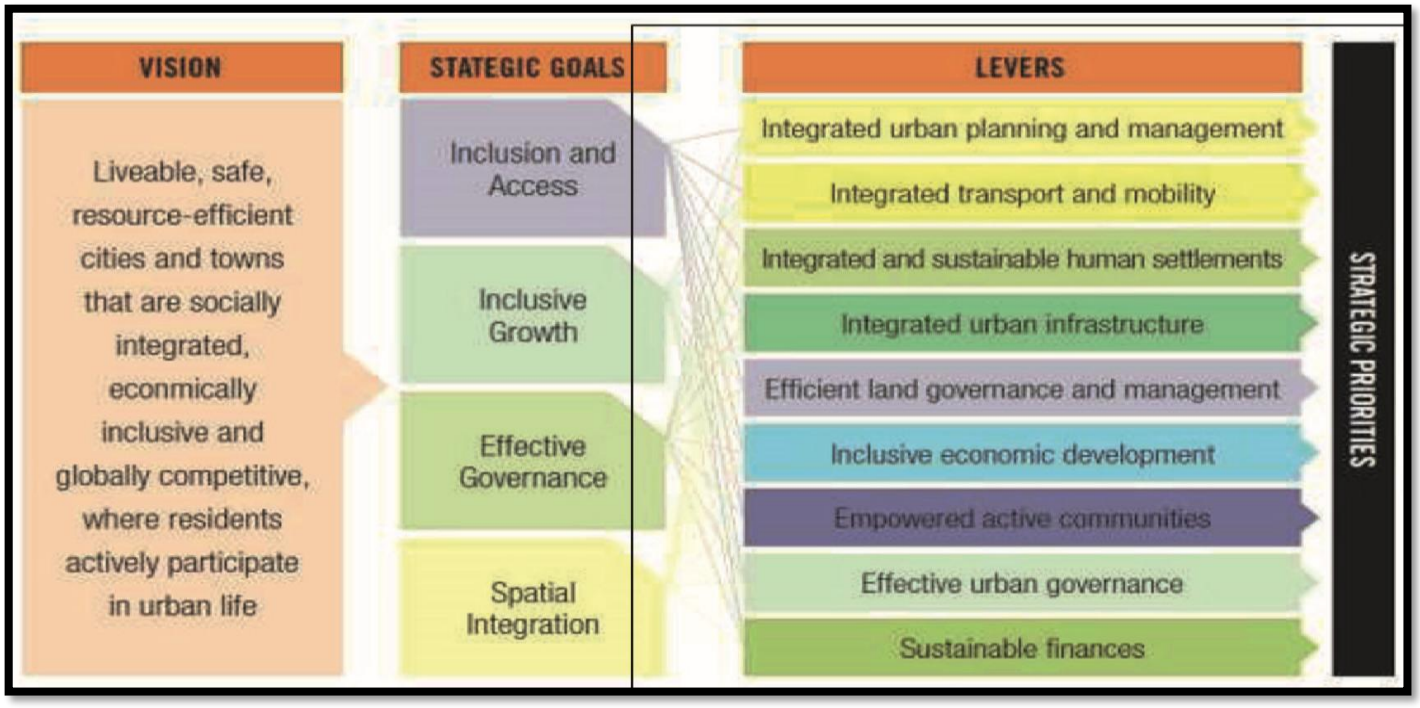
- Priority 1: Building a capable, ethical, and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills, and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements,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

2.5.5 Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) responds to the post 2015 SDGs, to Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable.

It also builds on various chapters of the NDP 2030 and extends Chapter 8: Transforming human settlements and the national space economy and its vision for urban South Africa. The vision, strategic goals and policy levers are listed in the figures that follows:

Figure 9: Integrated Urban Development Framework (IUDF) – Vision, Strategic



Three cross-cutting IUDF priorities are intended to be included in the conceptualisation and implementation of the IUDF policy levers.

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

Karoo small town regeneration initiative

The purpose of the Karoo Small Town Regeneration Program (KSTRI) is to highlight the role of small towns in the

Karoo region as places of significant economic and social opportunity. The working problem statement for the Initiative is as follows:

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

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

Table 15: Districts and Local Municipalities will be affected by the KSTRP in the Free State

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

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

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

The Strategy embodies broad strategic policy goals and objectives of the province in line with national policy objectives. The Strategy addresses the key and most fundamental issues of development, spanning the social, economic and political environment. It constantly considers annual provincial priorities and sets broad targets in terms of provincial economic growth and development, service delivery and public service transformation.

The Strategy has identified six priority areas of intervention by the province, namely:

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

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

DISTRICT RURAL DEVELOPMENT PLAN

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

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

Table 16: Region of diverse opportunities

DESCRIPTION	ATTRIBUTES
The area includes Letsemeng Local Municipal area with the northwestern and southwestern sections of Kopanong Local Municipal area	▪ The socio-economic growth of the municipality is centred on agriculture. ▪ The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation. ▪ The area north-east of Reddersburg and the area around Petrusburg has the highest concentration of land with a grazing capacity of 0-33ha. This is in correlation with the irrigation belt which lies within the Letsemeng Local Municipality and Land capability in this region ranges between 30% - 80%. The region around Oppermans and the area north and west of Smithfield are least capable agricultural land, as they <30% strategically located. ▪ Pivots area largely located in the western parts of the district in the Letsemeng Local Municipality as well as along the western boundary, with a significant number of pivots found in and around the town of Jacobsdal. The location of the critical biodiversity areas, formal conservation areas and protected areas is in correlation with the location of canals, irrigated land and high agricultural land within the district. ▪ There is a need for effective development and beneficiation of agricultural produce, creation of decent jobs on farm and establishing Agri-villages for local economic development. A developmental approach to the settlement of restitution claims will be taken ▪ The data indicates that the Letsemeng Local Municipality has a greater affinity to the successful farming of irrigated land ▪ The Xhariep district is a semi-arid area with extensive farming, mainly sheep. The district comprises of open grasslands with small widely dispersed towns.
	▪ The availability of Adelaide and Ecca precisely supports the mining activities occurring in the Jagersfontein and Koffiefontein since the rocks type is associated with essential minerals.

		Mining activities have potential of attracting people and other economic activities.
	▪	Several game farms have been identified in Petrusburg, Luckhoff, Phillipolis and Bethulie.
	▪	Large portion of the available agricultural land is suitable for livestock production.
	▪	The areas north of Koffiefontein, east of Jacobsdal and around Petrusburg have the highest concentration of land suitable for Lucerne. Furthermore, Lucerne suitable areas are mostly found around the region of Jacobsdal, Koffiefontein, Luckhoff, Fauresmith and Smithfield.
	▪	Agricultural commodities have been identified for the Xhariep district. They are venison, aquaculture and livestock (beef and mutton
	▪	Agricultural diversity in the Jacobsdal area supported by;
	▪	Two-thirds of the district, mainly the region between the towns of Petrusburg, Luckhoff, Fauresmith, Jagersfontein, Philippolis, Springfontein, Trompsburg, Edenburg, Reddersburg, is not suitable to produce vegetables.
	▪	The area around Petrusburg, Jacobsdal and Zastron has the highest concentration of suitable land to produce Fats and Oils.
	▪	Irrigation scheme to grow irrigated field crops – potato, vegetables; pasture crops Lucerne and permanent crops like pecan nuts
	▪	Petrusburg area represents a combination of cattle, small stock and cereal farming
	▪	Koffiefontein and Oppermansgronde with small stock farming inclusive of potential diversification of crops
	▪	Irrigation scheme along the Orange river at Vanderkloof Dam with associated tourism activities in Rolfontein Nature Reserve (northern cape)
	▪	Existing mining activities at Koffiefontein and Jagersfontein
	▪	Historical and cultural experiences at Phillipolis with its own character. The area surrounding Petrusburg and along the N8 to Kimberley is also rich in historical
	▪	Tourism route emanating from Jacobsdal to Philippolis.

	▪	Strong linkages with Kimberly
	▪	Renewable Energy project in proximity to Jacobsdal (Pulida Solar Park – 82.5 MW)
Heritage sites	▪	Historical buildings & Monuments of 2nd World War Kanonkop (Koffi efontein);
	▪	Voortrekker Memorial Anglican Church used in the Boer War (Petrusburg);
	▪	The cairn of commander Ds Lubbe (Jacobsdal);
	▪	Stone Church and Ossewa Tracks (Luckhoff);
	▪	Battle of Driefontein Graves of English soldiers (rural areas)

DISTRICT DEVELOPMENT MODEL

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

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

The manifestation of the current situation is a highly inefficient utilization of funds and resources and even wastage. Government is not getting the outcomes it would like to see on the ground where the investment is impacting at the right scale and quality for communities.

There is no clear spatial logic and outcomes that enable better integrated place-making but often sector/silo-based outputs. In this manner apartheid spatial logics are often being perpetuated, rather than being broken down. However, provincial Cogta has not yet finalised the DDM 2020 for Xhariep District. All the planned capital projects will be outlined in the IDP document when finalised.

XHARIEP DISTRICT ECONOMIC RECOVERY PLAN 2020

The challenges in the South African Economy have overtime been worsened by sustained low levels of investment and growth. The economy has also experienced a series of downgrades. This has impacted adversely on the cost of borrowing. In addition, low levels of growth and challenges related to revenue leakages have also impacted negatively on resource mobilization.

COMMUNITY PARTICIPATION ASSESSMENT

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act (No. 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation.
Based on the legislative requirements, public participation forms an integral part of the Letsemeng IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities.

Between March and May 2026, the municipality conducted public engagements with communities to ensure its planning is aligned to community needs to budget accordingly.
The municipality had separate public engagements in terms of stakeholders and community participation.

Table 17: PUBLIC ENGAGEMENTS 2026/27 FY IDP AND BUDGET (Community and stakeholders Schedule)

WARD	COUNCILLOR	STAKEHOLDER /COMMUNITY	DATE	TIME	VENUE
1	Itumeleng Ramohlabi (LUCKHOFF)	COMMUNITY	19/05/2026	15H00	Community Hall
2	Vuyani Stuurman (JACOBSDAL)	COMMUNITY	22/05/2026	15H30	Recreational Centre
3 & 6	Molahlehi Lebaka & Kgomotso Molusi (PETRUSBURG)	COMMUNITY	20/05/2026	15H00	Petrusburg Library/Bolokanang Community Hall
4 & 5	Xolani Mthukwane & Thato Khumalo (KOFFIEFONTEIN)	COMMUNITY	21/05/2026	15H00	MPCC
7	Semakaleng Lichaba (OPPERMANSGRONDE)	COMMUNITY	25/05/2026	14H30	Oppermansgronde Church

	(PHAMBILI)	COMMUNITY	22/05/2026	13H30	Phambili Primary School

IDENTIFY AREAS OF NEED

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

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

SUMMARY: Ward Based Community Needs Analysis

Ward 1 – Luckhoff, Relebohile, Teisesville

Ward 2 – Jacobsdal and Ratanang

Ward 3 – Bolokanang

Ward 4 – Khayelitsha and Diamanthoogte

Ward 5 – Dithlake and Koffi efontein

Ward 6 – Bolokanang (portion) and Petrusburg

Ward 7- Phambili, Oppermansgronde and Sanderhoogte

2.6 CONSOLIDATED COMMUNITY PRIORITY NEEDS 2026/27 FY

Non-Municipal Competency Needs

.IDP REF	COMMUNITY NEED	LOCATION	WARD	DEP/SOE
1	Tackle social illness problems	Luckhoff	1	Social Development and SAPS
2	Improve support of commonage farmers	Luckhoff	1	LLM/Department of Agriculture
3	Prioritise exploring of agricultural economic activities	Luckhoff	1	LLM/Department of Agriculture
4	Housing with ablution infrastructure	Luckhoff	1	Human Settlements
5	Provide the necessary assistance to local business owners	Luckhoff	1	DESTEA

6	Regular physical verification of available commonage land	Jacobsdal	2 & 7	LLM, Agriculture and Public Works
7	Priorities the fencing of commonage land	Jacobsdal	1 & 7	LLM, Agriculture and Public Works
8	Overgrazing	Jacobsdal	2 & 7	LLM, Agriculture and Public Works
9	Improve access road in Riemvasmak	Jacobsdal	2	LLM/Department of Community safety, roads and transport
10	Access to communal taps and toilets (Riemvasmak)	Jacobsdal	2	Human Settlements
11	Improve service delivery at the clinic	Jacobsdal	2/7	Department of Health
12	Request for an active Recreational facility	Koffiefontein	4	Department of Sports, Arts and recreation
13	Indoor sports facility in Sonwabile	Koffiefontein	4	Department of Sports, Arts and recreation
14	Rehabilitation centres and After School pragrammes	Koffiefontein	4/5	LLM/Department of Education & Social Development
15	Transfer water rights to local farmers	All towns	1 - 7	LLM, Agriculture and Public Works
16	Repair old Community Hall	Jacobsdal	2	Department of Sports, Arts and recreation & Public works
17	Construction of MPCC and Sports Facility (Stadium)	Oppermans	7	Department of Sports, Arts and recreation & Public works
18	Maintenance of the main access road	Oppermans	7	LLM/Department of Community safety, roads and transport

19	Fully flashed SAPS Station and well-resourced Clinic	Oppermans	7	SAPS/Department of Health and Public Works
20	Prioritise residents' sites and RDP housing	Oppermans	7	LLM/Department of Human Settlements
21	Budget for residential sites with ablution facilities	All towns	1 - 7	LLM/Department of Human Settlements
22	Access road to town in Sonderhoogte and Graveyard	Jacobsdal	7	LLM/Department of Community safety, roads and transport
23	Prioritise the eradication of pit toilets	Jacobsdal	7	LLM/Department of Human Settlements
24	Need for housing	Jacobsdal	2/7	LLM/Department of Human Settlements
25	Repair road conditions of the streets in town	Petrusburg	3	Department of Public works
26	New School	Petrusburg	3 & 6	Public works and Infrastructure/Department of Education
27	Artificial soccer pitch	Petrusburg	3 & 6	Department of Sports, Arts and recreation & Public works
28	Improve Visible Policing in the area	Petrusburg	3 & 6	SAPS
29	Eradicate pit toilets	Petrusburg	3	LLM/Department of Human Settlements
30	Interventions for Drug, GBV & Alcohol abuse	All towns	1 – 7	LLM/Department of Social Development
31	Sustainable youth activities programmes	All towns	1 - 7	LLM/Department of Social Development

MUNICIPAL COMPETENCY COMMUNITY NEEDS

IDP REF	COMMUNITY NEED IDENTIFIED	AREAS	WARDS
LED AND COMMUNITY SERVICE RELATED			
32	Consider appointment of a dedicated municipal land officer	All towns	1-7
33	Prioritise agriculture in the area	Luckhoff	1
34	Resolve the water supply crisis	Luckhoff	1
35	Improved LED involvement	Luckhoff	1
36	Improve regulation of foreign business owners (Tuckshops)	Luckhoff	1
37	Finalise Commonage Leasing contracts	Luckhoff	1
38	Allocation of business and residential sites	Luckhoff	1
39	Security and Maintenance of Graveyards	All towns	1 - 7
40	Fast-track Deeds of transfer (Title deeds)	Jacobsdal	7
41	Provide Business sites in Riemvasmak	Jacobsdal	7
42	Access road to graveyard	Jacobsdal	2/7
43	Preclude illegal dumping sites	All towns	1 - 7
44	Residential sites	Jacobsdal	2/7
45	Repairs and maintenance of Recreational centre	Jacobsdal	2
46	Resolve lease commonage agreements	All towns	1 - 7
47	Law enforcement officers	All towns	1 - 7
48	Improve SMME support	All towns	1 - 7
49	Develop Commonage management Strategy	All towns	1 - 7
50	Expand service of the Business-hub	All towns	1 - 7
51	Conduct regular site visits and inspection of commonage farms	Jacobsdal	2& 7

52	Propose a minimal rate for commonage farmers	All towns	1-7
53	Improve commonage managements	All towns	1-7
54	Commercial farmers with potential investments on commonage land	Jacobsdal	2& 7
55	Distribution of the available commonage land	All towns	1-7
56	Youth skills development programmes	All towns	1 – 7
57	Improve business opportunities for lower grade contractors	All towns	1- 7
58	Identify and audit available municipal land	All towns	1-7
59	Regulate foreign Spaza shops	All towns	1-7
60	Make provision for commonage land	Oppermans	7
61	Enhance LED	Oppermans	7
62	Fencing of the dumping-sites and sewer plant station	Oppermans	7
63	Explore Brick making and other sustainable projects	Oppermans	7
64	SMME support	Oppermans	7
65	ATM	Oppermans	7
66	Licensed dumping sites	Oppermans	7
67	Commonage fencing and consistent water supply	Koffiefontein	4/5
68	Land for irrigation farming	Koffiefontein	4/5
69	Consolidate a fair and transparent lease agreement with clear terms	Koffiefontein	4/5
70	Remove Commercial farmers from Government land	Koffiefontein	4/5
71	Assistance required with stock theft	Koffiefontein	4/5
72	fencing of communal ground	Petrusburg	3 & 6
73	Ensure proper development for the growth of commonage farmers in the area	Petrusburg	3 & 6
74	Priorities the economic development of the N8	Petrusburg	3 & 6
75	Recreational Facilities for youth development	Petrusburg	3/6
	Access and Paving roads maintenance	Petrusburg	3/6

76	Conduct Land Audit	Petrusburg	3/6
77	Recreational Park in the middle of Hanniville and White city	Petrusburg	3/6
78	Distribute vacant land for business	Petrusburg	3 & 6
WATER AND SANITATION			
79	Minimal Water supply to commonage occupants	Jacobsdal	2& 7
80	Ensure Consistent water supply	All towns	1-7
81	Increase water supply to meet demand	Luckhoff	1
82	Storm-water drainage systems remain a challenge in some areas	Jacobsdal	2 & 7
83	Maintenance and restoration of boreholes	Petrusburg	3 & 6
84	Restore wastewater reticulation plant	Petrusburg	3 & 6
85	Water remains a serious challenge to farmers	Petrusburg	3 & 6
86	Increase water supply to meet the daily demand	Petrusburg	3 & 6
87	Maintenance and repair of water treatment plant	Petrusburg	3 & 6
89	Sewer Spillage	Oppermans	7
OMM, SPEAKER & MAYOR'S OFFICE			
90	Fast-track budget implementation	Luckhoff	1
91	Provide sustainable Projects	Luckhoff	1
92	Establish Unemployment Database	Luckhoff	1
93	Prioritise local SMMEs/contractors	Luckhoff	1
94	Improve stakeholder involvement	All towns	1-7
95	Consider Public relations office in the municipality	All towns	1-7
96	Lack of transparency with Tender processes	All towns	1-7
96	IDP needs to Address the issue of unemployment	All towns	1-7
97	Lack of Accountability and consequence management	All towns	1-7

98	Prioritise and plan for sustainable Capital projects	All towns	1-7
99	Proper maintenance and overseeing of community facilities	Koffiefontein	4 & 5
100	Limit outsourcing service delivery	Koffiefontein	4/5
101	Ensure Contractors prioritise local labourers	All towns	1 – 7
102	Appointment of Competent and reliable Contractors	All towns	1 – 7
103	Prioritise Job creation in the municipality	All towns	1 – 7
104	Capacitate the LED office	All towns	1 - 7
105	Improve Ward Committee involvement	All towns	1 – 7
106	Improve service Delivery in Ward 7	Jacobsdal	7
107	Municipal traffic & Police to enforce bylaws (Law enforcement officers)	All towns	1 – 7
108	Acquire investment opportunities for the Municipality	All towns	1 – 7
109	Interventions for substance abuse and GBV	All towns	1 – 7
110	Consolidate Motheo Tvet with more Relevant courses	Koffiefontein	4/5
111	Explore mining opportunities	Koffiefontein	4/5
112	Fair treatment to all SMMEs and contractors in the supply chain processes	All towns	1 – 7
113	Consider and support new and upcoming contractors in Letsemeng	All towns	1 – 7
114	Prioritise the appointment of security officers	All towns	1 – 7
115	Office space for substance abuse victims' assistance	Oppermans	7
116	Assist with facilities for NGOs & NPOs	Oppermans	7
117	Prioritise Capital projects for Oppermans community	Oppermans	7
118	Address Criminal activities	Oppermans	7

119	Prioritise the development of the area	Phambili	7
120	Conduct profile verification of contractors to avoid appointment of incompetent contractors	Petrusburg	3 & 6
121	Contractors should be held accountable for incomplete jobs	Petrusburg	3 & 6
ELECTRICITY			
122	Repair non-functional streetlights	Jacobsdal	2/7
123	Maintenance and repairs of high mast lights	Oppermans	7
124	A need for Streetlights	Oppermans	7
125	Surveillance Cameras on High mast lights	Koffiefontein	1 - 7
126	Put measures in place to curb cable theft	All towns	1 - 7
INFRASTRUCTURE			
127	Resolve maintenance backlogs and dilapidated infrastructure	Jacobsdal	2
128	Rehabilitation of storm drainage systems	Jacobsdal	2/7
129	Priorities the appointment of security guard for municipal infrastructure and buildings	All towns	1-7
130	Access road maintenance requested at the R10 sites and Generations	Jacobsdal	2/7
131	Road maintenance in Sonwabile	Koffiefontein	4
132	Improve electricity infrastructure	Koffiefontein	4/5
133	Paving road in Rooirand	Koffiefontein	5
134	Allocate funds for more priority issues like Water and Sanitation infrastructure	All towns	1-7
135	Ablution facilities at graveyards	All towns	1-7
136	Upgrade pipelines capacity to accommodate future development	All towns	1-7
137	Public ablution facilities in town	All towns	1-7

138	Priorities the restoration of the sewerage systems of Petrusburg	Petrusburg	3 & 6
139	Budget for storm water drainage system restoration and toilets in Chakaville	Petrusburg	3 & 6
140	Access road	Petrusburg	3 & 6
141	Fix sinking toilets	Petrusburg	3 & 6
142	increase boreholes capacity	Petrusburg	3 & 6
143	Security for Municipal Infrastructure	All towns	1-7
144	Restore storm-water drainage channels	Petrusburg	3 & 6
145	Repairs and maintenance of Sewer drainage system	Oppermans	7
146	Access road	Oppermans	7
147	Rehabilitation of WWTP	Oppermans	7
BUDGET AND TREASURY OFFICE			
148	Billing commonage farmers	All towns	1 - 7
149	Write-off historical debt	All towns	1 - 7
150	Correct Billing system	All towns	1 - 7
151	Improve indigent registration	All towns	1-7
152	Improve management of municipal utility services	All towns	1 - 7
153	Simplify indigent registration process	All towns	1 - 7
154	Propose to increase the electricity indigent benefit to 60 - 70kwh units	All towns	1 – 7
155	Simplify Indigent registration process	Oppermans	7

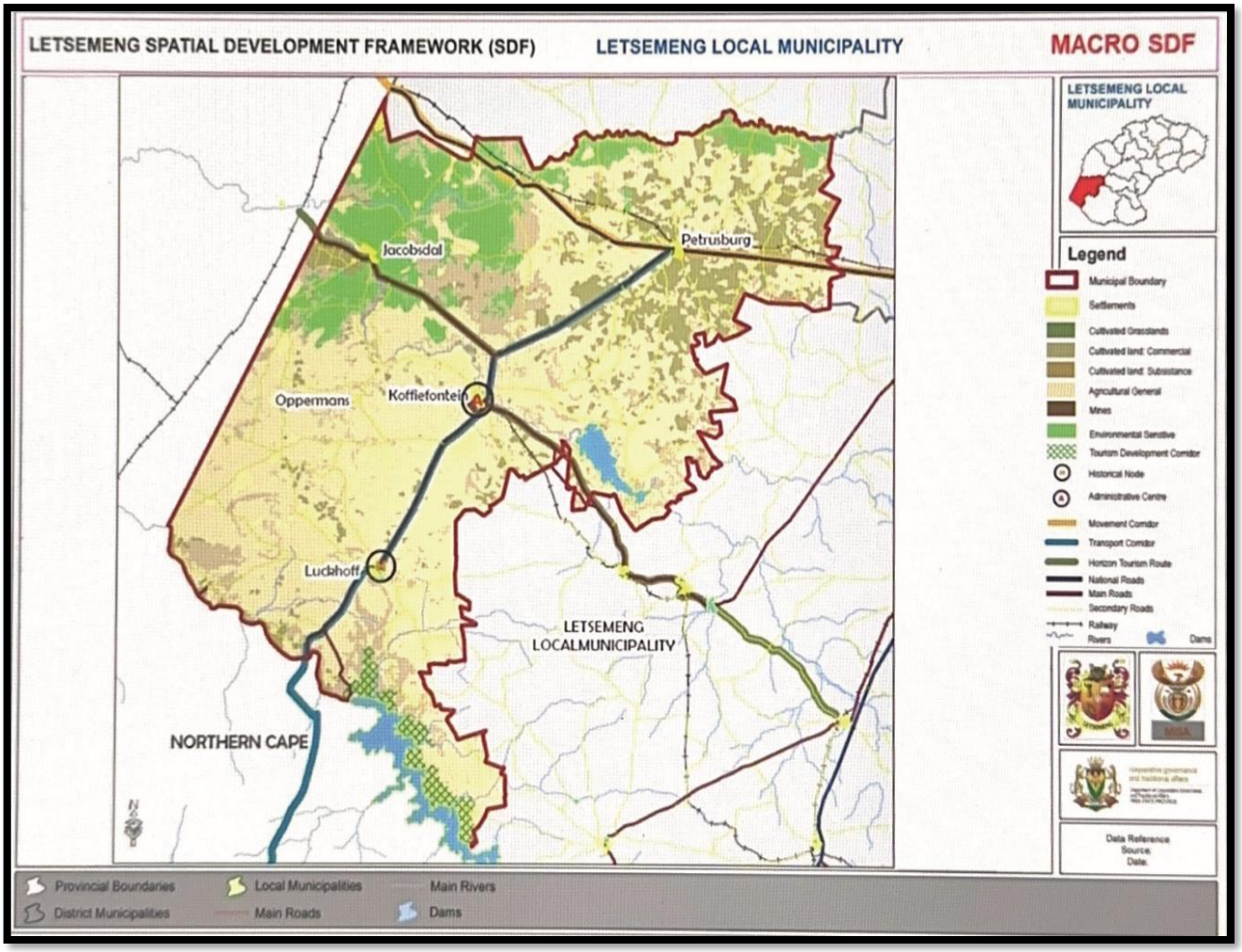
CHAPTER 3

SPATIAL ECONOMY AND DEVELOPMENT RATIONALE

3.1 PURPOSE OF THE SPATIAL DEVELOPMENT FRAMEWORK

The main purpose of the SDF is to guide the form and location of future physical development within a municipal area to address the imbalances of the past. The urban environments of South Africa are characterized by unsustainable urban forms, which have been shaped by Apartheid planning that was integrally linked to blueprint or “master” planning.

Government realized that these inequalities needed to be addressed and adopted a new system of spatial planning. The new system requires every municipality to have an indicative plan (SDF) showing desired patterns of land use, directions of growth, may delineate urban edges, indicate special development areas and conservation-worthy areas as well as a scheme (Land Use Management System) recording the land use and development rights and restrictions applicable to each Erf in the municipality. The former has a legal effect of guiding and informing land development and management, and the latter has a binding effect on land development and management.



Letsemeng Local Municipality is situated in the south-west of the Free State province within the Xhariep District

Municipality, a rather agriculturally rich area with limited natural economic resources. The area of the Local

Municipality measures approximately 10 192km². The Local Municipality consists of the towns Koffiefontein (municipal head office), Jacobsdal, Petrusburg, Luckhoff and Oppermansgronde. There are no major centres within the municipal area, and the closest cities are Bloemfontein and Kimberley.

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

It is bordered by Tokologo Local Municipality in Lejweleputswa District to the north, Mangaung Metro Municipality to the east and Kopanong Local Municipality in the southeast.

Other borders are the Pixley ka Seme District Municipality (Sol Plaatjie Local Municipality) in Northern Cape Province to the west and Frances Baard District Municipality (Siyacuma, Thembalihle and Renoster Local Municipalities) in Northern Cape Province to the south-west.

The N8 route crosses the area to the north and links Kimberley and Bloemfontein via Petrusburg. The Port Elizabeth railway line starts at Koffiefontein and connects at Springfontein with the Bloemfontein/Cape Town railway line to continue in an easterly direction towards Port Elizabeth. Letsemeng forms the gateway to the Free State from the Northern Cape. The N8 introduced new possibilities to Letsemeng, where major traffic is generated daily between Bloemfontein and Kimberly National Road (N8). The access route between Trompsburg and Koffiefontein, via Fauresmith is a major regional administrative distributor that provides access to the District and N1.

A major linkage between Jacobsdal and Bloemfontein, via Koffiefontein and Petrusburg provide a gateway to the vineyards to Jacobsdal located along the Riet River. (Letsemeng SDF, 2016/17) Koffiefontein/Ditlhake/ Diamanthoogte. This modest country town in the southwestern Free State is home to some of the best quality diamonds in the world.

The name Koffiefontein is said to come from transport riders who often stopped at a spring in the area to enjoy a cup of coffee. When one of them discovered a diamond in 1870 growth started and this prompted the usual diamond rush and by 1882 Koffiefontein was a booming town with four mining companies. It was however only in 1892 that the town was proclaimed.

It is therefore suited for visitors to be greeted by a huge coffee pot at the entrance of the town that, according to its citizens, is a symbol of the hospitality. In addition, it is probably the only town in South Africa that has maintained its rural character despite of blooming mining activities, and it is situated 146 km east of Bloemfontein.

Jacobsdal / Ratanang / Sandershoogte

This green idyllic town lies on the R705, 154km west of Bloemfontein and only 15km east of the Northern Cape Provincial border and 45 km northwest of Koffiefontein.

In 1858 Christoffel Jacobs gave his name to the town laid out on his farm Kalkfontein. The first residential stands were sold on 7 March 1859, and municipal status was granted in July 1860.

The original house of Mr Jacobs, which will be used as an information bureau and museum, is now being restored into its original state. Apart from being home to the first wine cellars outside the Cape Province, Jacobsdal also has an irrigation scheme that supplies water to crops over a huge area. About 160 000 tonnes of crops, such as Lucerne, groundnuts, potatoes and grapes are produced in this area annually.

The Riet River irrigation settlements start about 3km west of the town and extent 15km up to the confluence of the Riet and Modder River at Ritchie.

Petrusburg / Bolokanang

This is a rich agricultural centre which is situated 80km west of Bloemfontein on the N8. It was named after Petrus Albertus Venter whose estate provided the money to buy the farm Diepfontein, on which the town was laid out in 1891 as a church and commercial centre for an extensive farming area.

Mixed farming is practiced in the 3000 square km which was excised from the Fauresmith district in 1863. The main activity is sheep farming. The main crops are maize and potatoes. Modest quantities of wheat are harvested in the rare season when enough rain falls in winter and early spring. There are numerous salt pans in the district.

Luckhoff/Relebohile/Teisesville

This agricultural town lies on the R48, 50km south of Koffiefontein. This town was established on the farm Koffiekuil in 1892 and named for the Rev H.J. Luckhoff, Dutch Reformed minister of Fauresmith, when the new congregation was formed. The Dutch Reformed Church was built out of stones from the area. In front of the City Hall stands a “gaslamp” that was used as a streetlight in earlier years. An important source of income in the Luckhoff district is merino sheep farming.

Oppermansgronde

This is a land reform project. In the course of the 19th century, the region north of the Orange River became the dwelling place of a variety of people. The Oppermansgronde family was dispossessed of their rights of the land claimed on 19 June 1913. The dispossession was affected to further the

objective of the previous government's segregation policies. Through intensive facilitation by Letsemeng Council and the Department of Land Affairs, the land was transferred back to the Oppermansgronde Family on 26 July 2003.

3.2 DISTRICT DISASTER MANAGEMENT STRATEGY

The National Disaster Management Framework requires each District Municipality to establish a Disaster

Management Centre (DMC). Xhariep District has also through their planning initiatives also identified the critical need for the establishment of such a centre.

Disaster Management is identified as Key Performance Area with the objective to manage and prevent occurrence loss of lives due to disasters. The following are the supporting projects identified include:

- Prepare the review of integrated Disaster Management Plan and implementation of it.
- Lobby funding for the Establishment of the Disaster Management Centre.
- Procure at least one 4X4 van for disaster management

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

- Include the Disaster Management unit in the organogram
- Establish a DMC to facilitate the coordination and communication between role players during an incident.
- Provide adequate facilities for the operations of disaster management for daily activities and during emergency situations
- Storage facilities for emergency equipment and relief measures.
- Joint operations centre to be activated and utilised during major incidents.

3.3 LINK BETWEEN THE SDF AND THE IDP

The Spatial Development Framework is not an isolated document that guides development within a Municipality however it is aligned with the Integrated Development Plan and the Budget of a municipality.

The integrated development plan phases its projects and dynamics of Municipal planning and compliance on an annual basis whereby the Spatial Development Framework is 5year spatial planning that guide and the planning, growth and development therefore the Spatial Development framework becomes the spatial vision and representation of the Integrated Development Framework.

Letsemeng Local Municipality's Integrated Development Plan is also aligned with relevant sector plan / frameworks that deals holistically with the development and infrastructure pattern that are linked with the annual budget as well as development project of the Municipality.
It is crucial that the Integrated Development Plan and the Spatial Development Framework be aligned not only with the development of the Municipality but also with the strategic document of the district, Provincial and National government to impact meaningfully on future and planned development patterns.

Free State Provincial Growth Development Strategy

The Free State PGDS records the provincial mandate as "a prosperous province and that fulfils the social needs of all of the people" (PGDS).

Highlights include:

- 10.6 % of national land area
- 6.4 % of national population (2.95m – 3m)
- 4.9 % of GDP (underperforming relative to population share)
- 1980 – 9%
- 1990 – 6%
- 2002 – 5%

This decrease is attributed to the decline in mining on the Free State gold fi elds.

- **Key economic activities include:**
  - Agriculture
  - Tourism
  - Agro processing
  - Mining.

Important indicators include: 52

- Unemployment - 39% (SA 41%)
- Poverty - 49%
- HDI - 0.67 (SA 0.69)
- Functional Literacy - 69.2%
- Population Growth - 1.12% - 0.76 (declining) population
- Urbanised – 71.7%

GDP Employment Economy

- Mining 21.5% 18.2 – 20.1%
- Manufacturing 18.7% 19.5 – 9.7%
- Agriculture
- All population groups are migrating out of province especially white and black youth (p.96 PGDS)
- HIV rates highest in SA.
- Casual / informal sector only opportunity for many of the urban poor.

3.4 DISTRICT RURAL DEVELOPMENT PLAN

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

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

Region of diverse opportunities:

DESCRIPTION	ATTRIBUTES
The area includes Letsemeng Local Municipal area with the northwestern and southwestern sections of Kopanong Local Municipal area	• The socio-economic growth of the municipality is centred on agriculture. • The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation. • The area north-east of Reddersburg and the area around Petrusburg has the highest concentration of land with a grazing capacity of 0-33ha. This is in correlation with the irrigation belt which lies within the Letsemeng Local Municipality and Land capability in this region ranges between 30% - 80%. The region around Oppermansgronde and the area north and west of Smithfield are least capable agricultural land, as they <30% strategically located. • Pivots area largely located in the western parts of the district in the Letsemeng Local Municipality as well as along the western boundary, with a significant number of pivots found in and around the town of Jacobsdal. The location of the critical biodiversity areas, formal conservation areas and protected areas is in correlation with the location of canals, irrigated land and high agricultural land within the district. • There is a need for effective development and beneficiation of land reform beneficiaries, creation of decent jobs on farm and establishing Agri-villages for local economic development. A developmental approach to the settlement of restitution claims will be taken • The data indicates that the Letsemeng Local Municipality has a greater affinity to the successful farming of irrigated land. • The Xhariep district is a semi-arid area with extensive farming, mainly sheep. The

	district comprises of open grasslands with small widely dispersed towns. • The availability of Adelaide and Ecca precisely supports the mining activities occurring in the Jagersfontein and Koffiefontein since the rocks type is associated with essential minerals. Mining activities have potential of attracting people and other economic activities. • A few game farms have been identified in Petrusburg, Luckhoff, Phillipolis and Bethulie. • Large portion of the available agricultural land is suitable for livestock production. • The areas north of Koffiefontein, east of Jacobsdal and around Petrusburg have the highest concentration of land suitable for Lucerne. Furthermore, Lucerne suitable areas are mostly found around the region of Jacobsdal, Koffiefontein, Luckhoff, Fauresmith and Smithfield. • Agricultural commodities have been identified for the Xhariep district. They are venison, aquaculture and livestock (beef and mutton. • Agricultural diversity in the Jacobsdal area supported by; • Two-thirds of the district, mainly the region between the towns of Petrusburg, Luckhoff, Fauresmith, Jagersfontein, Philippolis, Springfontein, Trompsburg, Edenburg, Reddersburg, is not suitable to produce vegetables. • The area around Petrusburg, Jacobsdal and Zastron has the highest concentration of suitable land to produce Fats and Oils. • Irrigation scheme to grow irrigated field crops – potato, vegetables; pasture crops Lucerne and permanent crops like pecan nuts
	• Petrusburg area represents a combination of cattle, small stock and cereal farming
	• Koffiefontein and Oppermansgronde with small stock farming inclusive of potential diversification of crops

	•	Irrigation scheme along the Orange river at Vanderkloof Dam with associated tourism activities in Rolfontein Nature Reserve (northern cape)
	•	Existing mining activities at Koffiefontein and Jagersfontein
	•	Historical and cultural experiences at Phillipolis with its own character. The area surrounding Petrusburg and along the N8 to Kimberley is also rich in historical
	•	Tourism route emanating from Jacobsdal to Philippolis.
	•	Strong linkages with Kimberly
	•	Renewable Energy project in proximity to Jacobsdal (Pulida Solar Park – 82.5 MW) Historical buildings & Monuments of 2nd World War Kanonkop (Koffiefontein);
	•	Voortrekker Memorial Anglican Church used in the Boer War (Petrusburg)
	•	The cairn of commander Ds Lubbe (Jacobsdal)
	•	Stone Church and Ossewa Tracks (Luckhoff)
	•	Battle of Driefontein Graves of English soldiers (rural areas)

CHAPTER 4

STATUS QUO ASSESSMENT

Letsemeng Local Municipality comprises of the 5 towns namely, Koffiefontein which is the municipal head office and its economic hub. Letsemeng is known for diamond-mining activity. The municipality includes the towns of Jacobsdal, Koffiefontein, Luckhoff, Oppermansgronde, Petrusburg. The municipality performs some of the functions outlined in Schedules 4 and 5 of the Constitution of the Republic of South Africa Act.

The demographic profile of the municipality according to the most recent information available is shown in the table below:

Description	Stats SA: 2001	Stats SA: 2011	Stats SA: 2022
No. of households	11 949	11 242	10 940
Average people	3.5	3.3	3,9
Total population	42 847	38 628	43 101

Letsemeng Local Municipality is a Collective Executive Committee System, and it consists of the Council, which is the highest decision-making body. Letsemeng Local Council is constituted of 13 Councillors (7 ward councillors and 3 Proportional Representative Councillors).

Below are the names of councillors and constituencies Ward Councillors

WARD	WARD COUNCILLORS
Ward 1	Cllr. Itumeleng Ramohlabi
Ward 2	Cllr. Vuyani Stuurman
Ward 3	Cllr. Molahlehi Lebaka
Ward 4	Cllr. Xolani Mthukwane
Ward 5	Cllr. Thato Khumalo
Ward 6	Cllr. Mokgobo Molosi
Ward 7	Cllr. Semakaleng Lichaba

Proportional Representative Councillors:

Cllr. Andrew Visagie
Cllr. Nikiwe November-Prince
Cllr. Mariska Potgieter
Cllr. Thabo Nthapo
Cllr. Robert Masailane
Cllr. Daleen Terblanche

Significant progress regarding service delivery in the municipality has been recorded over the past years.

The municipality since its inception has been providing basic services as mandated by the Constitution, White Paper on Local Government and this was done in consultation with the communities as mandated by the chapter 4 of Municipal Systems Act 2000.

The following are some of the services that have been rendered to the communities within municipal area:

- Water and Sanitation
- Road & Storm water
- Electricity
- Waste Management

Much of the projects implemented within the municipal area in the past years were funded by MIG, WSIG, INEP this is mainly due to the municipality being unable to collect enough revenue to finance projects.

4.1 MUNICIPAL SWOT ANALYSIS

The Strategic plan of any organization can only be developed once a proper environmental scanning and analysis has been conducted. One of the best-known strategic tools for the detailed analysis is the SWOT analysis.

The SWOT analysis focuses on the internal environment by determining the Strengths and Weaknesses within the organization. When analysing the external environment, the focus is on identifying Opportunities, and Threats facing the organization.

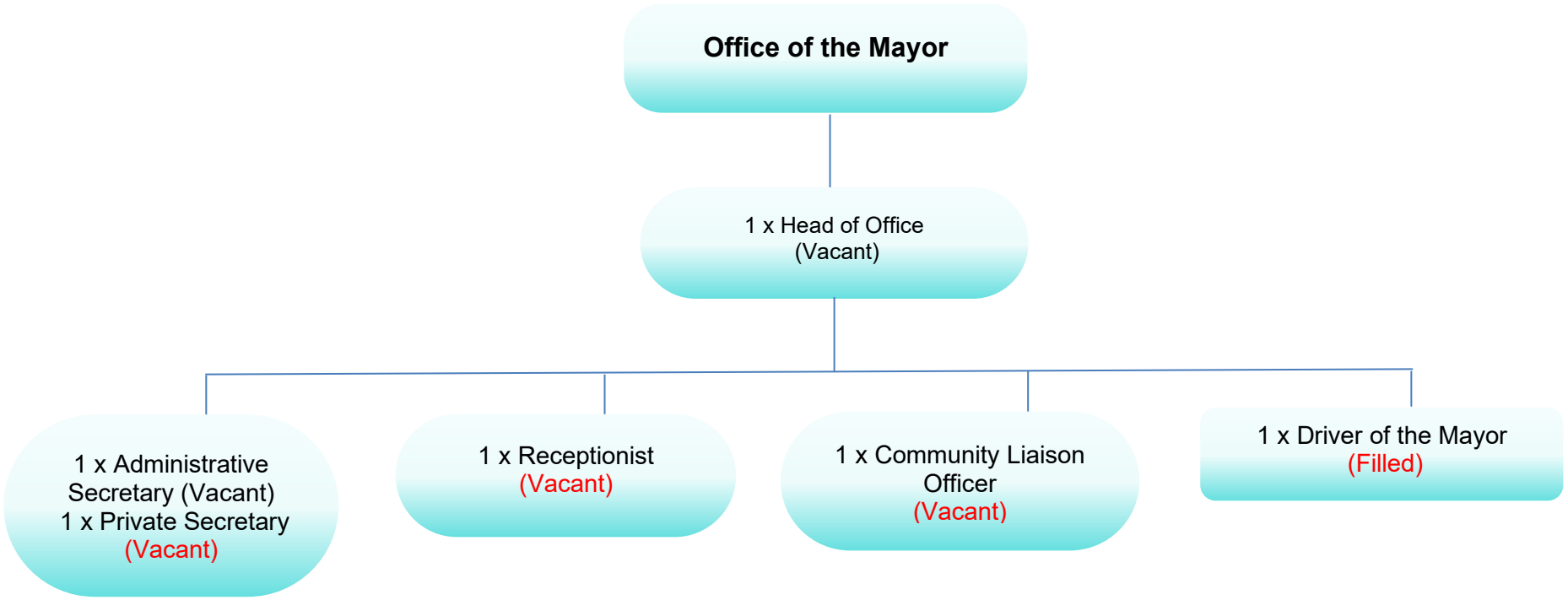
AN OVERVIEW OF CHALLENGES, DEVELOPMENT PRIORITIES, OPPORTUNITIES AND THREATS

KEY FOCUS AREA	CHALLENGES	PRIORITIES	OPPORTUNITIES	THREATS
Service delivery & basic services	Deteriorating infrastructure, possible shortage of water in the long term. Lack of personnel and assets to deliver services Developing of Bi laws	Regular maintenance of infrastructure, implement the infrastructure master plan for long term investment. Filling of vacancies and procurement of fleet	Sustainable infrastructure & economic growth	Natural disasters, community protests & population growth resulting in uncontrollable informal settlements
Local Economic Development	Inadequate land/resources to promote job creation, poverty, inequality & underdevelopment. Under capacitated LED unit	Develop a clear LED Strategy for medium to long term investment and create a conducive economic environment	Sufficient water resources, rich agricultural activities & proximity to mining areas	Inadequate education, skills and expertise
Municipal Transformation & organisational development	Retention of key personnel for institutional memory or lack of succession plans Development of a HR system with job title, description, employment contract, performance agreement and quarterly performance	Develop and Implement the HR Strategy with emphasis on Skills Development, Employee wellness, planning capacity and succession plans.	Skilled personnel with institutional memory will assist in achievement of objectives and development of sustainable programmes/legacy	Poaching of skilled personnel by bigger institutions
Municipal Financial viability & management	Non-payment of services, poverty, financial & records management, revenue injection	Develop & implement a financial plan with emphasis on revenue enhancement &	Additional funding to realise unfunded projects, provision of sustainable services which will	Decreasing of grants, planning & budgeting capacity, poaching of

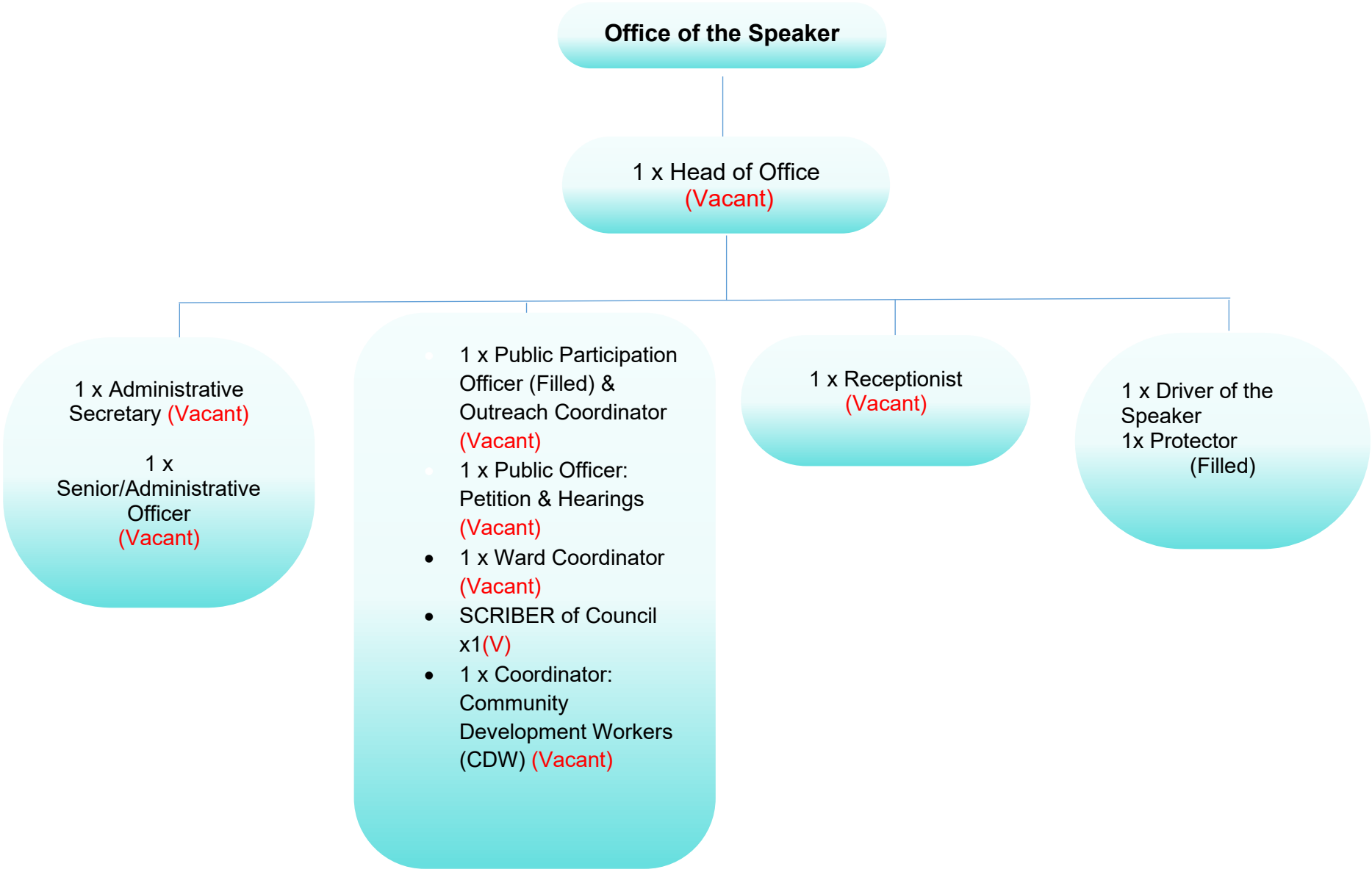
	capacity and irrecoverable debt Not having service level agreement with our creditors	management, obtain clean audit Enter into a service level agreement with all our creditors	in turn attract investors and residents who can pay for services.	skilled personnel and court orders for non-payment of creditors.
Good governance & public participation	Limited resources Financial support of ward committees Under capacitated MPAC functionality	Develop & implement a public participation plan, support the work of ward committees & CDW. Development of UIF reduction strategy and plan for MPAC to monitor and report on. MPAC work plan and capacity training	Political leadership & stability realised through informed decisions.	limited resources to support functionality of council committees and subsequently resulting to poor decision making

LETSEMENG LOCAL MUNICIPALITY AMENDED ORGANIZATIONAL STRUCTURE

EXECUTIVE STRUCTURE

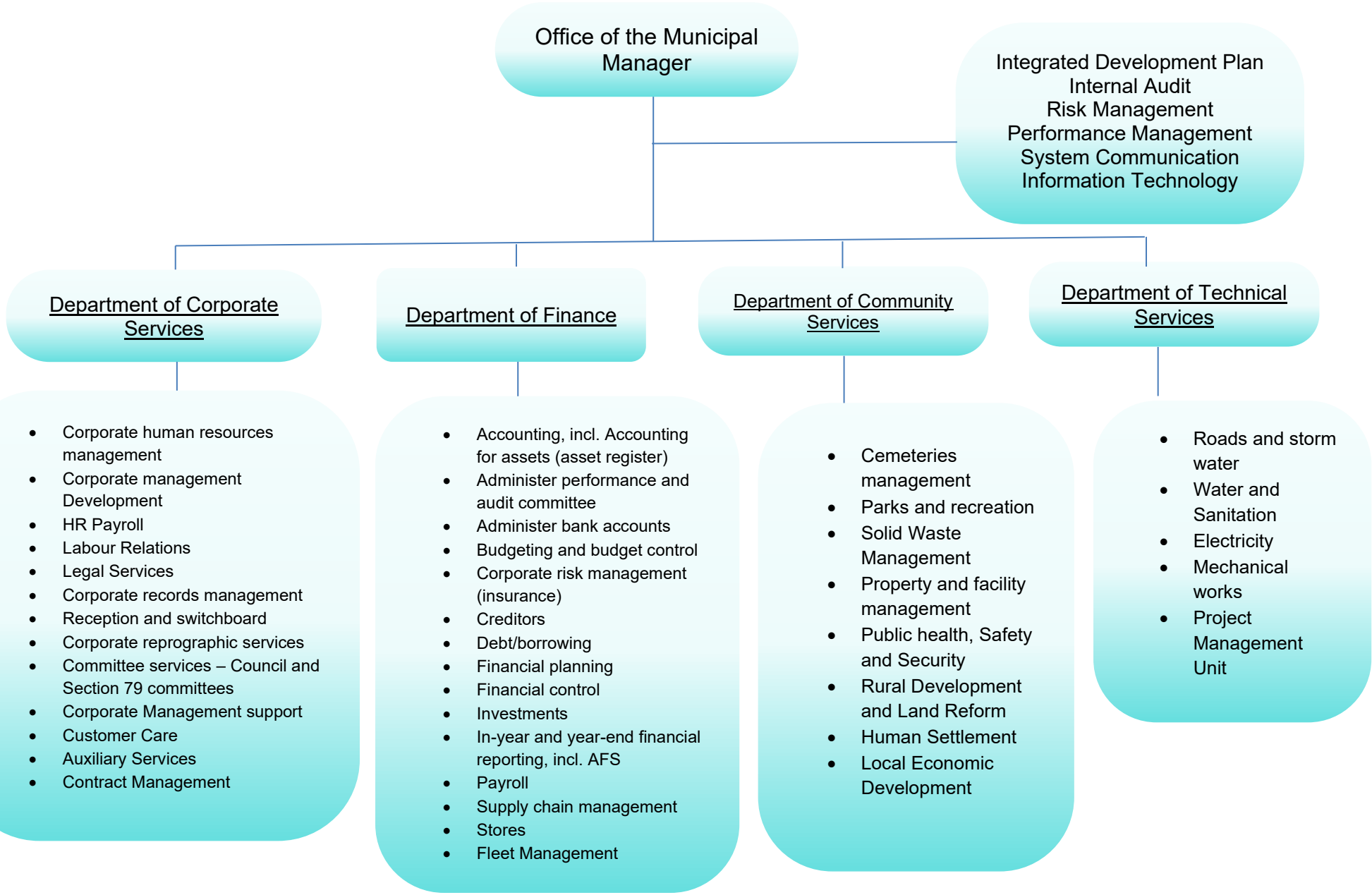


Footnote: In terms section 36 (5) of Local Government; Municipal Structures Act, No. 117 of 1998 a Councillor may not hold office as Speaker and Mayor or Executive Mayor at the same time. In this case Letsemeng Local Municipality shall have a Mayor and a Speaker due to the municipality being an Executive type

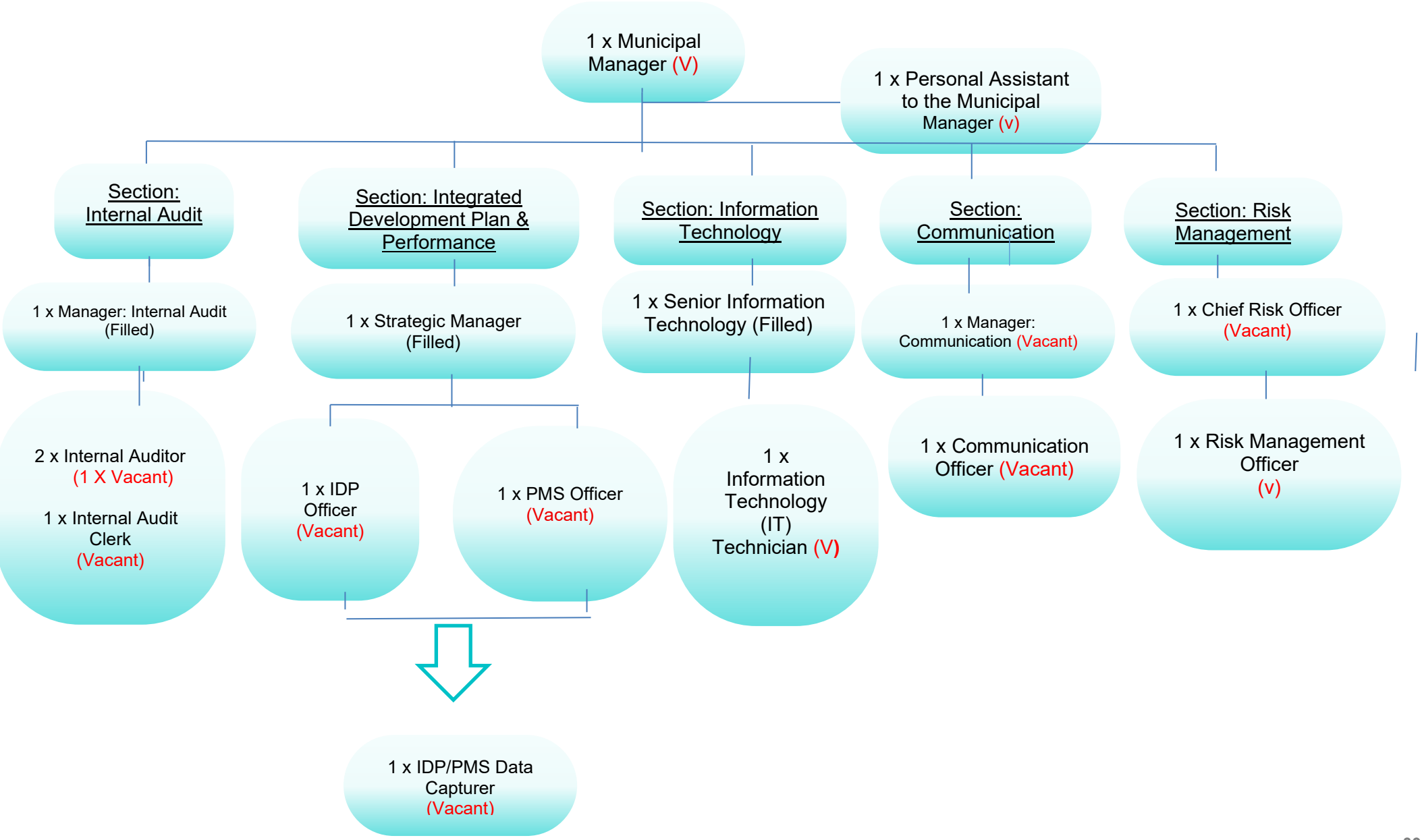

Office of the Speaker
1 x Head of Office (Vacant)
1 x Administrative Secretary (Vacant)
1 x Senior/Administrative Officer (Vacant)
1 x Public Participation Officer (Filled) & Outreach Coordinator (Vacant)
1 x Public Officer: Petition & Hearings (Vacant)
1 x Ward Coordinator (Vacant)
SCRIBER of Council x1(V)
1 x Coordinator: Community Development Workers (CDW) (Vacant)
1 x Receptionist (Vacant)
1 x Driver of the Speaker
1x Protector (Filled)

MACRO - STRUCTURE

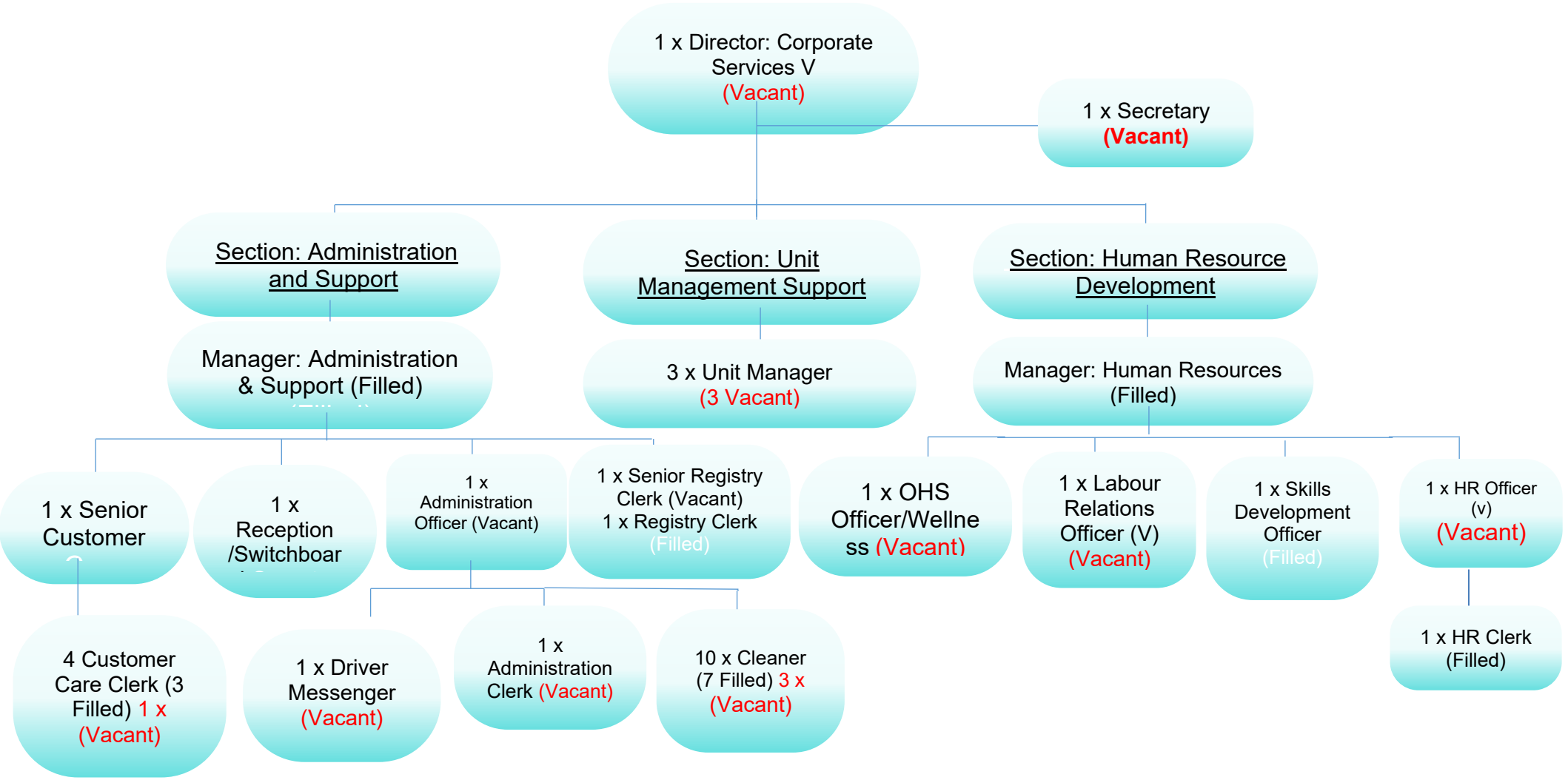
FUNCTIONAL STRUCTURE



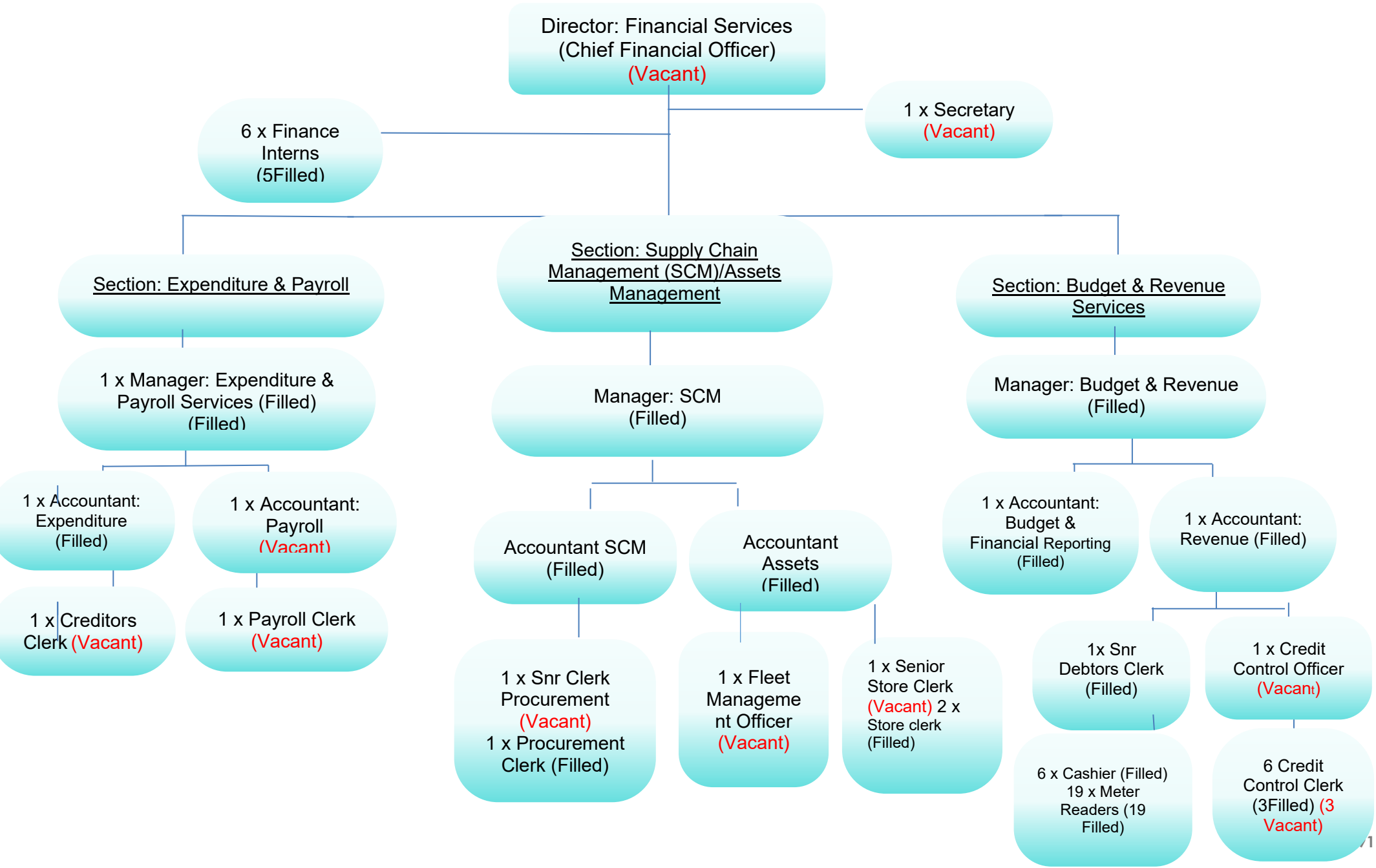
OFFICE OF THE MUNICIPAL MANAGER



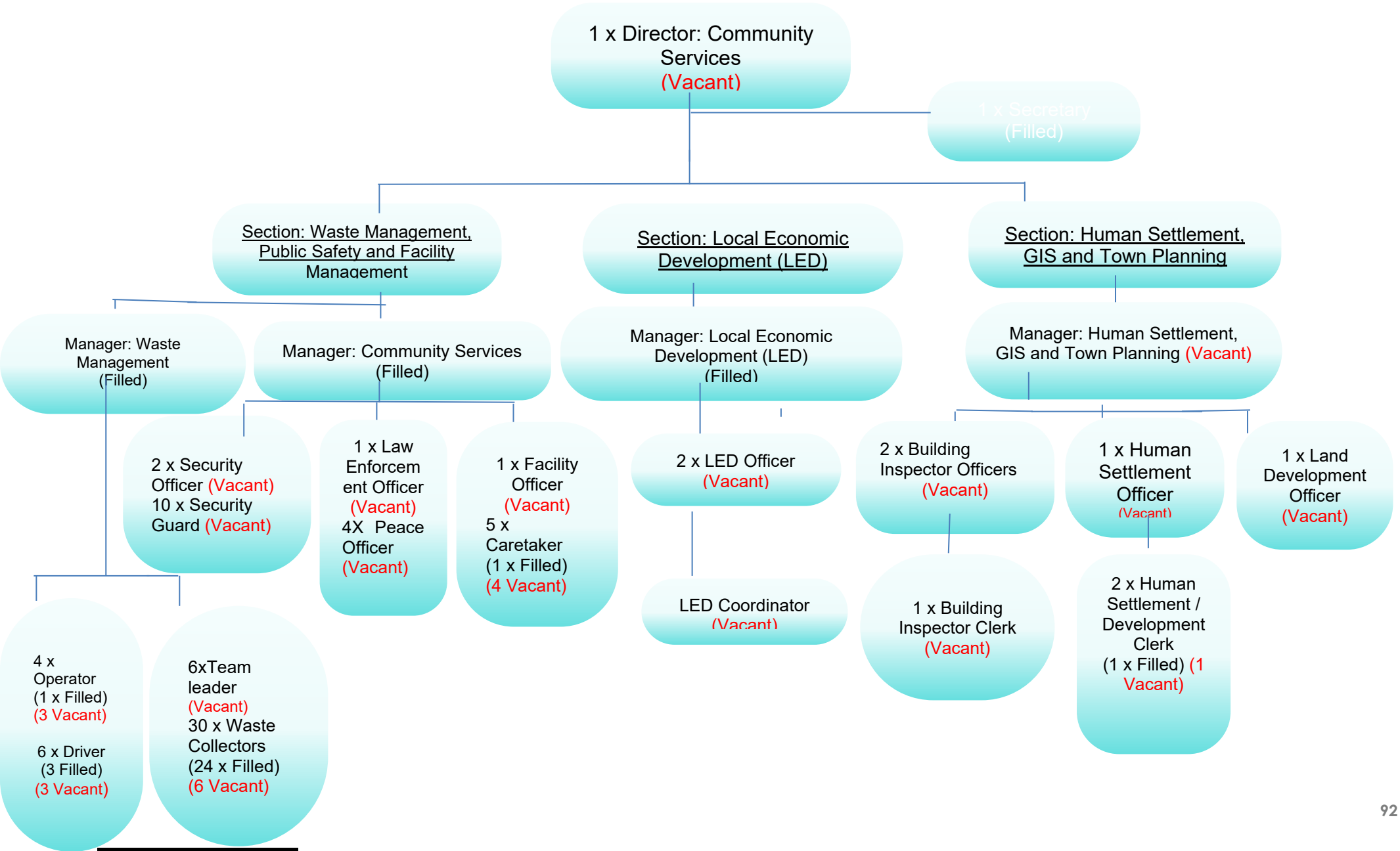
DEPARTMENT OF CORPORTE SERVICES



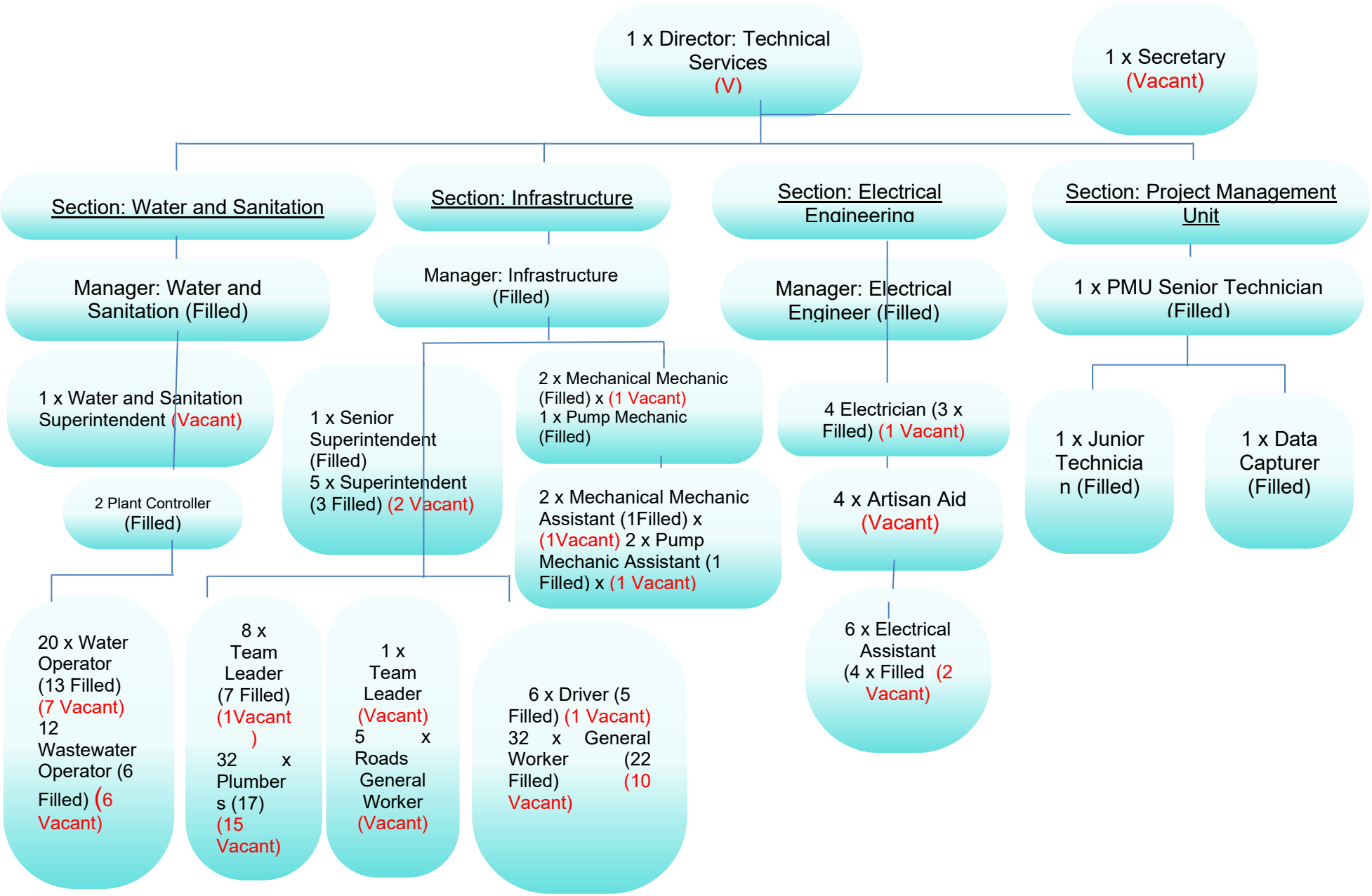
DEPARTMENT OF FINANCE (BUDGET & TREASURY OFFICE)



DEPARTMENT OF COMMUNITY SERVICES



DEPARTMENT OF TECHNICAL SERVICES



4.2 CHALLENGES FACING THE MUNICIPALITY

4.2.1 SERVICE DELIVERY CHALLENGES

Water

Important note!

The municipality developed its water master plan through the support of Chell Engineering SA, CESA (Pty) Ltd appointed by Department of Cooperative Governance and Traditional Affairs to update the existing water master plan compiled in 2015 for Letsemeng Local Municipality (LLM). Most of the information entails the capturing of water infrastructure information, compiling of computer models for the water distribution systems in the different towns in Letsemeng, the assigning of water demand to the models, evaluation of the networks in terms of hydraulic functioning and master planning of the networks to accommodate anticipated future growth as per the Spatial Development Framework.

Due to the increasing of the population, meeting the demand of water versus the supply is a challenge to the municipality as a result water interruption strategy is implemented in all areas in Letsemeng. Leakages from the water canals, boreholes, toilets, in all areas in Letsemeng leads to high water losses.

Most of the fundamental challenge ranges from continuous pipe bursts and blockage, water leakages, replacement of water meters, connection to individual dwellings and water tanks for informal settlements.

Consumption billing in Letsemeng is still a challenge due to water meters that are not working and leakages, however in the 2026/27 financial year the municipality will ensure that if not all most of the residents are billed correctly for consumption.

Sanitation

The main problem under sanitation is sewer spillages and leaking toilet cisterns. There is operations and maintenance plan for municipal properties and the budget allocation for maintenance is minimal thus funding for this financial year will be sourced through collection of revenue to deal with operation and maintenance of the sewer infrastructure

Electricity

Cable theft, infrastructure vandalism and meter tempering also contributes to high electricity losses. The challenges from the 2023/24 financial year had ranged from electrification of newly formalized

settlement particularly Ext 7 in Bolokanang, Petrusburg, fixing of streetlights, erection of high mast lights and maintenance of the existing ones.

Roads and storm water

Roads in the municipality remain a concern as raised by a consistent number of people. Challenges range from potholes, resealing of roads, need for paving, tarred roads and mostly blading and graveling of streets.

Waste management

Lack of adequate specialized equipment and machinery for waste management for landfill site management. Use of unconventional and aged equipment that poses both health and safety and environmental risks and lack of enforcement to eradicate illegal dumping which comes as of townships growing whilst municipal resources are not adjusted accordingly and ever emerging informal settlements.

Human Settlements

Challenges in this area of priority are formalization of informal settlements, land grabs, connection of service to settlements, tittle deeds transfer and the need for RDP housing in all wards.

There is a need for deregistration of sites with untraceable owners and registration of sites as well availing municipal sites with services.

The other challenge raised is the transfer of land and properties to crèches, NGOs, NPOs as when they apply for assistance (Financially) the donor would request that the property should be in their registered names.

LED (Local Economic Development)

There is a need for business sites and development of stalls for SMMEs in Koffiefontein. Renewal of Business licenses and payment and formalising of business particularly the wholesale and retail sector thereof remains a great challenge. Unemployment also contributes to poor local economic conditions; each ward should be given equal temporary employment opportunities.

LOCAL ECONOMIC DEVELOPMENT PRIORITY PROJECTS PER TOWN

SECTOR	DESCRIPTION	TOWN	PROGRESS TO DATE
AGRICULTURE	1. Acquisition of the Jacosbdal Winery for possible revival and to explore the development of alternative job creation projects on the property	Jacobsdal	In progress
	2. Avail municipal land for high impact developmental job creation projects	All towns	
	3. Support for food security projects that can be used to create jobs through community gardens, the municipality will support the existing community gardens or develop ones where there is none	All towns	In progress
	4. Support and Development of Agro Processing initiatives	Koffiefontein	
	5. Complete Value Chain Piggery Export Project	Petrusburg	
	6. Exploration of possible cannabis projects	Koffiefontein/Petrusburg	In progress
	7. Xhariep Export Programme – a number of Public Private Partnership Projects	Luckhoff	
		All towns	

	8. Creation of sustainable jobs through agriculture sector		
ENERGY	1. Make land available for alternative energy sources projects. 2. Letsemeng Community Solar Projects 3. Green Hydrogen production and ammonia project	All towns	In progress
Informal Economy	1. Hawker stalls 2. Taxi ranks 3. Provision for infrastructure	All towns	New
Manufacturing	Brickmaking and Crusher Plant	Koffiefontein	In progress
Mining	Support for artisanal and Small-Scale mining initiatives in our areas	All towns	
MSME Development Initiatives	1. Annual MSME Compliance Workshops 2. Annual Technical Skills Workshops (Plumbing, Artisans, etc.) 3. Letsemeng Pop Up Markets – To assist our local entrepreneurs to market and sell their products/services. 4. Assist with availing business sites for small businesses 5. ATM 6. Usave retail shop 7. Solar geysers for all households 8. Use mine soil for brickmaking projects	All towns Oppermansgronde Oppermansgronde Oppermansgronde Oppermansgronde Luckhoff	

TOURISM	1. Development of Emmaus, to be recognized officially as the centre of South Africa to encourage Tourism activities around the area. 2. Support of local tourism events that are aimed at increasing 3. Upgrading and development of Heritage Sites and Historical Monuments in our towns to be used as tourism attractions economic activities on our area	Petrusburg All towns	
WASTE MANAGEMENT	1. Assist to form cooperatives that will be involved in recycling as a means of generating income while enhancing the cleanliness of the environment 2. Development and Support of recycling initiatives that are aimed at creating new products from the waste material. 3. Licensed dumping sites	All towns	

4.2.2 Summary of Issues

- Aging infrastructure
- Limited resources
- Water and sanitation challenges
- Poor road infrastructure
- Meter not installed, inaccessible or leaking
- Planning for infrastructure
- Contingencies in case of service interruptions
- Infrastructure asset management
- Need to build internal technical capacity
- Need to protect infrastructure and assets from vandalism
- Need to use existing GIS in the municipality

4.2.3 Community Services Challenges

Key Focus Areas	Challenges/Strategic Issues
Social Services	• No dedicated refuse removal trucks • Shortage of staff • New areas requiring extension of services • Some graveyards almost full – need for land • No equipment and staff to maintain graveyards • Illegal dumping remains a challenge • No equipment and staff for illegal dumping • Bulk infrastructure takes long to be provided
Town Planning and Housing.	Shortage of staff
Public Safety and Disaster Management	Shortage of emergency vehicles and staff
Local Economic Development	• LED Strategy outdated • Lack of cooperation from mining houses with SLPs
Sports, Arts, Culture and Recreation	Lack of resources

4.2.3.1 Summary of Issues

- Population growth and urbanization
- Shortage of staff
- Shortage of equipment

- Limited resources or budget
- Land Use scheme not compliant with SPLUMA
- Discipline and absenteeism
- Security of municipal assets
- No Disaster Management Centre and firefighting equipment
- Lack of cooperation from mining company
- How to ensure that illegal landfill sites do not recur
- How do we diversify the economy and improve tourism in Letsemeng
- Revitalize township economy
- Lack of urgency in implementation
- Lack of coordination between departments
- Lack of alignment between housing and infrastructure delivery processes

4.2.4 Finance Challenges

Key Focus Areas	Challenges
Budget, planning, reporting and compliance	Budget not fully MFMA/MSCOA compliant
Billing and accounts Management	Data cleansing still to be completed Shortage of staff Smart water meters needed
Revenue, credit control and debt collection Ma.nagement	Turnaround Plan Water and electricity losses
Expenditure Management	Can still not pay all creditors within 30 days
Supply Chain Management	Lack of procurement plans by user departments and general non-compliance with SCM regulations

4.2.4.1 Summary of Issues

- Some meters cannot be accessed or readings are inaccurate
- Tariffs not cost reflective
- Water and electricity distribution losses
- High levels of indebtedness with Eskom and Water board
- Limited revenue and cash flow crisis
- Unable to pay creditors in time
- SCM compliance and slow processes
- Turnaround time with requisitions

- How does the department maintain balance between budget available and expenditure
- How are we going expand the income/revenue base including raising revenue from unutilized assets of the municipality like the airfield etc
- Lack of implementation and enforcement of credit control policies leading to low revenue collection

4.2.5 Institutional and Organisational Challenges

Key Focus Areas	Challenges
Institutional/Organisational	Organisational structure may need to be reviewed Many vacancies not filled due to financial constraints and unresolved issues with labour Unions Process difficult to manage as expectations for promotions seem to have been created
Training and capacity building	Still need to close the skills gap in certain critical service delivery areas.
Labour Relations	LLF not functioning fully due to disputes including placement process
Employee Wellness	More may need to be done
Management	General reluctance to discipline staff Management of overtime remains a challenge

4.2.5.1 Summary of Issues

- Lack of Human Resource Planning/Management Strategy
- Organisational Structure review, adaptation and implementation
- High vacancy in the municipality
- Appropriate placement of staff
- Discipline and Consequence Management
- Modernisation or automation of HR systems
- Innovation and creativity to source capacity
- Low staff morale
- Silo mentality
- Poor management of overtime
- Non-functional LLF
- Lack of implementation of employee wellness programme
- Lack of PMS for line managers
- Placement of unqualified staff in certain positions

- Lack of personnel in critical positions
- Lack of tools of trade including laptops etc
- Lack of implementation of management decisions

CHAPTER 5

KEY PERFORMANCE AREAS

The Letsemeng Local Municipality has aligned its IDP with the top – level Service Delivery Budget Implementation Plan to achieve the Strategic Objectives as set out in the IDP. The Service Delivery and Budget

Implementation Plan (SDBIP) is defined in Chapter one of the MFMA as "a detailed plan approved by the Mayor of a Municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget". Essentially the SDBIP is the Council's operational business plan and is an integral part of the planning, implementation and reporting processes.

Although the SDBIP only needs to be approved by the Mayor 28 days after approval of the budget, its preparation occurs in tandem with the IDP and MTREF process.

The SDBIP of Letsemeng Local Municipality is aligned with the:-

IDP Strategic Objectives: this is the primary alignment of the SDBIP and serves as the bases of the Annual

Performance Report and informs Chapter three of the Annual Report;

- IDP Pre-determined Objectives
- National Outcomes
- National Key Performance Areas
- National Development Plan; and
- Provincial Strategic Outcomes

The various objectives, plans and outcomes are contained within the IDP as follows and covers the following six

Key Performance Areas of Local

Government:

1. Service Delivery and Infrastructure

Development

2. Financial Viability and Management
3. Local Economic Development
4. Public Participation and Good Governance
5. Municipal Transformation and Institutional Development
6. Spatial Development Framework

The municipality has set itself the following developmental objectives for the next 5 years ahead:

- Accelerated and improved basic service delivery to communities
- Financial viability and sustainability
- Good governance and Public Participation
- 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

The SDBIP is utilised as the basis of Council's Performance Management System (PMS) and has the following objectives and uses:

- To facilitate strategy (IDP) deployment throughout the municipality, and ensure alignment of strategic objectives
- To transform the Strategic Objectives; Vision; Mission; and the IDP into clear and measurable deliverables
- To create an organisational performance culture (culture of best practices)
- To provide early warning signals
- To promote accountability
- To develop open and constructive relationship between customers, leadership and employees
- To manage and improve poor performance; and
- To link performance to skills development and career planning, therefore encourage learning and growth.

5.1 SERVICES DELIVERY AND INFRASTRUCTURE DEVELOPMENT

5.1.1 WATER SERVICES AND SANITATION SERVICES

Strategic Objective

To provide quality and sustainable water and sanitation services to all the households, schools, clinics, public facilities and businesses.

Intended Outcome

Access to quality and sustainable water and sanitation services by households, schools, clinics, public facilities and businesses.

Water service development plan

The municipality have a water service development plan which dates back to 2018 and needs to prepare another water service development plan to be in-line with the current development system-based water service development planning by DWS.

Operations and maintenance plan.

The municipality does have an operations and maintenance plan for water infrastructure plan.

NDP objectives, actions and Free State growth and development strategy and LLM

OBJECTIVES	ACTIONS	MUNICIPAL ACTIONS
NDP objectives, actions		
Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry, recognising the trade-offs in the use of water	A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2022, with reviews every five years.	The municipality must review the water service development plan. The municipality has requested support from the Department of Water and Sanitation to assist in reviewing the water service development to be in-line with the current development system base water service development planning.
Free State growth and development strategy		
Maintain and upgrade basic infrastructure at local level	Develop water and sanitation master plans for municipalities	The municipality has Water and Sanitation master plans. The council has approved the request for new funding methods to Infrastructure South Africa focusing on water and sanitation
Improve technical capacity of local municipalities for sustainable local infrastructure	Provide training on compliance, operations and maintenance in line the terms of the relevant Act.	All the relevant officials working on water and sanitation needs to be subjected to training on Compliance, operations and maintenance.
Provide and upgrade bulk services	Ensure compliance of waste-water treatment (new and upgraded) with the Green Drop standards in all towns and new developments.	The municipality has upgraded the waste- water treatment works in Petrusburg and Koffiefontein and must ensure that it complies with the requirements of the Green Drop standards.

Access to Portable Water and Adequate Sanitation

Letsemeng Local Municipality is both water services authority and water services provider. Bulk water is supplied by Water user association Oranjeriet and Kalkfontein. The municipality supplies clean drinking water to all five towns and still enforcing water restrictions due to the challenge of water shortages.

Statistics for basic water services

AREA		HOUSEHOLDS		
	Piped (tap) inside dwelling/yard	Piped (tap) water on community stand	No access to piped (tap) water	**Total**
Koffiefontein	3180	8	15	3203
Ratanang	1105	1	6	1112
Jacobsdal	646	354	3	1003
Petrusburg	2400	154	85	2639
Oppermansgronde	230	-	-	230
Luckhoff	1004	0	3	1007
TOTAL	**9987**	**788**	**243**	**11242**

New developments and informal settlements

AREA	NO OF HOUSEHOLDS IN AREA	WATER	SANITATION	VIP TOILETS	BUCKET TOILETS	ELECTRICITY
Jacobsdal Phambili	230	**8 JoJo Tanks** within a 200m walking distance	0	0	0	None
Petrusburg Bolokanang New Development Extension 7	1000	**6 Communal standpipes** at some point where there is reticulation and 10 JoJo	None	0	0	None

		Tanks within a 200m walking distance				
Jacobsdal Reimvasmaak and Donkerhoek	538	**9 JoJo Tanks within a 200m walking distance**	0	0	252	None
Luckhoff Relebohile	4	**1 Communal standpipe** at some point where there is reticulation	None	0	0	0
Oppermansgronde	11	11	11	0	0	0

Letsemeng Local Municipality Water Supply versus Water Demand

TOWN	SUPPLY	DEMAND
Koffiefontein	4,5 ML	7,5ML
Petrusburg	1,05ML	2,2ML
Jacobsdal	4,2ML	3,1ML
Oppermansgronde	0,39ML	0,39ML
Luckhoff	0,9ML	2,4ML

Challenges and interventions required
Water status quo:

AREA	STATUS	INTERVENTIONS REQUIRED
Koffiefontein	- Unreliable Water supply due to low capacity of the water treatment works - During the 2021/22 financial year Koffiefontein and Ditlhake Bulk water storage (4.5 ML Reservoir) and Refurbishment of Water Treatment plant that started in the financial year 2021/22	- Complete the Koffiefontein and Ditlhake Bulk Water Storage (4.5 Ml Reservoir) and Refurbishment of Water Treatment Plant - Ongoing water connections at 252 sites

	- Projected got stalled due to pending court case	
Petrusburg	- Low- capacity boreholes - Additional boreholes required to meet the demand - Feasibility study is needed to for alternative source of water - Challenges of low pressure and lime scale blocking the reticulation process - Nkululeko and Hanniville	- The Municipality has procured materials and supplies for the repairs of 5 boreholes, however only 2 boreholes were repaired and are operational: BH15 and BH21. BH03, 06 & 07 repairs to be done once the outstanding electrical material is procured for connection. - Challenges on pressure- Currently, Process Controllers utilising the Valve controller to manage the pressure - DWS conducted a feasibility study for alternative water supply - Process Controllers and Team Leader to control water by continuously pumping water down to areas like, Nkululeko and Hanniville around 2 am - The municipality has procured material for the replacement of reticulation pipes in Hanniville, the only challenge is the unavailability of a TLB for excavation work. - The laboratory did assessments on lime scale and blockages affecting reticulation the report is yet to be tabled to S80 Committee
Jacobsdal	- Unreliable water supply due to operations at the Water Plant - High Water Losses at the Canal	- The main challenge is to get the plant fully operational and assistance on issues related to O&M. - The municipality requested assistance from the HOD of COGTA for Vaal Central Water to assist the municipality. The HOD approved and further engaged VCW, currently awaiting their response - The Jacobsdal Canal Pipelines project has been moved to 2027/28 financial year due to limited budget allocations

Luckhoff	- Raw water Canal - Inadequate capacity to cater for the demand,	- The municipality is busy preparing a business plan for MIG funding for the implementation in the 2026/27 financial year to repair the raw water Canal pumpstation **(i)** Replacement of asbestos pipeline **(ii)** Repairs of the Town reservoir and booster pumpstation - Business plan for the upgrading of the WTW to be prepared and submitted to sector department
Oppermansgronde	Challenging, canal maintenance (Dry weeks twice a year)	Water storages were upgraded to 5ML
Informal Settlements (Phambili)	Water trucked and stored in JoJo tanks.	Formalise the areas or relocate them to formalised areas. • **Social Facilitation:** Done • **Contour/Aerial survey:** Done • Conveyancer Certificate: Received • **EIA:** Draft submitted to DESTEA for evaluation pending Final submission • **Geo-tech report:** Completed • **TIA:** Draft report • **Services report:** Draft report • **Layout design:** Application made to South African National Park through its Corporate Social Investment to provide a borehole in the area for access to clean and reliable water supply.
New Developments	- Water trucked and stored in Jojo tanks - At some places there are communal standpipes where reticulation is closer	- Schedule that Truck driver and team be made available to Ward Councillors - Infrastructure to ensure weekly cleaning of Jojo tanks

Sanitation status quo:

AREA	STATUS	INTERVENTIONS REQUIRED
Koffiefontein	• None operational Wastewater treatment Works (WWTW) • Continuous sewer spillages from the main pump-station because of frequent vandalism and cable theft.	• Implementation of Koffiefontein Construction of Wastewater Treatment Works (WWTW) • Repairing of the four (4) sewer pump-stations project to be implemented in the 2026/27 financial year
Petrusburg	• Frequent blockages on the main lines, reticulation being upgraded, and the sewer pump-station is not fully functional • VIP Toilets as form of basic sanitation, due to the water shortages in Petrusburg.	• Implementation of urgent repair works on Petrusburg pump-station and outfall line, the project is on practical completion. • Maintenance by using the Honey Sucker.
Jacobsdal	There is a challenge of sewer pipeline (household-connection and main pipeline) as a result of the size-diameter and construction of manhole in the entire reticulation Bucket system as a form of basic sanitation.	• Upgrading of the outfall sewer pipeline in Jacobsdal (94 % progress) • Request funding from relevant sector department for construction of sewer reticulation. Refurbishment of WWTW project
Luckhoff	The bulk outfall sewer pipeline from Luckhoff to Teisesville up to the Wastewater Treatment Plant (WWTP) requires upgrading to be able to accommodate future possible overflows.	• Business plans were submitted to DWS and approval was granted • Approved budget funded through MIG for implementation during the 2025/26 financial year
Oppermansgronde	Refurbishment of sewer pump-station that causes spillages due to constant mechanical and electrical failures at the WWTW	• Business plan was submitted for the upgrading of the Oppermansgronde Wastewater Treatment Works (WWTW) project • Technical report submitted and awaited approval from the Department of Water and Sanitation (DWS)

Informal Settlements (Phambili)	No acceptable form of sanitation	Formalise the areas or relocate them to formalised areas. • **Social Facilitation:** Done • **Contour/Aerial survey:** Done • Conveyancer Certificate: Received • **EIA:** Draft submitted to DESTEA for evaluation pending Final submission • Geo-tech report: Completed • **TIA:** Draft report • Services report: Draft report • Layout design: Done (Yielded approximately 250 stand) ISUP Grant through the Department of Human Settlement has been approved for 2024/25 financial year

5.1.2 ELECTRICITY AND ENERGY

Strategic objective

To provide and maintain sustainable and improved capacity of electricity services to all households, schools, clinics, public facilities and businesses. To provide safe, reliable and uninterrupted supply to our communities.

Intended Outcome

Access to sustainable and improved capacity of electricity services by all households, schools, clinics, public facilities and businesses. To improve socio economic activities and public lighting.

Electrical Master Plan

- The municipality have electrical master development plan which dates to 2018 and needs to prepare another electrical master development plan to be in-line with the current developments and ground scenarios.
- System-based Electrical master plan development planning by CoGTA & DMRE.
- Electrical Operations and maintenance plan
- The municipality has Electrical operations and maintenance plans in place; however it needs to be updated.
- Municipality has also with the assistance of SALGA developed draft By-Laws.

NDP objectives, actions and Free State growth and development strategy and LLM:

OBJECTIVES	ACTIONS	MUNICIPAL ACTIONS
NDP objectives, actions		
The proportion of people with access to the electricity grid should rise to at least 90 percent by 2030, with non-grid options available for the rest. The country would need an additional 29 000MW of electricity by 2030. About 10 900MW of existing capacity is to be retired, implying new build of more than 40 000MW. At least 20 000MW of this capacity should come from renewable sources. At least 20 000MW of this capacity should come from renewable sources	Ring-fence the electricity distribution businesses of the 12 largest municipalities (which account for 80 percent of supply), resolve maintenance and refurbishment backlogs and develop a financing plan, alongside investment in human capital.	The municipality with source funding in order to implement the current electricity operations and maintenance plan. Municipality already by 2023/24 Financial Year has reached universal access. All households within municipal supply area have access to basic electricity. The municipality will request assistance from DMRE, SEA, MISA and CoGTA with technical expertise to conduct investigation for alternative renewable energy sources.
Free State growth and development strategy		
Maintain and upgrade basic infrastructure at local level	Develop electricity master plans for municipalities. Dedicate funding for maintenance of current infrastructure.	The municipality with source funding in order to implement the current electricity operations and maintenance plan.
Implement alternative electricity infrastructure	Promote and facilitate solar water heating and areal/ street lighting for energy saving.	The municipality will request assistance from DMRE, SEA, MISA and CoGTA with technical expertise to conduct investigation for alternative renewable energy sources.

Provide and upgrade bulk services	Address electricity bulk infrastructure backlog.	Formalised households, public facilities and businesses have access to electricity in the municipality. Electrification of 1000 households currently at 100 % complete Phambili informal settlement budged has been approved and awaiting implementation in 2025/26 financial year.

Access to electricity services.

- **Letsemeng Local Municipality** and Eskom are jointly supplying electricity in Letsemeng vicinity, electricity is currently the main source of income for LLM. The municipality have reached universal access in terms of electricity supply. The aging infrastructure is taking its toll on LLM's side of the supply.
- LLM supplies Koffiefontein, Petrusburg town, Extension 7 in Bolokanang and part of location in Luckhoff, and newly established area in Jacobsdal, Oppermansgronde and the rest are entirely supplied by Eskom, and LLM is only responsible for public lighting, sewer and water plants.
- Access to public lighting

DMRE via EEDSM funding has allocated funding of R9 million in assistance of retrofitting public lighting (Street lights & High Mast lights) across the municipal vicinity. MIG grant also assisted with construction and installation of 18 High mast lights to improve socio economic and night activities promoting safety in communities.

The Public Lighting infrastructure consists mainly of the following:

Number of Street lights:

- Koffiefontein: 247
- Luckhoff: 70
- Jacobsdal.: 102
- Petrusburg: 119
- Oppermansgronde: 0

Number of High mast lights:

- Koffiefontein: 25
- Luckhoff: 18
- Jacobsdal: 21

- Petrusburg: 22
- Oppermansgronde: 10

Challenges

1. Aging/dipilated of electricity infrastructure
2. Tempering of electricity meters and theft of electricity, irregular usage and electrical theft
3. The curbing of infrastructure (cable) theft leads to huge financial losses and power failures.
4. Provision of sufficient capital or funds for network and public lighting maintenance, upgrading and additional of new developments.
5. Electricity networks in Koffiefontein and Petrusburg are partially unstable during windy weather conditions.
6. Shortage of capacitated electricity vehicles per town and high lifting equipment (Crane or Cherry picker)
7. Electrification of approximately 235 households in Phambili
8. Shortage of staff personnel

Interventions

1. Implementation of credit control measures for illegal connections, theft and non-payment of electricity;
2. Approval of electricity Bi laws in this financial year 2025/26
3. Implementation of electricity smart meters – Provincial treasury assisted with funding; however it was not sufficient.
4. Implementation of the operation and maintenance electricity plan
5. Source funding to address the aging electrical infrastructure and upgrade Electricity networks with security features.
6. Implement the Phambili electrification project as the budged is already approved by DMRE: INEP.

Electricity status quo:

AREA	STATUS	INTERVENTIONS REQUIRED
Koffiefontein	- Bulk Feeder lines aged causing cut-offs windy or rainy days. - Cable theft at pump stations - Old metering system/ Bypassed and unmetered municipal own usage. - Excessive overtime as a result of limited labour force	- Request funding to replace all aged power lines and install ABC conductors - Upgrade security in substations and pump stations - Patrol officials to safeguard transformers and household cables from theft

	- Shortage of energy (single phase metered households are depleted) - Irregular usage of electricity	- Municipality currently conducting systematic filed assessment looking for irregular connections/meter audit. - Municipality has started to introduce split meters to avoid electrical theft. - Improve revenue collection and request relevant sector department to intervene.
Petrusburg	- Aging infrastructure in town	- Request funding to relevant sector department to replace the aged infrastructure in town that is tensioning the current cables
Jacobsdal	- Reliable Supply - Lack of Public Lighting	- Four high mast lights contructed - The municipality is currently conducting maintenance on the existing ones
Luckhoff	Reliable supply and public lighting	None.
Oppermansgronde	Reliable supply and public lighting	None

5.1.3 ROADS AND STORMWATER

Strategic objective

To provide and maintain accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water infrastructure.

Intended outcome

Accessible roads and properly maintained roads and storm water infrastructure.

Status of integrated Transport plan

The municipality had an integrated transport plan which was developed with the assistance of provincial department of roads and transport. The plan will be updated to state the current developments and subjected to the public participation process in line with IDP processes.

Roads and Storm-water service levels

- **LLM** has about 209.56km or Streets in 5 Towns. The table below shows the length of the existing roads per Town. Out of the 78.81km paved roads, 70% of them are in a poor condition if not very poor.
- The Municipality was able to improve the paved roads in Koffiefontein and Luckhoff during the 2016/17 and 2017/18 financial year respectively, even though LLM towns are not completely paved.
- The condition is deteriorating at a fast pace since the existing potholes and cracks are not being attended as soon as they surface.
- Further to that some of the blocked storm water channels are being attended using EPWP participants and technical department will be embarking on a potholes repair programme, and this activity will be ongoing as a short term.

Council has approved request to request funding from Infrastructure South Africa to deal with roads and storm water drainage during financial year 2024/25 and for outer years.

TOWN	PAVED ROADS (KM'S)	GRAVEL ROADS (KM'S)
Jacobsdal	13	22.6
Luckhoff	10.6	20.6
Petrusburg	15.5	47,249
Oppermans	2.5	16.2
Koffi efontein	23.7	24.1
TOTALS	**78.81**	**130.7**

Roads and storm-water status quo:

AREA	STATUS	INTERVENTIONS REQUIRED
Koffiefontein	- Poor condition of roads with about 6000m^2 potholes - Some of the roads require resurfacing. - Available storm water v-drains not serving any purpose since they don't deliver to any main or major drains	- Repair all the existing potholes, - Resurface all the dilapidated roads, - Where possible, replace the tar road with a block paving - Construction of 1,3km paved road and storm-water in Diamanthoogte
Petrusburg	- Poor condition of roads with about 2500m^2 potholes - Some of the roads require resurfacing. - Available storm water v-drains not serving any purpose to either the main or major drains.	- Repair all the existing potholes, - Resurface all the dilapidated roads, - Where possible, replace the tar road with a block paving. - Gravel all earth roads
Jacobsdal	- Poor condition of roads with about 2000m2 potholes - Some of the roads require resurfacing. - Available storm water v-drains not serving any purpose since the don't deliver to any main or major drains	- Repair all the existing potholes, - Resurface all the dilapidated roads, - Where possible, replace the tar road with a block paving. - Gravel all earth roads

Luckhoff	- Poor condition of roads with about 700m^2 potholes - Some of the roads require resurfacing. - Available storm water v-drains not serving any purpose since they don't deliver to any main or major drains	- Repair all the existing potholes, - Resurface all the dilapidated roads, - Where possible, replace the tar road with a block paving - Gravel all earth roads
Oppermansgronde	- Poor condition of roads with about 150m2 potholes - Some of the roads require resurfacing. - Available storm water v-drains not serving any purpose since it doesn't deliver to any main or major drains	- Close the existing potholes, - Request the provincial Roads department - to repair the dilapidated Jacobsdal Road to Oppermansgronde - Gravel all earth roads

5.1.4 WASTE MANAGEMENT

Strategic objective

To provide regular and sustainable refuse removal services to the households, schools, clinics, public facilities, businesses etc. And maintain adequate and effective waste management to ensure compliance with applicable laws.

Intended Outcome Access

To regular and sustainable refuse removal services to the households, schools, clinics, public facilities, businesses etc. And maintained licenced land fill sites.

Integrated waste management plan

The Letsemeng LM started with the review process for its IWMP during the financial year 2023/24 and the plan is due for public participation in the new financial year 2026/27. The Integrated Waste Management Plan is the most critical planning tool for the municipality on waste management and the support it provides to its local recyclers and stakeholders who engage in waste minimisation programmes. The Letsemeng Local Municipality forms part of the Free State Provincial Waste Management Officers' Forum. Review & adoption as well as implementation of the Integrated Waste Management Plan will be the focus during the coming municipal financial year of 2026/27.

NDP objectives, actions and Free State growth and development strategy and LLM:

OBJECTIVES	ACTIONS	MUNICIPAL ACTIONS
NDP objectives, actions		
Absolute reductions in the total volume of waste disposed to landfill each year	Carbon price, building standards, vehicle emission standards and municipal regulations to achieve scale in stimulating renewable energy, waste recycling and in retrofitting buildings	The municipality is assisting the local recyclers to collect recyclable waste by providing transport and storage facility.

Refuse removal

The municipality removes refuse once a week in every town as follows;

TOWN	DAYS
Petrusburg and Bolokanang	Mondays
Jacobsdal and Ratanang	Tuesdays
Luckhoff, Relebohile and Oppermansgronde	Wednesdays
Koffiefontein	Thursdays
Ditlhake	Fridays

Landfill sites.

TOWNS	STATUS
Petrusburg	Licensed
Luckhoff	Not Licensed
Koffiefontein	Not licensed
Jacobsdal	Not licensed
Oppermansgronde	The municipality uses a private landfill sites and business plans have been submitted for the development of all new landfill sites

Challenges

1. Illegal dumping
2. The challenge with all the landfill sites is non-maintenance because of lack of heavy machinery.

Interventions.

1. Submit a business plan for funding for new landfill site and fleet.
2. Avail a site for a new landfill in Luckhoff.
3. Education campaign for the community to keep the environment tidy.
4. Turn dumping sites into food gardens.
5. Trace residents that have not occupied their residential sites given to them by the municipality.

5.1.5 HUMAN SETTLEMENTS

Strategic objective

To ensure the provision of formal settlement for the poorest of the poor with the intention to eradicate informal settlement and promote better life for all.

Intended outcome.

Access to formal settlement for the poorest of the poor, eradicated informal settlement and better life for all.

NDP objectives, actions and Free State growth and development strategy and LLM:

OBJECTIVES	ACTIONS	MUNICIPAL ACTIONS
NDP objectives, actions		
Strong and efficient spatial planning system, well integrated across the spheres of government. Upgrade all informal settlements on suitable, well-located land by 2030.	Introduce spatial development framework and norms, including improving the balance between Location of jobs and people.	The municipality must revise the Spatial Development Framework in line with the provisions of SPLUMA with the assistance of CoGTA and ensure that it is approved by council.
Free State growth and development strategy		

Accelerate and streamline township establishment processes and procedures to ensure sustainable settlement.	Improve the quality of Spatial Development Frameworks to include master planning in areas of interest, town planning schemes, availability of services.	The municipality must revise the Spatial Development Framework in line with the provisions of SPLUMA with the assistance of CoGTA and ensure that it is approved by council.
Ensure that municipalities, councillors, officials, the community at large and private sector role players are capacitated to accelerate sustainable human settlement development.	Increase awareness amongst officials, councillors and other social partners on the New Comprehensive Plan for Sustainable Human Settlements. Improve the quality of contractors through effective training programmes, grading and ranking of contractor performance and contractor registration with the National Home Building Regulatory Council. Enhance opportunities for capacity building in town planning, project management, engineering, urban design and property management.	Council had approved an Integrated human settlement sector plan in 2018 and it needs to be revised and councillors and management needs to be work-shopped management.
Promote and support integrated, inclusive, sustainable human settlement development	Put emphasis on densification of new developments, to improve overall settlement efficiency and resource utilization. Improve access to the basic social and economic amenities programme. Facilitate the implementation of the communal land right programme. Intensify the informal settlements upgrading programme.	The municipality with the assistance of the department of human settlement and CoGTA must review the SDF to identify areas for new development, communal land and improve access to basic social and economic amenities as outlined in the human settlement sector plan.

Backlog information and identified housing needs.

The municipality maintains a waiting list for all housing and statistical information for the number of households in the informal settlements as the basis for determination of the housing backlog in the municipality. Included in the Human settlement sector plan in the detailed information pertaining to the informal settlements per ward and the level of services accessible to the settlements.

5.2 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Strategic Objective

- An effective administration capable of sustainable service delivery.
- Intended outcome
- To create an efficient, effective and accountable administration.

Institutional Arrangements

The municipality has its Human Resource Management Policy Manual that encompasses all aspects that pertain to Human Resources Management as well as Human Resources Development. The Municipality is in the process of finalising the review of Human Resources Management Policy Manual. The Human Resources Policy Manual is used in conjunction with Local Government: Regulations on appointment and conditions of employment of Senior Managers.

The current Municipal Organizational Structure was tabled before Council for approval in 2020 financial year. Municipality is in the process of reviewing the organisation structure, it is anticipated that the structure will be approved by August 2025. There are positions that must be filled as a matter of urgency as the vacancies impedes the Municipality to deliver effective and quality services to the communities.

The Municipality has a Workplace Skills Plan which was conducted in consultation with relevant Stakeholders. The programmes in the Training Plan which are part of the WSP are being planned in anticipation to address the skills gaps that were revealed during the Skill Audit that was conducted. The municipality conducted a skills audit to identify the skills gaps amongst the employees of the municipality. Thereafter the Skills Development Facilitator consulted with all relevant stakeholders and collectively identify training needs that will address those identified skills gaps

Performance Management System

The Performance Management System of the municipality is currently confined to Senior Managers reporting directly to the Accounting Officer as well as that of the Accounting Officer. This has caused a high level of complacency and underperformance in the municipality, and the municipality is

currently in the process of cascading the Organisational Performance Management System to each and every individual employee of the Municipality.

Human Resource Management

The municipality has functional Human Resource Management Unit consisting of the following subcomponents;

- Recruitment and Selection
- Training and Development
- Labour Relations
- Occupational Health and Safety
- Leave Management
- Remuneration and Benefits (Employee Wellness).

Recruitment and Selection are being remunerated in accordance with the collective agreement. The municipality is assisting employees on their well-being and programmes are initiated based on the number of employees who experience social problems. However, such employees are referred to the rehabilitation centres.

5.3 INFORMATION TECHNOLOGY NETWORK INFRASTRUCTURE

Due to the work done by many service providers over the years, the network infrastructure has been done without any standard, this affecting everyday computing whether over the network and/or internet. A tender was advertised for the work and will probably start working before the end of June 2019.

The Project was completed and covered all 4 buildings in Koffiefontein including the server room.

The work that will be covered during this project includes that is not limited to: to design, implement and install a network infrastructure for the Head Office, Mayor's Office, Store Building, Community Service and the Technical Service building. Renovations to the server room will also be covered during the project.

- ICT Policies and ICT Governance Framework

The policies and governance framework were approved by council on 2019/08/29

- Business Continuity Plan

Financial year of 2019/20 the Municipality will develop a Business continuity plan, the plan is of most importance as it will guide the municipality through all different phases during any event of a disaster

that may disrupt everyday computing whether on our local network and internet.

The plan is covered in the ICT disaster recovery policy and backup policy

- **ICT Strategic Objectives of ICT Three years Master Plan**

These documents are also being planned for development during the 2019/20 financial year. To plan growth of the municipality these documents will be essential to accommodate this future growth.

There is no budget to acquire the services.

- Software Licensing

Due to the Municipal financial constraints, software will be procured as and when needed. Software is budgeted for, however not for bulk procurement.

By law the Municipality is supposed to use licensed software (Operating Systems, Microsoft Office, etc.) on all its workstation. For the 2019/20 financial year we intend to procure a volume license for this software.

- Access Forms, Systems Change Documentation and Manual Backup Register

To have access to the Municipal financial systems and Services like a telephone and an email account, an employee is supposed to fill in a form to request access to these systems. By filling in any of the forms the employee agrees to be liable for the use of these services. The forms, document and register have been developed; however, they have not yet been approved by management.

The forms have been approved and are used.

It remains difficult for the IT Technician to execute most of his daily tasks. These daily tasks include but are not limited to technical issues:

- Workstations
- Servers
- Telephone system
- Emails
- Telephones
- Internet connection
- Access to financial systems

- Network related issues
- Computer Literacy

The issue of the lack of basic computer literacy continues to be problematic for the municipality. Reason being it has the effect to affect everyday business and can also be a security threat to financial systems. Most of the people who struggle with basic computer skill have access to the municipal's financial systems and again these employees many of them were not trained on either financial system

* It remains the responsibility of both management and the skills development unit to address the issue.

- Training (Financial Systems)

Employees need to be properly trained on both financial systems. Only a hand full of employees were trained on the systems and a few of them are doing well.

The major concern is that some on the very employees who received training on these systems especially sage evolution is struggling with some tasks which they are supposed to execute daily on the system.

Now the concern with this issue is that the first person to be called to assist will be the IT Technician who himself only has the administrative training on the system not on what users are trained to do.

The issues were never attended to by management.

Customer-Oriented Services/Customer Care

The municipality has centralised compliments and complaints management system, both manual and electronic. The municipality is currently in the process of developing Standard Operating Procedure (SOP) to effectively monitor service delivery orientated complaints.

Over and above this, the municipality has also developed Draft Customer Care Policy, Service Charter and Service Standards to curb complaint management in relation to Batho Pele initiatives. However, the municipality has erected comments boxes to curb on customer satisfaction.

5.4 FINANCIAL VIABILITY AND MANAGEMENT

Strategic objective

To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.

Intended outcome

Enhanced revenue base of the municipality, improved audit outcome, sound financial governance and management

OBJECTIVES	ACTIONS	MUNICIPAL ACTIONS
NDP objectives, actions		
Municipalities demonstrate good financial governance and management	Assist municipalities to improve own revenues by putting in place measures to improve property valuation rating and levying of user charges. Targeted support provided to municipalities to develop, implement and monitor action plans to address previous audit outcomes. Monitor in-year financial reports and address deficiencies. Ensure spending on repairs and maintenance as a proportion of operational expenditure is in line with percentage prescribed by NT. Review municipal costing and pricing of core services to reflect cost reflective tariffs with appropriate cross subsidisation to eligible households. Ensure all municipal SDBIPs gives effect to IDP	The municipality has developed and adopted the funding plan which encompasses all the revenue enhancement measures. The municipal Budget for 2025/2026 was assessed as funded. The municipality has developed audit action plan in response to the issues raised by the AG and will be monitored on monthly basis by management and internal audit. The in-year reports are monitored through the SDBIP and progress is reported to the management, audit committee and the council The municipality has budgeted 0.5% of the total Assets for repairs and maintenance (R 5,498,000) The municipal budget is prepared in line with the MBRR and is cost reflective with appropriate cross-subsidisation to eligible households. The 2026/27 SDBIP will be in line with the municipal IDP and Budget and is communicated to all relevant stakeholders.

	and meets requirements as per the MFMA in terms of service delivery targets by top manager and by ward & ultimately is linked to budgets.	
Free State growth and development strategy		
Support Local SMMEs	Providing support for small, medium, and micro-enterprises to stimulate local economic growth and job creation	Municipality has an LED Unit which will support our Local SMMEs, furthermore, all contractors that are operating within the Municipality must subcontract a portion of their contract to our SMMEs.
Water and Sanitation	Ensuring access to clean water and adequate sanitation facilities for all residents.	Over 80% of Municipal's capital is made up of projects that addresses water and sanitation challenges.
Good Governance	Promoting transparency, accountability, and public participation in governance processes.	Municipality has several Committees that promotes good governance, furthermore, Municipality is continuously consulting communities through public participation process on pertinent issues that affect the Community.

5.4.1 FINANCIAL FRAMEWORK

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

Revenue and Billing

The billing unit is responsible for ensuring that the consumers of LLM get billed for basic services, consumption, rates and taxes. This ensures that the municipality receives an income to deliver services to the community and run the administration of the municipality. The revenue unit is responsible for the collection of funds due to the municipality, and it includes the debt collection, credit control, client's services and finalization of accounts.

Supply Chain Management and Assets

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

Budget and Reporting

The budget and reporting unit is responsible for the management of the municipality's budget including the approved budget, virements and assisting with the adjustment budget.

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

- Deteriorating debtor's collection rate due to the economic downturn and culture of non-payment of services by residents, businesses, and farmers
- Escalation of fruitless and wasteful expenditure due to major creditors not being paid within the required 30 day of receipt of an invoice.
- Insufficient controls to manage irregular expenditure

- Unfunded budget where resources needed for service delivery far exceed the available capital.

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

- Cost containment measures to curb spending on non-core services (Expenditure)
- Credit control must be intensified to improve LLM cash flow.
- Debt collections must be implemented to improve LLM cash flow and build up reserves.
- Capacitate all units particularly in different towns.
- Training of staff

STAFFING OF THE FINANCE DEPARTMENT

The department is headed by the Acting Chief Financial officer, and currently consists of three divisions which are:

- Budget and Revenue management.
- Supply chain management and Expenditure; and
- Assets and Payroll Management.
- All the relevant officials in the finance department completed the Municipal Finance Management Programme with various registered institutions to meet the requirements of minimum competency regulations issued by National Treasury.

5.4.2 FREE BASIC SERVICES

LLM is keeping a register of all indigents. As of March 2026, a total number of 2200 indigent households were registered on the indigents register. The approach of letting persons walk in and register has not yielded the intended results hence the public participation per town will be recommended.

Indigent Policy

The key purpose of an indigent subsidy policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary the Municipality is not financially burdened with non-payment of services.

Criteria used for identification to qualify for indigent support.

To qualify for the rebate the head of the family must:

- Occupy the property as his/her normal residence.
- be older than 18 years
- Be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality.

The current entry level is determined as R 6000 per month. All applications must be verified by an official. The relevant Ward Councillor must be involved during the evaluation process and must verify the application together with the relevant officials or ward committee. If an application is favourably considered, a subsidy will only be granted during that municipal financial year and the subsequent twelve (12) month budget cycle. The onus will rest on the approved account holders to apply for relief on an annual basis.

Maintenance of an indigent register

The Indigent register management will be responsible for compiling and administering the database for households registered in terms of this policy. Registration will take place on dates and at times and places determined by the administration with the office of the Council Speaker but shall generally be undertaken during February to June each year.

Services to be subsidised - Water

All consumers will receive the first 6 kilolitres of water fully subsidised and then charged in accordance with the approved tariff. A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

Table 2: Provision of free Basic Services

Free Basic Services	Indigent Support/Subsidy	Indigents Household
Water	6kl	2200

Sewerage

All registered indigents shall be subsidized 100% for sewerage as provided for by the Council in the annual budget from time to time. A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

Refuse Removal

All registered indigents shall be subsidized 100% for refuse removal services. A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

Electricity

Indigent consumers will receive 50 kWh of electricity per month fully subsidized.

Property Rates

All registered indigents shall be subsidised for property rates services to the maximum of R 75 000.00 per property value. A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

Municipality fully complies with provision of MPRA, the main valuation roll was prepared in 2022, and yearly supplementary valuation roll is prepared in line with MPRA Section 78.

Payment of Creditors

The management is committed in ensuring that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure in line with section 65 of the Municipal Finance Management Act. No. 56 of 2003.

5.4.3 FINANCIAL STRATEGIES

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

Revenue raising strategies.

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

- The annual review and implementation of the credit control and debt collection policy. This policy and the relevant procedures detail all areas of customer care, credit control and debt collection of amounts billed to customers, including procedures for non-payment.
- The annual review of tariff policy. This policy will ensure that fair tariffs are charged in a throughout the municipal area.

- The annual review and maintenance of an indigent policy. This policy defines the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
- The annual review and maintenance of a property rates policy. This will ensure that a fair rates policy and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the municipality's records. Furthermore, the policy will ensure that valuations are systematically carried out for all properties on a regular basis.

Asset management strategies and programmes

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

Implementation of an integrated asset management system. This programme involves the ongoing updating of a suitable integrated asset management system. It also includes the capturing of all assets on the system, the maintenance of this system and the production of a complete asset register in terms of the Generally Recognised Accounting Practice (GRAP).

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

Financial management strategies and programmes

The following are some of the more significant programmes that can/have been identified:
The implementation of the MFMA Regulations – Municipal Standard Chart of Accounts (mSCOA).

Implementation of integrated development planning and budgeting using community consultation processes.
Reviewing and updating of asset, budget and accounting policies and procedures.

Training and development of financial and other staff. The aim of this project will be to constantly ensure that the financial and other staff members receive the training they require to ensure a cost-effective and efficient service to the municipality and its customers and to ensure full compliance with the MFMA regulations on minimum competency levels.

Enhancing budgetary controls and timeliness of financial data and building the capacity of the Budget and Treasury Office to ensure that financial information for reporting purposes is generated timeously. It will also include the monitoring and reporting on budget variances.

General financial philosophy

- The financial vision of LLM is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of Letsemeng.
- It is the goal of the municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the municipality's infrastructure; to manage the municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, co-ordinate and implement responsible and sustainable community development and growth.

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

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

Budget-related policies

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

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

Capital infrastructure policies

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

Revenue policies

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

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

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

Credit control policies and procedures

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

Supply chain management

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

Asset management policies

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

Virement Policy

Municipality has a virement policy in place, this policy is used primarily to expedite service delivery without having to wait for adjustment budget, the policy allows for shifting of funds between votes, and this is important to deal with unauthorised expenditure and ensure that service delivery continue uninterrupted.

Accounting policies

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

Financial Management Systems

- The municipality has appointed CCG to provide the municipality with the services of a financial system i.e. MSCOA compliant and there is a service level agreement signed to this effect.
- Municipex Pty ltd has been appointed to prepare the Annual Financial Statements, there is also an SLA signed.

Issues raised by the Auditor General.

The office of the Auditor General (SA) has conducted an audit of financial statements and Annual Performance report, and the municipality received a qualified audit opinion, The municipality has developed an Audit Recovery plan to address the deficiencies identified by the Auditor General (SA) during the audit of 2025/2026 Financial Year.

Key findings were on the following components:

- Revenue for exchange and non-exchange
- Receivables from exchange and non-exchange
- Impairment of debtors
- General expenses
- Unspent Conditional Grants
- Repairs and Maintenances
- Bulk purchases
- Grants and Subsidies
- Property plant and equipment
- VAT Receivable
- Service Charges
- Employee Costs
- Interest from Exchange transactions

The audit recovery plan will be monitored by the internal audit monthly, and the progress thereof will be reported to the following:

- Municipal manager
- Audit committee
- Municipal public account committee
- Council.

5.4.4 BUDGET ASSUMPTIONS

The following budget principles and guidelines directly informed the compilation of the 2026/27 MTREF:

- Budgeting for a funded and credible annual budget compared to a balanced budget
- The 2025-26 Adjustments Budget priorities and targets,
- Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, also as per guideline of Circular 134 except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Budget Process

- Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget.
- In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e., in August 2025) a time schedule that sets out the process to revise the IDP and prepare the annual budget.
- The Mayor tabled the required IDP process plan and budget time schedule in November 2025. Adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans. Budget and IDP will be tabled on the 31st of March 2026.

TARIFF INCREASES

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

Property rates

Property rates tariffs for all properties will increase by 3.4 % including agricultural and all other properties. Municipality will be implementing a supplementary valuation roll in line with the provisions of Municipal Property rates act from **01 July 2026.**

Service charges.

- Sewerage tariffs to be increased by **3.4 %.**
- Water tariffs to be increased by **3.4%.**
- Refuse removal services tariffs will be increased by **3.4 %**
- **Electricity tariffs: will be increased by 9.01 % for the 2026/27 Financial year**

5.4.5 GRANTS

Operating Grants	2026/2027	2027/2028	2028/2029
Equitable share	96 491 000	99 682 000	103 411 000
Finance Management Grant	3 000 000	3 100 000	3 100 000
Expanded Public Works Incentive	1 320 000	0	0
Capital Grants			
Municipal Infrastructure Grant	10 697 000	22 082 000	22 657 000
Water Service Management Grant	23 000 000	23 250 000	24 294 000
Integrated National Electrification Programme	4 000 000	5 226 000	5 462 000
Total			
Allocation in kind			
MIG	9 576 000	0	0
INEP	81 000	82 000	82 000
Total Grants			

5.5 OVERVIEW OF THE BUDGET

Operating Revenue.

- Total operating revenue amounts to **R 265 049 41,** it increased with R9 505 944 from financial year 2025-26 adjustment budget of **R 255 543 475**. Operating revenue comprises of service charges, property rates and other revenue. We anticipate collecting 100% on prepaid electricity, 70% on property rates, 60% on water services, refuse and sanitation services.

- Property rates amount to **R 31 131 172** it has increased from **R30 020 417,** electricity increased from **R 55 214 943** to **R 59 389 657**, water increased from **R 16 218 732** to **R 16 818 825,** wastewater management increased from **R 15 222 427** to **R 15 785 657** and waste management increased from **R 14 711 143** to **R 15 255 454**. All the service charges were increased with an average inflation rate of 3.4%. Operational revenue consists of administration costs, objection

costs, photocopies costs and clearance certificate. Municipality is still awaiting NERSA tariff approval for electricity; we applied for an increase of 13.40% on electricity tariffs.

- Total operating expenditure amounts to **R 252 309 216** it has decreased with **R2 611 934** from financial year 2025-26 adjustment budget of **R254 921 150.** Total operating expenditure for the 2026-27 financial year translates into a surplus of **R 12 367 637**, there are non-cash items amounting to **R45 707 709.** The operating expenditure consists of employee related costs, remuneration of Councillors, bulk purchases, contracted services, and operational costs. Employee related costs increased from **R 84 594 234** to **R 87 724 226**

- Remuneration of Councillors has increased from **R 5 283 923 to R 5 479 428** the increase is based on the projected average CPI of 3.4%. Bulk purchases increased from **R44 924 474** to **R 47 035 924; this is based on approval by NERSA of increase on electricity bulk purchases of 9.01%**. Contracted services increased from **R 16 337 694** to **R 26 146 971,** it comprises of protective clothing, supplementary valuation roll, Insurance for municipal assets, employee wellness, rental of photocopies machines, telephones and network, maintenance of financial system (MSCOA compliant) and compilation of annual financial statements. Operational costs decreased from **R 14 642 881** to **R 19 109 658**. Operational costs consist of human capital development, wastewater and water chemicals, accommodation, audit fees, printing and stationery, legal expenses, office furniture.

- As per requirement from National treasury, we are expected to budget for non-cash items i.e. Debt Impairment **R30 000 000** and Depreciation and Asset Impairment of **R 15 707 709**, as per the budget circular of MFMA depreciation needs to be funded.

5.5.1 CAPITAL EXPENDITURE DETAILS

The total capital expenditure budget of the municipality is : **R 35,820,500 (Vat Excl)**

And it is funded from the following funding sources

Municipal Water System Infrastructure Grant is allocated at : **R 23 000 000**
Municipal Infrastructure Grant is allocated : **R 10 697 000**
Integrated National Electrification Programme : **R 4 000 000**
Internally generated funds amount to : **R 3 040 500**

Projects for 2026/2027 funded by MIG.

PROJECT NAME	TOTAL PLANNED EXPENDITURE FOR 2026/2027
Relebohile (Luckhoff): Upgrading of 1,120m Bulk sewer lines and pump station (MIS:529455)	R4 145 558.97
Bolokanang (Petrusburg): Rehabilitation of stormwater	R5 217 441.60

management system - Phase 1 (MIS:545527)	
Petrusburg: Refurbishment of sports facility	R 800 000.00
Project Management Unit	R 534 850.00

MIG – Schedule 6B

PROJECT NAME	TOTAL PLANNED EXPENDITURE FOR 2026/2027
Koffiefontein:Refurbishment of 4 sewer pump stations (MIS:558125)	R **9 576 000.00**

Projects for 2026/2027 funded by WSIG.

Area	Name of Project	Estimated Cost per Project
Jacosdal	Upgrading of Outfall line and sewer pump station in Jacobsdal	**R 215,000.00**
Koffiefontein/Ditlhake	Upgrading of Koffiefontein WWTW	**R 22 785 000.00**
TOTAL		**R23 000 000.00**

Projects for 2025/26 Funded by INEP

Areas Affected	Name of Project	Estimated Cost per Project
Petrusburg	Petrusburg:Construction of 2.6MVA/22KV 3 way switching station	R4 000 000.00
TOTAL		**R4 000 000.00**

BUDGET TABLES

FS161 Letsemeng - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	25,106	26,334	28,146	30,020	30,020	30,020	20,133	31,131	32,159	33,188
Service charges	59,392	60,748	69,839	97,405	101,367	101,367	48,098	107,250	111,245	114,636
Investment revenue	102	91	–	359	359	359	–	373	385	397
Transfer and subsidies - Operational	91,138	109,880	118,289	96,781	96,781	96,781	61,354	100,811	102,775	105,965
Other own revenue	36,989	50,462	41,357	25,239	24,576	24,576	38,204	25,485	26,326	27,169
Total Revenue (excluding capital transfers and contributions)	212,728	247,513	257,631	249,805	253,104	253,104	167,788	265,049	272,890	281,354
Employee costs	73,697	83,433	71,388	84,594	–	–	51,697	87,724	90,619	93,519
Remuneration of councillors	5,369	5,563	5,743	5,234	–	–	3,898	5,479	5,660	5,841
Depreciation, amortisation and impairment	44,694	29,244	40,347	31,347	–	–	–	15,708	16,226	16,745
Interest, Dividends and Rent on Land	16,417	22,278	52,814	14,616	–	–	20,745	16,592	17,140	17,688
Inventory consumed and bulk purchases	(443,474)	51,907	75,371	48,453	3,100	3,100	27,639	51,549	53,254	54,956
Transfers and subsidies	3,500	–	–	–	–	–	–	–	–	–
Other expenditure	48,549	94,330	122,755	56,168	26,038	26,038	33,783	75,257	76,377	148,860
Total Expenditure	(251,248)	286,754	368,418	240,412	29,138	29,138	137,763	252,309	259,276	337,610
Surplus/(Deficit)	463,976	(39,241)	(110,787)	9,393	223,966	223,966	30,025	12,740	13,614	(56,256)
Transfers and subsidies - capital (monetary allocations)	36,249	11,632	8,557	46,192	46,192	46,192	–	37,697	50,558	52,413
Transfers and subsidies - capital (in-kind)	–	–	–	5,009	5,009	5,009	–	9,657	9,976	10,295
Surplus/(Deficit) after capital transfers & contributions	500,225	(27,609)	(102,230)	60,594	275,167	275,167	30,025	60,094	74,148	6,452
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	500,225	(27,609)	(102,230)	60,594	275,167	275,167	30,025	60,094	74,148	6,452
Capital expenditure & funds sources										
Capital expenditure	28,897	(12,098)	(1,208,417)	40,044	41,021	41,021	263,253	35,356	36,523	37,692
Transfers recognised - capital	36,138	16,204	(141,531)	39,382	39,382	39,382	61,036	32,316	33,382	34,450
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(7,240)	(28,302)	(1,072,521)	663	1,639	1,639	195,357	3,041	3,141	3,241
Total sources of capital funds	28,897	(12,098)	(1,214,052)	40,044	41,021	41,021	256,394	35,356	36,523	37,692
Financial position										
Total current assets	301,850	358,258	165,882	554,686	736,634	736,634	249,570	248,482	482,483	427,853
Total non current assets	754,991	739,287	1,060,591	728,134	760,458	760,458	1,063,156	1,058,568	1,093,501	1,128,493
Total current liabilities	373,548	438,097	540,889	299,372	299,071	299,071	597,116	637,907	659,183	680,547
Total non current liabilities	7,101	7,389	80,621	36,743	36,743	36,743	80,621	90,404	93,388	96,376
Community wealth/Equity	(663,706)	2,813,737	2,573,381	946,705	1,161,278	1,161,278	1,887,794	578,738	823,413	779,423
Cash flows										
Net cash from (used) operating	216,412	238,647	246,522	4,297	195,509	195,509	265,376	43,817	18,656	19,393
Net cash from (used) investing	–	–	–	(46,051)	(47,192)	(47,192)	–	(37,163)	(38,389)	(39,618)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	216,412	238,647	246,521	(41,556)	148,515	148,515	265,376	6,880	(12,854)	(33,079)
Cash backing/surplus reconciliation										
Cash and investments available	216,412	238,647	246,521	(41,556)	148,515	148,515	265,376	7,168	(12,556)	(32,771)
Application of cash and investments	293,638	348,115	439,877	93,578	102,661	102,661	485,800	(253,161)	443,795	493,378
Balance - surplus (shortfall)	(77,226)	(109,468)	(193,356)	(135,134)	45,854	45,854	(220,424)	260,329	(456,351)	(526,150)
Asset management										
Asset register summary (WDV)	600,064	569,267	995,139	690,334	722,657	722,657		1,037,584	1,071,824	1,098,040
Depreciation	40,026	39	15,708	31,347	–	–		15,708	16,226	16,745
Renewal and Upgrading of Existing Assets	1,392,959	1,399,194	53,143	26,917	26,917	26,917		28,837	29,789	30,742
Repairs and Maintenance	2,115	2,495	2,411	1,703	–	–		5,498	5,679	5,861

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**80,629**	**81,211**	**88,261**	**82,352**	**81,689**	**81,689**	**83,840**	**86,608**	**89,280**
Executive and council		2,483	5,429	3,380	4,994	4,994	4,994	5,178	5,349	5,521
Finance and administration		78,146	75,782	84,881	75,888	75,224	75,224	77,137	79,683	82,134
Internal audit		–	–	–	1,471	1,471	1,471	1,525	1,575	1,626
Community and public safety		**65,373**	**85,346**	**90,634**	**6,248**	**6,248**	**6,248**	**6,479**	**6,693**	**6,907**
Community and social services		65,035	84,939	90,216	3,571	3,571	3,571	3,703	3,826	3,948
Sport and recreation		–	–	–	2,677	2,677	2,677	2,776	2,868	2,959
Public safety		–	–	–	–	–	–	–	–	–
Housing		337	407	418	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**1,073**	**665**	**1,010**	**18,062**	**18,062**	**18,062**	**10,697**	**22,082**	**22,657**
Planning and development		1,073	665	1,010	–	–	–	–	–	–
Road transport		–	–	–	18,062	18,062	18,062	10,697	22,082	22,657
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**101,902**	**91,924**	**106,140**	**194,344**	**198,306**	**198,306**	**211,387**	**218,040**	**225,217**
Energy sources		54,211	35,466	35,284	77,444	83,617	83,617	87,819	92,267	95,119
Water management		2,233	5,638	7,774	65,914	63,703	63,703	69,376	71,156	73,733
Waste water management		33,820	38,123	47,316	21,500	21,500	21,500	23,616	23,032	23,769
Waste management		11,638	12,698	15,765	29,485	29,485	29,485	30,576	31,585	32,596
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**248,977**	**259,146**	**286,045**	**301,006**	**304,305**	**304,305**	**312,403**	**333,423**	**344,062**
Expenditure - Functional										
Governance and administration		**110,628**	**194,308**	**233,305**	**129,962**	**8,822**	**8,822**	**129,848**	**134,082**	**208,412**
Executive and council		17,618	16,221	16,363	15,026	–	–	16,646	17,144	17,692
Finance and administration		90,836	175,138	213,840	112,372	8,822	8,822	110,534	114,181	187,875
Internal audit		2,174	2,950	3,103	2,564	–	–	2,669	2,757	2,845
Community and public safety		**44,138**	**1,793**	**17,067**	**3,938**	**–**	**–**	**5,657**	**5,844**	**6,031**
Community and social services		43,970	1,472	16,795	3,525	–	–	4,907	5,069	5,231
Sport and recreation		–	150	–	157	–	–	200	207	213
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	157	–	–	300	310	320
Health		168	171	273	100	–	–	250	258	267
Economic and environmental services		**9,806**	**2,043**	**5,349**	**12,626**	**130**	**130**	**8,388**	**8,664**	**8,942**
Planning and development		2,165	2,031	4,856	6,737	130	130	6,846	7,072	7,298
Road transport		7,641	13	493	5,889	–	–	1,542	1,592	1,643
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**(415,820)**	**88,610**	**112,697**	**93,886**	**20,186**	**20,186**	**108,416**	**110,686**	**114,225**
Energy sources		(428,333)	50,630	71,563	53,520	100	100	66,007	68,189	70,368
Water management		(2,246)	17,295	20,899	7,468	2,300	2,300	17,598	18,178	18,760
Waste water management		14,652	20,676	20,807	23,225	8,352	8,352	17,437	16,701	17,235
Waste management		107	9	(572)	9,672	9,434	9,434	7,375	7,618	7,862
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**(251,248)**	**286,754**	**368,418**	**240,412**	**29,138**	**29,138**	**252,309**	**259,276**	**337,610**
Surplus/(Deficit) for the year		**500,225**	**(27,609)**	**(82,373)**	**60,594**	**275,167**	**275,167**	**60,094**	**74,148**	**6,452**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Executive & Council		2,483	5,429	3,380	4,994	4,994	4,994	5,178	5,349	5,521
Vote 2 - Finance & Administration		78,146	75,782	84,881	75,888	75,224	75,224	77,137	79,683	82,134
Vote 3 - Energy sources		54,211	35,466	35,284	77,444	83,617	83,617	87,819	92,267	95,119
Vote 4 - Environmental Protection		337	407	418	1,471	1,471	1,471	1,525	1,575	1,626
Vote 5 - Water Management		2,233	5,638	7,774	65,914	63,703	63,703	69,376	71,156	73,733
Vote 6 - Waste water management		33,820	38,123	47,316	21,500	21,500	21,500	23,616	23,032	23,769
Vote 7 - Road Transport		–	–	–	18,062	18,062	18,062	10,697	22,082	22,657
Vote 8 - Waste Management		11,638	12,698	15,765	29,485	29,485	29,485	30,576	31,585	32,596
Vote 9 - Fleet Management		–	–	–	–	–	–	–	–	–
Vote 10 - Community & Social Services		66,108	85,604	91,226	6,248	6,248	6,248	6,479	6,693	6,907
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	**248,977**	**259,146**	**286,045**	**301,006**	**304,305**	**304,305**	**312,403**	**333,423**	**344,062**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Executive & Council		17,618	16,221	16,363	15,026	–	–	16,646	17,144	17,692
Vote 2 - Finance & Administration		81,014	166,627	204,736	108,651	8,822	8,822	105,919	109,414	182,955
Vote 3 - Energy sources		(428,333)	50,630	71,563	53,520	100	100	66,007	68,189	70,368
Vote 4 - Environmental Protection		2,342	3,121	3,487	2,925	–	–	3,519	3,635	3,751
Vote 5 - Water Management		37,741	17,295	36,607	7,468	2,300	2,300	17,598	18,178	18,760
Vote 6 - Waste water management		14,652	20,676	20,807	23,225	8,352	8,352	17,437	16,701	17,235
Vote 7 - Road Transport		7,641	13	493	5,889	–	–	1,542	1,592	1,643
Vote 8 - Waste Management		107	9	(572)	9,672	9,434	9,434	7,375	7,618	7,862
Vote 9 - Fleet Management		4,857	3,692	3,003	1,179	–	–	1,979	2,044	2,110
Vote 10 - Community & Social Services		11,113	8,472	11,932	12,856	130	130	14,289	14,761	15,233
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	**(251,248)**	**286,754**	**368,418**	**240,412**	**29,138**	**29,138**	**252,309**	**259,276**	**337,610**
Surplus/(Deficit) for the year	2	**500,225**	**(27,609)**	**(82,373)**	**60,594**	**275,167**	**275,167**	**60,094**	**74,148**	**6,452**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	38,135	34,952	35,283	49,041	55,215	55,215	27,619	59,390	61,806	63,614
Service charges - Water	2	2,233	5,638	7,774	18,430	16,219	16,219	3,978	16,819	17,374	17,930
Service charges - Waste Water Management	2	9,671	10,412	13,582	15,222	15,222	15,222	8,400	15,786	16,307	16,828
Service charges - Waste Management	2	9,352	9,746	13,201	14,711	14,711	14,711	8,101	15,255	15,759	16,263
Sale of Goods and Rendering of Services	2	224	161	461	490	553	553	213	574	592	611
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		247	197	668	-	-	-	237	-	-	-
Interest earned from Receivables	2	25,423	38,237	43,916	15,969	15,969	15,969	28,628	16,560	17,106	17,654
Interest earned from Current and Non Current Assets	2	102	91	-	359	359	359	-	373	385	397
Dividends	2	10	11	15	17	17	17	12	18	18	19
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	560	976	1,054	752	804	804	547	834	862	889
Licence and permits	2	-	-	-	3	3	3	-	3	3	3
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	5	403	181	115	115	115	79	119	123	127
Non-Exchange Revenue											
Property rates	2	25,106	26,334	28,146	30,020	30,020	30,020	20,133	31,131	32,159	33,188
Surcharges and Taxes	2	-	-	-	-	-	-	471	-	-	-
Fines, penalties and forfeits	2	12	16	-	798	19	19	2	20	20	21
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	91,138	109,880	118,289	96,781	96,781	96,781	61,354	100,811	102,775	105,965
Interest	2	9,012	10,152	10,954	7,095	7,095	7,095	8,014	7,357	7,600	7,843
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	(19,858)	-	-	-	-	-	-	-
Other Gains	2	1,496	309	3,966	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**212,728**	**247,513**	**257,631**	**249,805**	**253,104**	**253,104**	**167,788**	**265,049**	**272,890**	**281,354**
Expenditure											
Employee related costs	2	73,697	83,433	71,388	84,594	-	-	51,697	87,724	90,619	93,519
Remuneration of councillors	2	5,369	5,563	5,743	5,234	-	-	3,898	5,479	5,660	5,841
Bulk purchases - electricity	2	(436,033)	42,700	62,290	44,924	-	-	25,355	47,036	48,588	50,143
Inventory consumed	2,8	(7,441)	9,207	13,082	3,529	3,100	3,100	2,284	4,513	4,666	4,813
Debt impairment	2,3	-	-	-	26,038	26,038	26,038	-	30,000	30,990	102,022
Depreciation, amortisation and impairment	2	44,694	29,244	40,347	31,347	-	-	-	15,708	16,226	16,745
Interest, Dividends and Rent on Land	2	16,417	22,278	52,814	14,616	-	-	20,745	16,592	17,140	17,688
Contracted services	2	15,149	10,969	18,172	16,423	-	-	25,119	26,147	25,977	26,808
Transfers and subsidies	2	3,500	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	43	14,920	74,216	-	-	-	595	-	-	-
Operational costs	2	30,679	63,874	30,367	13,708	-	-	8,069	19,110	19,410	20,031
Disposal of Fixed and Intangible Assets	2	2,678	4,568	-	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		**(251,248)**	**286,754**	**368,418**	**240,412**	**29,138**	**29,138**	**137,763**	**252,309**	**259,276**	**337,610**
Surplus/(Deficit)		**463,976**	**(39,241)**	**(110,787)**	**9,393**	**223,966**	**223,966**	**30,025**	**12,740**	**13,614**	**(56,256)**
Transfers and subsidies - capital (monetary allocations)	6	36,249	11,632	8,557	46,192	46,192	46,192	-	37,697	50,558	52,413
Transfers and subsidies - capital (in-kind)	6	-	-	-	5,009	5,009	5,009	-	9,657	9,976	10,295
Surplus/(Deficit) after capital transfers & contributions		**500,225**	**(27,609)**	**(102,230)**	**60,594**	**275,167**	**275,167**	**30,025**	**60,094**	**74,148**	**6,452**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**500,225**	**(27,609)**	**(102,230)**	**60,594**	**275,167**	**275,167**	**30,025**	**60,094**	**74,148**	**6,452**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**500,225**	**(27,609)**	**(102,230)**	**60,594**	**275,167**	**275,167**	**30,025**	**60,094**	**74,148**	**6,452**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**500,225**	**(27,609)**	**(102,230)**	**60,594**	**275,167**	**275,167**	**30,025**	**60,094**	**74,148**	**6,452**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive & Council		14,723	–	(5,227)	435	–	–	3,944	519	536	553
Vote 2 - Finance & Administration		(3,525)	(14,451)	(1,109,670)	228	109	109	183,512	450	465	480
Vote 3 - Energy sources		8,356	3,734	9,050	4,213	4,213	4,213	39,829	3,728	3,851	3,975
Vote 4 - Environmental Protection		–	(868)	(1,571)	–	–	–	(3,043)	–	–	–
Vote 5 - Water Management		18,646	5,537	(87,442)	20,248	20,248	20,248	16,798	4,559	4,709	4,860
Vote 6 - Waste water management		2,074	487	(29,185)	9,856	9,856	9,856	(1,921)	23,605	24,384	25,164
Vote 7 - Road Transport		6,643	3,722	(8,872)	1,468	1,468	1,468	7,591	–	–	–
Vote 8 - Waste Management		–	2,755	(3,047)	–	–	–	1,759	–	–	–
Vote 9 - Fleet Management		–	–	(597)	–	1,530	1,530	–	1,800	1,859	1,919
Vote 10 - Community & Social Services		(18,019)	(13,014)	28,142	3,597	3,597	3,597	14,783	696	719	742
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		**28,897**	**(12,098)**	**(1,208,417)**	**40,044**	**41,021**	**41,021**	**263,253**	**35,356**	**36,523**	**37,692**
Total Capital Expenditure - Vote		**28,897**	**(12,098)**	**(1,208,417)**	**40,044**	**41,021**	**41,021**	**263,253**	**35,356**	**36,523**	**37,692**
Capital Expenditure - Functional											
Governance and administration		**11,198**	**(15,319)**	**(1,117,064)**	**663**	**1,639**	**1,639**	**184,413**	**2,769**	**2,860**	**2,951**
Executive and council		14,723	–	(5,227)	435	–	–	3,944	519	536	553
Finance and administration		(3,525)	(14,451)	(1,110,267)	228	1,639	1,639	183,512	2,250	2,324	2,399
Internal audit		–	(868)	(1,571)	–	–	–	(3,043)	–	–	–
Community and public safety		**450**	**–**	**156**	**3,597**	**3,597**	**3,597**	**14,783**	**696**	**719**	**742**
Community and social services		–	–	8,332	–	–	–	8,347	–	–	–
Sport and recreation		450	–	(8,176)	3,597	3,597	3,597	6,437	696	719	742
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**(11,826)**	**(9,291)**	**19,114**	**1,468**	**1,468**	**1,468**	**7,591**	**–**	**–**	**–**
Planning and development		(18,469)	(13,014)	27,986	–	–	–	–	–	–	–
Road transport		6,643	3,722	(8,872)	1,468	1,468	1,468	7,591	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**29,076**	**12,512**	**(110,623)**	**34,317**	**34,317**	**34,317**	**56,465**	**31,892**	**32,944**	**33,999**
Energy sources		8,356	3,734	9,050	4,213	4,213	4,213	39,829	3,728	3,851	3,975
Water management		18,646	5,537	(87,442)	20,248	20,248	20,248	16,798	4,559	4,709	4,860
Waste water management		2,074	487	(29,185)	9,856	9,856	9,856	(1,921)	23,605	24,384	25,164
Waste management		–	2,755	(3,047)	–	–	–	1,759	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**28,897**	**(12,098)**	**(1,208,417)**	**40,044**	**41,021**	**41,021**	**263,253**	**35,356**	**36,523**	**37,692**
Funded by:											
National Government		36,138	16,204	(141,531)	39,382	39,382	39,382	61,036	32,316	33,382	34,450
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**36,138**	**16,204**	**(141,531)**	**39,382**	**39,382**	**39,382**	**61,036**	**32,316**	**33,382**	**34,450**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(7,240)	(28,302)	(1,072,521)	663	1,639	1,639	195,357	3,041	3,141	3,241
Total Capital Funding	7	**28,897**	**(12,098)**	**(1,214,052)**	**40,044**	**41,021**	**41,021**	**256,394**	**35,356**	**36,523**	**37,692**

FS161 Letsemeng - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	1,700	1,301	702	4,495	195,707	195,707	548	6,880	186,898	193,017
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	169,824	234,917	(42,528)	450,331	451,246	451,246	13,313	34,567	82,814	15,255
Receivables from non-exchange transactions	3	37,127	66,843	130,065	71,699	71,699	71,699	146,306	197,439	202,861	209,353
Current portion of non-current receivables	4	755	978	1,244	–	–	–	1,310	–	–	–
Inventory	5	1,857	1,579	1,430	9,979	10,408	10,408	4,546	4,749	4,902	5,061
VAT Receivable	6	95,974	108,605	117,970	17,982	7,375	7,375	126,548	4,847	5,007	5,168
Other current assets	7	(5,386)	(55,965)	(43,002)	200	200	200	(43,002)	–	–	–
Total current assets		**301,850**	**358,258**	**165,882**	**554,686**	**736,634**	**736,634**	**249,570**	**248,482**	**482,483**	**427,853**
Non current assets											
Investments	8	–	–	–	–	–	–	–	288	298	307
Investment property	9	66,348	81,429	144,420	59,159	62,071	62,071	144,420	155,590	160,725	165,868
Property, plant and equipment	10	690,068	659,309	916,156	668,884	698,310	698,310	918,721	902,575	932,359	962,195
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	1,022	1,022	15	–	–	–	15	15	15	16
Intangible assets	14	(2,446)	(2,473)	–	91	77	77	–	100	103	107
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**754,991**	**739,287**	**1,060,591**	**728,134**	**760,458**	**760,458**	**1,063,156**	**1,058,568**	**1,093,501**	**1,128,493**
TOTAL ASSETS		**1,056,841**	**1,097,545**	**1,226,473**	**1,282,821**	**1,497,092**	**1,497,092**	**1,312,725**	**1,307,050**	**1,575,983**	**1,556,346**
LIABILITIES											
Current liabilities											
Bank overdraft	17	1,182	1,182	–	–	–	–	–	–	–	–
Financial liabilities	18	(253)	(169)	1,040	318	318	318	1,144	–	–	–
Consumer deposits	19	1,082	1,131	1,214	1,131	1,131	1,131	1,260	1,214	1,254	1,294
Trade and other payables from exchange transactions	20	85,211	138,058	241,318	302,932	302,631	302,631	263,171	624,962	645,535	666,192
Trade and other payables from non-exchange transactions	21	230,603	226,439	219,757	(5,009)	(5,009)	(5,009)	244,842	9,657	10,252	10,850
Provision	22	15,737	19,468	13,783	–	–	–	13,783	1,252	1,294	1,335
VAT Payable	23	39,986	51,987	63,778	–	–	–	72,915	–	–	–
Other current liabilities	24	–	–	–	–	–	–	–	822	849	876
Total current liabilities		**373,548**	**438,097**	**540,889**	**299,372**	**299,071**	**299,071**	**597,116**	**637,907**	**659,183**	**680,547**
Non current liabilities											
Financial liabilities	25	330	618	–	300	300	300	–	–	–	–
Provision	26	4,247	4,247	76,675	27,103	27,103	27,103	76,675	84,742	87,538	90,340
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	2,523	2,523	3,946	9,340	9,340	9,340	3,946	5,662	5,849	6,036
Total non current liabilities		**7,101**	**7,389**	**80,621**	**36,743**	**36,743**	**36,743**	**80,621**	**90,404**	**93,388**	**96,376**
TOTAL LIABILITIES		**380,649**	**445,486**	**621,510**	**336,115**	**335,814**	**335,814**	**677,737**	**728,312**	**752,571**	**776,923**
NET ASSETS		**676,192**	**652,060**	**604,963**	**946,705**	**1,161,278**	**1,161,278**	**634,988**	**578,738**	**823,413**	**779,423**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	(648,291)	2,829,152	2,588,795	946,705	1,161,278	1,161,278	1,903,208	578,738	823,413	779,423
Reserves and funds	30	(15,358)	(15,358)	(15,358)	–	–	–	(15,358)	–	–	–
Other	31	(56)	(56)	(56)	–	–	–	(56)	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**(663,706)**	**2,813,737**	**2,573,381**	**946,705**	**1,161,278**	**1,161,278**	**1,887,794**	**578,738**	**823,413**	**779,423**

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	24,166	24,166	24,166	–	32,385	36,875	38,055
Service charges		–	–	–	79,876	82,923	82,923	–	81,008	34,704	35,815
Other revenue		–	–	–	2,158	1,495	1,495	–	1,284	1,327	1,369
Transfers and Subsidies - Operational	1	57,773	80,006	76,561	96,781	96,781	96,781	95,414	93,711	102,775	105,965
Transfers and Subsidies - Capital	1	–	–	–	46,192	46,192	46,192	–	37,697	50,558	52,413
Interest		1	3	4	359	359	359	5	4,316	4,458	4,601
Dividends		–	–	–	17	17	17	–	18	18	19
Payments											
Suppliers and employees		158,638	158,638	169,956	(230,636)	(56,425)	(56,425)	169,956	(190,010)	(194,920)	(201,155)
Finance charges		–	–	–	(14,616)	–	–	–	(16,592)	(17,140)	(17,688)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**216,412**	**238,647**	**246,522**	**4,297**	**195,509**	**195,509**	**265,376**	**43,817**	**18,656**	**19,393**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(46,051)	(47,192)	(47,192)	–	(37,163)	(38,389)	(39,618)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(46,051)**	**(47,192)**	**(47,192)**	**–**	**(37,163)**	**(38,389)**	**(39,618)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**216,412**	**238,647**	**246,522**	**(41,753)**	**148,317**	**148,317**	**265,376**	**6,654**	**(19,734)**	**(20,225)**
Cash/cash equivalents at the year begin:	2	**–**	**(0)**	**(0)**	**198**	**198**	**198**	**(0)**	**225**	**6,880**	**(12,854)**
Cash/cash equivalents at the year end:	2	**216,412**	**238,647**	**246,521**	**(41,556)**	**148,515**	**148,515**	**265,376**	**6,880**	**(12,854)**	**(33,079)**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	216,412	238,647	246,521	(41,556)	148,515	148,515	265,376	6,880	(12,854)	(33,079)
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	288	298	307
Cash and investments available:		**216,412**	**238,647**	**246,521**	**(41,556)**	**148,515**	**148,515**	**265,376**	**7,168**	**(12,556)**	**(32,771)**
Application of cash and investments											
Unspent conditional transfers		186,126	181,864	186,789	(5,009)	(5,009)	(5,009)	211,874	(7,100)	(31,368)	(32,372)
Unspent borrowing											
Statutory requirements	2	(8,851)	(6,690)	(17,427)	(8,800)	5,783	5,783	(18,443)	(26,306)	(27,174)	(28,043)
Other working capital requirements	3	85,211	138,058	241,318	107,387	101,888	101,888	263,171	(221,008)	501,044	552,459
Other provisions		15,737	19,468	13,783	–	–	–	13,783	1,252	1,294	1,335
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	15,414	15,414	15,414	–	–	–	15,414	–	–	–
Total Application of cash and investments:		**293,638**	**348,115**	**439,877**	**93,578**	**102,661**	**102,661**	**485,800**	**(253,161)**	**443,795**	**493,378**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(77,226)**	**(109,468)**	**(193,356)**	**(135,134)**	**45,854**	**45,854**	**(220,424)**	**260,329**	**(456,351)**	**(526,150)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(77,226)**	**(109,468)**	**(193,356)**	**(135,134)**	**45,854**	**45,854**	**(220,424)**	**260,329**	**(456,351)**	**(526,150)**

FS161 Letsemeng - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**88,244**	**69,911**	**207,545**	**13,127**	**14,104**	**14,104**	**6,519**	**6,734**	**6,949**
Roads Infrastructure		12,066	12,066	106,084	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		20,799	24,533	39,255	–	–	–	3,478	3,593	3,708
Water Supply Infrastructure		1,038	1,038	2,045	–	–	–	–	–	–
Sanitation Infrastructure		14,595	14,595	–	8,275	8,275	8,275	–	–	–
Solid Waste Infrastructure		730	730	1,759	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***49,228***	***52,962***	***149,143***	***8,275***	***8,275***	***8,275***	***3,478***	***3,593***	***3,708***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	3,494	2,609	2,609	2,609	–	–	–
Community Assets		**–**	**–**	***3,494***	***2,609***	***2,609***	***2,609***	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(1,537)	(1,525)	–	32	18	18	100	103	107
Intangible Assets		***(1,537)***	***(1,525)***	**–**	***32***	***18***	***18***	***100***	***103***	***107***
Computer Equipment		**(728)**	**(12,039)**	**(162)**	**196**	**91**	**91**	**350**	**362**	**373**
Furniture and Office Equipment		**(10,466)**	**(24,344)**	**(662)**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**6,802**	**6,832**	**–**	**1,581**	**1,581**	**1,581**	**272**	**281**	**290**
Transport Assets		**868**	**868**	**8,332**	**435**	**1,530**	**1,530**	**2,319**	**2,395**	**2,472**
Land		**44,078**	**47,158**	**47,401**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**278,494**	**283,599**	**62,297**	**26,917**	**26,917**	**26,917**	**28,837**	**29,789**	**30,742**
Roads Infrastructure		24,152	27,874	7,591	1,468	1,468	1,468	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	4,537	4,687	4,837
Electrical Infrastructure		5,673	5,673	–	4,213	4,213	4,213	–	–	–
Water Supply Infrastructure		93,713	99,220	7,231	20,248	20,248	20,248	19,813	20,467	21,122
Sanitation Infrastructure		8,467	8,953	487	–	–	–	3,792	3,917	4,042
Solid Waste Infrastructure		1,321	4,076	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***133,325***	***145,795***	***15,309***	***25,929***	***25,929***	***25,929***	***28,142***	***29,070***	***30,001***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		11,670	11,670	–	988	988	988	696	719	742
Community Assets		***11,670***	***11,670***	**–**	***988***	***988***	***988***	***696***	***719***	***742***

Total Capital Expenditure	4	**1,481,203**	**1,469,105**	**260,688**	**40,044**	**41,021**	**41,021**	**35,356**	**36,523**	**37,692**
Roads Infrastructure		1,126,218	1,130,890	96,274	1,468	1,468	1,468	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	4,537	4,687	4,837
Electrical Infrastructure		29,599	33,333	39,255	4,213	4,213	4,213	3,478	3,593	3,708
Water Supply Infrastructure		95,033	100,540	17,508	20,248	20,248	20,248	19,813	20,467	21,122
Sanitation Infrastructure		34,034	34,521	487	8,275	8,275	8,275	3,792	3,917	4,042
Solid Waste Infrastructure		2,051	4,806	1,759	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***1,286,936***	***1,304,090***	***155,283***	***34,204***	***34,204***	***34,204***	***31,620***	***32,663***	***33,709***
Community Facilities		2,647	2,647	15	–	–	–	–	–	–
Sport and Recreation Facilities		11,670	11,670	3,494	3,597	3,597	3,597	696	719	742
Community Assets		***14,317***	***14,317***	***3,509***	***3,597***	***3,597***	***3,597***	***696***	***719***	***742***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		138,753	131,388	46,988	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***138,753***	***131,388***	***46,988***	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(531)	(518)	–	32	18	18	100	103	107
Intangible Assets		***(531)***	***(518)***	–	***32***	***18***	***18***	***100***	***103***	***107***
Computer Equipment		**(728)**	**(12,039)**	**(162)**	**196**	**91**	**91**	**350**	**362**	**373**
Furniture and Office Equipment		**(10,466)**	**(24,344)**	**(662)**	–	–	–	–	–	–
Machinery and Equipment		**7,976**	**8,186**	–	**1,581**	**1,581**	**1,581**	**272**	**281**	**290**
Transport Assets		**868**	**868**	**8,332**	**435**	**1,530**	**1,530**	**2,319**	**2,395**	**2,472**
Land		**44,078**	**47,158**	**47,401**	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**1,481,203**	**1,469,105**	**260,688**	**40,044**	**41,021**	**41,021**	**35,356**	**36,523**	**37,692**
ASSET REGISTER SUMMARY - PPE (WDV)	5	600,064	569,267	995,139	690,334	722,657	722,657	1,037,584	1,071,824	1,098,040
Roads Infrastructure		1,011,527	982,065	232,882	51,575	55,054	55,054	159,654	164,923	170,201
Storm water Infrastructure		(15)	(15)	(15)	26,188	27,527	27,527	3,413	3,525	3,638
Electrical Infrastructure		30,280	31,391	(36,423)	191,469	192,689	192,689	131,862	136,214	140,573
Water Supply Infrastructure		(583,318)	(571,582)	375,669	162,626	165,162	165,162	340,559	351,797	363,055
Sanitation Infrastructure		15	15	155,634	53,518	55,054	55,054	158,688	163,925	169,170
Solid Waste Infrastructure		–	–	–	25,029	27,527	27,527	176	182	188
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	(3,580)	–	–	–	–	–
Information and Communication Infrastructure		6,017	7,167	1,458	52,714	55,145	55,145	(1,285)	(1,327)	(1,370)
Infrastructure		***464,507***	***449,042***	***729,207***	***559,539***	***578,159***	***578,159***	***793,068***	***819,239***	***845,455***
Community Assets		1,754	888	40,118	51,615	52,836	52,836	38,897	40,181	40,181
Heritage Assets		1,022	1,022	15	–	–	–	15	15	15
Investment properties		**66,348**	**81,429**	**144,420**	**59,159**	**62,071**	**62,071**	**155,590**	**160,725**	**160,725**
Other Assets		9,955	(9,527)	28,024	(3,387)	–	–	(387)	(400)	(400)
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		(2,446)	(2,473)	–	91	77	77	100	103	103
Computer Equipment		–	–	(1,008)	8,512	9,360	9,360	(458)	(474)	(474)
Furniture and Office Equipment		5,926	(7,404)	(719)	182	182	182	–	–	–
Machinery and Equipment		8,053	8,263	2,045	(1,597)	1,944	1,944	(3,883)	(4,012)	(4,012)
Transport Assets		868	868	5,636	(278)	1,530	1,530	7,242	7,481	7,481
Land		44,078	47,158	47,401	16,498	16,498	16,498	47,401	48,965	48,965
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**600,064**	**569,267**	**995,139**	**690,334**	**722,657**	**722,657**	**1,037,584**	**1,071,824**	**1,098,040**
EXPENDITURE OTHER ITEMS		**42,141**	**2,534**	**18,119**	**33,050**	**–**	**–**	**21,206**	**21,905**	**22,606**
Depreciation	7	40,026	39	15,708	31,347	–	–	15,708	16,226	16,745
Repairs and Maintenance by Asset Class	3	**2,115**	**2,495**	**2,411**	**1,703**	**–**	**–**	**5,498**	**5,679**	**5,861**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1,901	1,745	(568)	320	–	–	798	824	851
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	600	–	–	3,100	3,202	3,305
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***1,901***	***1,745***	***(568)***	***920***	**–**	**–**	***3,898***	***4,027***	***4,155***
Community Facilities		189	–	112	365	–	–	600	620	640
Sport and Recreation Facilities		–	150	–	157	–	–	200	207	213
Community Assets		***189***	***150***	***112***	***522***	**–**	**–**	***800***	***826***	***853***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		**10**	**600**	**1,567**	**261**	**–**	**–**	**800**	**826**	**853**
Transport Assets		**14**	**–**	**1,299**	**–**	**–**	**–**	**–**	**–**	**–**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**42,141**	**2,534**	**18,119**	**33,050**	**–**	**–**	**21,206**	**21,905**	**22,606**
Renewal and upgrading of Existing Assets as % of total capex		*94.0%*	*95.2%*	*20.4%*	*67.2%*	*65.6%*	*65.6%*	*81.6%*	*81.6%*	*81.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*3480.1%*	*3546752.4%*	*338.3%*	*85.9%*	*0.0%*	*0.0%*	*183.6%*	*183.6%*	*183.6%*
R&M as a % of PPE & Investment Property		*0.4%*	*0.4%*	*0.2%*	*0.2%*	*0.0%*	*0.0%*	*0.5%*	*0.5%*	*0.5%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*231.9%*	*245.6%*	*5.6%*	*4.1%*	*3.7%*	*3.7%*	*3.3%*	*3.3%*	*3.3%*

5.6 FIVE YEAR STRATEGIC OBJECTIVES

FIVE –YEAR STRATEGIC OBJECTIVE	FIVE-YEAR IDP PROGRAMME	SECTION CHANGED	REASONS FOR CHANGE
Availability of cost-effective capital finance to fund capital programmes	Pursue borrowing through DBSA grants and source capital funding through government grants	IDP sub programme	The municipality will be implementing MIG capital projects for upgrading infrastructure within the Municipality
Equitable and competitive tariff	Tariff Management Programme	Ensure compliance with reviewed tariff Policy of the municipality.	Equitable and competitive tariff system that is informed by national inflation data and targets, comparable to local municipalities and circumstances of community to ensure affordability
Effective system that is informed by national inflation data and targets, comparable to local municipalities and circumstances of communities to ensure affordability	An evaluation of the tariff methodology to assess whether it is relevant to the current changes in the municipality and NERSA Revenue Enhancement Strategy	• Ensure compliance with the reviewed tariff policy of the municipality. Maintain separate property rates tariffs per category of property • Improve revenue collection rate to: • 60% in 2026/27 • 85 % In 2027/28	Equitable and competitive tariff system that is informed by national inflation data and targets, comparable to local municipalities and circumstances of community to ensure affordability

A budget system, structure and format that enables sound resources allocation and MSCOA seven segments	Financial Management Programme of the municipality is currently on the implementation of version 6.8 of MSCOA. The department uses the MSCOA seven segments to determine the allocation of funding to each department	-Redevelop formats to ensure that they are in line with the National Treasury's requirements -Develop and determine Medium **Term Budget Framework and long-term financial framework** -Ensure that the budget system is maintained and upgraded to the latest version as issued by National Treasury	A budget system, structure and format that enables sound resource allocation.

Challenges and Opportunities

CHALLENGES	OPPORTUNITIES
Placement of staff	Internal prepare Annual Financial statements by 2027/2028
Grading of the municipality resulting to lack of retention of competent staff and attraction of scare skill	Dedicated BTO staff
Satellite offices operating manually	
Unreliable meter reading leading to inconsistent billing	
Lack of clear business process	
Shortage of BTO staff	

Strategic Priorities

KEY PERFORMANCE AREA	IMPLEMENTATION PLAN
Financial turnaround strategy	
Financial turnaround strategy	- Expenditure review and implementation recommendations - Implementation of Cost Containment measures - Revenue maximisation plan - Implementation of Credit control and debt collection policy. - Improve implementation of billing - Increased collections levels - Implementation of fraud and anti-corruption strategy - Implementation of effective supply chain management - Increase in the number of households registered as indigent. - Payment plans with Key Creditors, i.e. Water board, Eskom - Implementation of Consequence management
Customer service	- Monitor turnaround time on query resolution. - Customer feedback on accounts - Introduce SMS and Email services for delivering Accounts. Introduce a dedicated WhatsApp number for query management
Overall financial oversight	- Attainment and maintenance of unqualified audit opinion - Improvement in cash coverage ratio - Reduction in total amount owing to creditors. - Functional MPAC - Functional DC Board

Financial Sustainability Sector Plan

FIVE-YEAR STRATEGIC OBJECTIVES	IDP PROGRAMME	DELIVERY AGENDA
Empowered customers enjoying highest standard of customer care and responsiveness	**Responsive customer care** Complaints vs. resolved.	**Responsive customer care** - Harness the single customer experience from optimisation of customer service centre. - Reduction in time taken to answer calls to an average of 60 seconds. - Sustain customer satisfaction

The municipality that creatively evolves its billing and expenditure system to ensure long-term fiscal stability and growth, and optimal spending to support accelerated and sustainable development	**Maximise Revenue Collection and Billing** Increase in average revenue collection to 60% (over MTREF)	**Maximise Revenue Collection and Billing** - Increase in revenue collection to acceptable levels, including indigents. - Address meter reading. - Install smart electricity meters. - Install pre-paid water meters
	Debtors book Analysis of the debtors' book	**Debtors book** - Encourage customers to utilize incentive schemes through operation patala. - Enlist the services of debt collectors from the relevant National Treasury Transversal contract
Sustained excellence in financial management	**Completeness of revenue** - Increase in number correct accounts to over 97%	**Completeness of revenue** - Realise all revenue maximisation projects under property valuation relating to the following areas: - Valuation roll - Reconciliation of property data - Overall completeness of data - Priority projects to raise additional revenue. - Return on investment of revenue maximisation. - Harness value add of property value chain. - Sustained incremental concise completeness of revenue project

	Refunds and clearance efficiencies - Increase of active customers receiving bills to 100 % 98 % refunds issued within 30 days of - 100 % clearance certificates issued within 30 days.	**Refunds and clearance efficiencies** - Accurate billing management - 93% to 97% clearance certificate and refunds issued within 30 days of application. - 97% of properties on the billing system metered and billed with accurate bills. - 97% increase in active customers receiving bills to minimum
A municipality with stable and growing revenue streams	**Credit control enforcement.** Expansion of credit control **Capital Financing programme** Where appropriate and within a policy framework raise project finance for specific infrastructure projects	**Credit control enforcement.** - - Strengthened credit management. - - Controls through reduction of areas where no credit control is taking place **Capital Financing Programme** Strengthens relationship with businesses
A budget system, structure and format that enables sound resource allocation decisions	**Budget reform programme** - Revise the budget format to facilitate flexible programme based MSCOA budgeting. - As required by the MFMA, continue to build the system and practices enabling more effective and efficient budget tracking funded budget.	**Budget reform programme** - Develop an expenditure review model on an annual basis. - Produce quarterly SDBIP reports in line with National Treasury regulations. - Review budget policies annually

Measurable improvements in unit cost and allocation efficiency on a key of set indicators	**Expenditure review programmes** - As part of the overall framework of performance tracking and strategic decision-making, build a system and practice of annual budget review that tracks trends and issues in personnel spending, unit cost efficiencies, allocative efficiencies of, and social, economic, and financial returns from, key service investments, and whether expenditure responsibilities are being adequately matched by resources. - Develop methods for evaluating for evaluating unit cost efficient in expenditure on key service and conduct regular benchmark comparison studies with comparable to local municipalities	**Expenditure review programme** - Develop an expenditure review document on an annual basis. - Review budget policies annually.

Conclusion

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

CHAPTER 6

ALIGNMENT OF MUNICIPAL IDP WITH NDP AND FSGDS

Through public consultation and engagement with communities, different stakeholders, interaction with employees and analysis of the conditions of the services in the municipality and identified all the challenges and interventions required for each service provided by the municipality.

For each Key performance Area, the municipality developed the strategic objectives in line with the National Development Plan (NDP) and Free State Growth and Development Strategies (FSGDS) to give a clear guideline of the municipal strategic direction on the level of service delivery in all the areas. From the process followed the municipality identified the developmental objectives which will inform the municipal performance planning and risk management.

These objectives are developed in line with the SMART principle (Specific, Measurable, Achievable, Realistic and Time-bound)

LLM Key Performance Areas	Xhariep District Strategic Goal	NDP 2030 Alignment	MTSF 2024-2029 Priority	Free State Growth and Development Strategy
Basic Service delivery and Infrastructure development	Goal 1: Sustainable services	Chapter 8: Transforming settlements	Priority 1: Economic transformation and Job creation	Priority 1: Basic service and Infrastructure
Community Safety and Sustainability	Goal 2: Safe and Healthy environment	Chapter 5: Environmental sustainability; Chapter 11: Health care	Priority 2: Education, skills and health	Priority 3: Social development and wellbeing
Local Economic Development	Goal 3: Economic growth and Job creation	Chapter 3: Economy and employment: Chapter 6: Rural economy	Priority 1: Economic transformation and Job creation	Priority 2: Economic growth and development
Financial Viability, Public Participation and Good Governance	Goal 4: Good governance and financial sustainability	Chapter 13: Building a capable state	Priority 7: A capable, ethical and developmental state	Priority 4: Good governance and institutional development

ALIGNMENT OF NATIONAL, PROVINCIAL AND LOCAL STRATEGIC OBJECTIVES QUANTIFIED INTO KEY PERFORMANCE INDICATORS

OFFICE OF THE MUNICIPAL MANAGER

TL KPI REF	IDP Ref	KPA	KPI	CALCULATION	WARD	ANNUAL TARGET	2026/27 QUARTERLY TARGET				KPI TARGET TYPE		
							2026		2027				
							Q1	Q2	Q3	Q4		INDICATOR TYPE	PORTFOLIO OF EVIDENCE
OMM1	LDO3	GGPP	Review the Risk-Based Internal Audit Plan (RBAP) and submit to the Audit Committee by 30 June 2027	Number of RBAP (Risk Based Audit Plan) reviewed and submitted to Audit Committee by 30 June 2026	ALL	4 MPAC Meetings held by 30 June 2027	N/A	N/A	N/A	1	Number	Output	RBAP submitted and Council Resolution
OMM2	LDO3	GGPP	Number of MPAC Meetings held by 30 June 2027	Total number of meetings held	ALL	4 MPAC Meetings held by 30 June 2027	1	1	1	1	Number	Output	Quarterly Minutes & Attendance Registers
OMM3	LDO3	GGPP	Number of Audit Action Plan reports submitted to Audit Committee by 30 June 2027	Number of reports submitted	ALL	4 Audit Action Plan Reports submitted to Audit Committee by 30 June 2027	1	1	1	1	Number	Output	Quarterly Minutes & Attendance Registers
OMM4	LDO3	GGPP	No. of audit committees held per annum	Number of meetings held	ALL	4 Audit Committee Meetings held by 30 June 2027	1	1	1	1	Number	Output	Quarterly Minutes & Attendance Registers
OMM5	LDO3	GGPP	Submit the strategic risk register to Council by 30 June 2027	Number of strategic risk registers submitted to Council by 30 June 2027	ALL	2 Strategic risk registers submitted to Council by 30 June 2027	N/A	1	N/A	1	Number	Output	Risk registers submitted and Council Resolutions
OMM6	LDO3	GGPP	Number of Risk Committee Meetings held by 30 June 2027	Number of meetings held	ALL	4 Risk Committee Meetings held by 30 June 2027	1	1	1	1	Number	Output	Risk Committee Meeting minutes
OMM7	LDO3	GGPP	Number of Risk Management reports Submitted to the RMC by 30 June 2027	Number of reports submitted	ALL	4 Risk Management Implementation Reports submitted to the RMC by 30 June 2027	1	1	1	1	Number	Output	Council resolution
OMM8	LDO3	GGPP	Annual Report 2025/26 tabled in council on or before 31 Jan 2027	Number of reports submitted	ALL	1 Annual Report tabled on or before 31 Jan 2027	N/A	N/A	1	N/A	Number	Output	Council resolution
OMM9	LDO3	GGPP	Submit the Draft IDP to Council by 31 March 2027	No of and Date draft IDP Submitted to Council	All	1 Reviewed Draft IDPs submitted to Council by 31 March 2027	N/A	N/A	1	N/A	Number	Output	1 reviewed IDP submitted on or before 31 March 2027
OMM10	LDO2	FVM	Number of AGSA audit findings / actions implemented by 30 June 2027	% of audit findings corrected	ALL	100% implementation of 2024-2025 financial year total audit	N/A	N/A	N/A	100%	Percentage	Output	Quarterly progress reports submitted to Council.

						findings and 50% implementation of 2025-2026 total audit findings by 30 June 2027							
OMM11	LDO3	GGPP	Number of Performance Assessment Reports submitted by 30 June 2027	Number of reports submitted	ALL	**4 informal** performance assessment reports by 30 June 2027	1	1	1	1	Number	Output	Q1: Signed 2025/2026 Annual Performance Assessment Report Q2: Signed 2026/2027 Quarter 1 informal performance assessment report Q3: Signed 2026/2027 Midterm Performance Assessment Report Q4: Signed 2026/2027 Quarter 3 informal performance assessment report
OMM12	LDO3	GGPP	Annual review of IDP completed before the end of May of each year	Number of final IDP submitted to council for adoption by 31 May 2027	ALL	1 Reviewed IDP completed by 31 May 2027	N/A	N/A	N/A	1	Number	Output	Council resolution
OMM13	LDO3	GGPP	Submit the Final Annual Report 2025/26 to Council by 31 March 2027 oversight report	Number of Final Annual Reports submitted to Council by 31 March 2027	All	1 Annual Report submitted by 31 March 2027	N/A	N/A	1	N/A	Number	Output	1 AR submitted on or before 31 March 2027
OMM14	LDO1	SDID	% of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	% of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	ALL	100% expenditure of the municipality's CAPEX Budget	10%	30%	70%	95%	Percentage	Outcome	Quarterly expenditure reports submitted to the Council
OMM15	LDO3	GGPP	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	Number of council resolutions implemented within time frame divided by total No. of resolutions	ALL	95%	95%	95%	95%	95%	Percentage		Quarterly Execution list and reports submitted to council

OMM16	LDO7	MTID	Number of performance audits undertaken	Number of performance audits	All	4	1	1	1	1	Number	Output	Council resolutions approving the performance audits done
OMM17	LDO7	MTID	Submit quarterly reports to council on the actual performance in terms of the Top Layer SDBIP	Number of SDBIP Top Layer performance reports submitted to council	All	4	1	1	1	1	Number	Output	1st Quarter: 2025/26 Annual performance assessments 2nd Quarter: First quarter performance assessments 3rd Quarter: Second quarter performance assessments 4th Quarter: Third quarter performance assessments
OMM18	LDO3	GGPP	Submit the previous financial year annual report to AGSA at the end of August 2026	Number of Annual Reports submitted to AGSA by end of August 2026	All	1 report submitted	1	N/A	N/A	N/A	Number	Output	Proof of Submission
OMM19	LDO3	GGPP	Review of PMS policy by the end of 31 May 2027	Number of Reviewed PMS Frameworks by 31 May 2027	All	1	N/A	N/A	N/A	1	Number	Output	Council Resolution approving the reviewed PMS Framework
OMM20	LDO3	GGPP	Sign and conclude Performance Agreement for Senior Managers directly accountable to the MM by 31 July 2026	Number of performance agreements signed by 31 July 2026	All	5 performance agreements signed	5	N/A	N/A	N/A	Number	Output	5 Signed performance agreements signed and submitted to the Council
OMM21	LDO3	GGPP	Conduct quarterly Performance Evaluation for Senior Managers directly accountable to the MM by 30 June 2027	Number of performance evaluations completed by 30 June 2027	All	4 Assessments completed	4	4	4	4	Number	Output	1st Quarter: 2025/26 Annual performance assessments reports

CORPORATE SERVICES

TL KPI REF	IDP Ref	KPA	KPI	CALCULATION	WARD	ANNUAL TARGET	2026/27 QUARTERLY TARGET				KPI TARGET TYPE		
							2026		2027				
							Q1	Q2	Q3	Q4		INDICATOR TYPE	PORTFOLIO OF EVIDENCE
CS1	LDO3	GGPP	% of agendas for scheduled meetings distributed to Councillors and officials at least 48 hours before the meeting	Percentage of agendas distributed 48 hours before the meeting divided by the total No. of agendas distributed	All	90% distributed within the time frame	100%	100%	100%	100%	Percentage	Outcome	Distribution list indicating time of distribution or delivery Distribution list of emails sends
CS2	LDO3	GGPP	% of Council resolutions distributed within 7 working days after each meeting	Percentage of council resolutions distributed within 7 days after each council meeting divided by No. of council resolutions taken	All	100% of council resolutions distributed	100%	100%	100%	100%	Percentage	Outcome	Proof of distribution
CS3	LDO3	GGPP	Annual council schedule compiled and approved by end of June each year	Number of Annual Schedule provided by 30 June 2027	All	1 Schedule submitted	N/A	N/A	N/A	1	Number	Output	Council Resolution re Approval
CS4	LDO3	MTID	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	Percentage of council resolutions implemented within time frame divided by total No. of resolutions	All	95% of resolution implemented within time frame	95%	95%	95%	95%	Percentage	Outcome	Proof of execution. Execution list submitted to council
CS5	LDO3	MTID	No. of quarterly reports to Council on the tracking of council resolutions (submitted at the end of each quarter - Sept, Dec, Mar & Apr)	Number of reports submitted.	All	4 reports submitted	1	1	1	1	Number	Output	Council Agenda
CS6	LDO3	MTID	WSP, annual training report (ATR) & PIVOTAL report compiled and submitted to LGSETA on 30 April each year.	Number of annual training reports and WSP submitted to the LGSETA by 30 April 2027	All	1 report submitted on or before 30 April 2027	N/A	N/A	N/A	1	Number	Output	Proof of submission and acknowledgement of receipt
CS7	LDO2	MTID	No. of EE Reports submitted to Department of Labour by 15 January each year [EEA2 and EEA4]	Number of EE reports submitted by 31 March 2027	All	2 reports submitted	N/A	N/A	2	N/A	Number	Output	Proof of Submission of the EE2 and EEA4 reports
CS8	LDO2	MTID	Review of EE Plan and numerical goals and targets by 30 Sept 2025	Number of Revised EE Plan by 30 September 2026	All	1 reviewed plan approved	1	N/A	N/A	N/A	Number	Output	Council resolution where plan is approved
CS9	LDO3	MTID	% of Full Time Equivalent posts on the organogram vacant	No. of vacant posts divided by Total No. of posts by 30 June 2027	All	>15%	>15%	>15%	>15%	>15%	Percentage	Outcome	Vacancy list and report to Council
CS10	LDO4	MFVM	Total overtime hours as a percentage of all work hours	Overtime hours worked divided by total hours worked by 30 June 2027	All	> 5% and ≤ 8%	> 5% and ≤ 8%	> 5% and ≤ 8%	> 5% and ≤ 8%	> 5% and ≤ 8%	Percentage	Outcome	Overtime report
CS11	LDO1	MTID	No. of LLF meetings held per annum	Number of LLF meetings held per quarter by 30 June 2027	All	4 LLF Meetings held (1 per quarter)	1	1	1	1	Number	Output	LLF Agenda and Minutes

CS12	LD07	MTID	95% of a municipality's training budget actually spent on implementing its workplace skills plan;	R value spent on training divided by total training budget value of the municipality	All	95% per annum	0%	30%	60%	95%	Percentage	Input	Financial report from Budget
CS13	LDO4	MFVM	Develop departmental procurement plan and submit to Municipal Manager for approval on a quarterly basis	Number of departmental procurement plan developed and submitted to Municipal Manager for approval on a quarterly basis by 30 September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Acknowledgement and a signed procurement plan
CS14	LDO4	MFVM	Effective asset management	Number of reports on asset count on a quarterly basis by 30 June 2027	All	4	1	1	1	1	Number	Output	Report on asset count
CS15	LD07	MTID	% of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of employees from designated groups in three highest levels of management divided by total number of employees in three highest levels of management	All	90%	90%	90%	90%	90%	Percentage	Output	EEA4 Report submitted to Council
CS16	LD07	MTID	Capable workforce	Number of employees who received training by 30 June 2027	All	50	N/A	N/A	N/A	50	Number	Output	ATR Report submitted to Council and Council Minutes
CS17	LD07	MTID	Safe and secure work environment	Number of OHS committee meetings held by 30 June 2027	All	4	1	1	1	1	Number	Input	Minutes of OHSA Meetings held

FINANCIAL SERVICES

TL KPI REF	IDP Ref	KPA	KPI	CALCULATION	WARD	ANNUAL TARGET	2026/27 QUARTERLY TARGET				KPI TARGET TYPE	INDICATOR TYPE	PORTFOLIO OF EVIDENCE
							2026		2027				
							Q1	Q2	Q3	Q4			
FS1	LDO2	MFVM	Compliant annual budget (MTREF) compiled and approved by end of May each year	Actual date budget approved by 31 May 2027	All	1	N/A	N/A	N/A	1	Number	Output	Council Resolution
FS2	LDO2	MFVM	Adoption of adjustment budget	Number of adjustment budgets submitted to council for adoption on or before 28 February 2027	All	1	N/A	N/A	1	N/A	Number	Output	Council resolution for adoption of adjustment budget
FS3	LDO2	MFVM	Mid-year budget assessment and budget adjustments report submitted on or before 25 January each year (s72 of MFMA)	Date Mid-year assessment submitted by 28 February 2027	All	1	N/A	N/A	1	N/A	Number	Output	31 January Council Resolution 25 January 2026 proof of submission to Mayor and Treasury
FS4	LDO2	MFVM	No. of monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by No. later than 10 working days after the end of each month	Number of monthly budgets statements (s71 MFMA) are compiled and submitted to the Mayor by 30 June 2027	All	12	3	3	3	3	Number	Output	Monthly reports
FS5	LDO2	MFVM	Submit section 52d reports to Mayor and Municipal Manager within 30 days after the end of each quarter	Number of sections 52d reports submitted to Mayor and Municipal Manager by 30 June 2027	All	4	1	1	1	1	Number	Output	Section 52d reports and Acknowledgement of receipt
FS6	LDO2	MFVM	Effective expenditure management	Number of expenditure management reports submitted to Municipal Manager for approval on a quarterly basis by 30 June 2027	All	4	1	1	1	1	Number	Output	expenditure management reports submitted to Municipal Manager for approval on a quarterly basis
FS7	LDO2	MFVM	Effective revenue management	Number of income management reports submitted to Municipal Manager for approval on a quarterly basis by 30 June 2027	All	4	1	1	1	1	Number	Output	income management reports submitted to Municipal Manager for approval on a quarterly basis

FS8	LDO2	MFVM	Effective internal control and compliance	Number of reports on unauthorized expenditure submitted to MPAC for investigation quarterly by 30 June 2027	All	4	1	1	1	1	Number	Output	Unauthorized expenditure report
FS9	LDO2	MFVM	Effective internal control and compliance	Number of reports on fruitless and wasteful expenditure submitted to MPAC for investigation on a quarterly basis 30 June 2027	All	4	1	1	1	1	Number	Output	Fruitless and wasteful expenditure report
FS10	LDO2	MFVM	Annual Financial Statement submitted to the Auditor-General by the end of 31 August 2025	Number of Annual Financial Statements submitted to the Auditor-General by 31 August 2026	All	1	1	N/A	N/A	N/A	Number	Output	Proof of Submission and acknowledgement of receipt
FS11	LDO2	MFVM	Number of SCM reports submitted to council	Number of reports submitted to Mayor and Municipal Manager by 30 June 2027	All	4	1	1	1	1	Number	Output	Quarterly reports submitted to Mayor and Municipal Manager
FS12	LDO2	MFVM	Effective Supply Chain Management	Number of irregular expenditure reports submitted to Mayor and Municipal Manager by 30 June 2027	All	4	1	1	1	1	Number	Output	Quarterly reports submitted to Mayor and Municipal Manager
FS13	LDO2	MFVM	Effective Supply Chain Management	Number of deviation reports on the procurement process submitted to Municipal Manager for acknowledgement quarterly by 30 June 2027	All	4	1	1	1	1	Number	Output	Quarterly reports submitted to MM
FS14	LDO2	MFVM	Effective Supply Chain Management	Reports on awards above R100 000 submitted to Municipal Manager for approval on a quarterly basis by 30 Jiune 2026	All	4	1	1	1	1	Number	Output	Quarterly reports submitted to MM
FS15	LDO2	MFVM	Percentage payment of municipal accounts by municipal employees	Percentage of municipal employees paying municipal accounts by 30 June 2027	All	100%	100%	100%	100%	100%	Percentage	Outcome	Payment list
FS16	LDO2	MFVM	% payment of municipal accounts by councillors	Percentage of councillors paying municipal accounts by 30 June 2027	All	100%	100%	100%	100%	100%	Percentage	Outcome	Payment list
FS17	LDO7	MTID	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	Percentage of council resolutions implemented within time by 30 June 2027	All	95%	95%	95%	95%	95%	Percentage	Output	Execution list submitted quarterly to MM

FS18	LDO2	MFVM	The percentage of the Directorate: Financial Services capital budget spent on capital projects by 30 June 2026 (Actual amount spent on projects / Total amount budgeted for capital projects less savings) X100}	Percentage of the Directorate: Financial Services capital budget spent on capital projects by 30 June 2027	All	95% per Annum	10%	30%	60%	95%	Percentage	Output	Quarterly expenditure report
FS19	LDO2	MFVM	Financial viability measured in terms of outstanding service debtors as on 30 June 2026 (Total outstanding service debtors / revenue received for services) (Reg 796)	Service debtors to revenue as on 30 June 2027 - (Total outstanding service debtors / revenue received for services)	All	27%	27%	27%	27%	27%	Number	Outcome	Sec 71 Report
FS20	LDO1	BSD	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b) - Provide free basic water to indigent households	No. of HH that are registered as indigent receiving free basic water 30 June 2027	All	2500	3000	4000	4500	5 000	Number	Outcome	Indigent Register
FS21	LDO1	BSD	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b)-Provide free basic sanitation to indigent households	No. of HH that are registered as indigent receiving free basic sanitation by 30 June 2027	All	2500	3000	4000	4500	5 000	Number	Outcome	Indigent Register
FS22	LDO1	BSD	(NKPI Proxy - MSA, Reg. S10(a), (b) Provide free basic electricity to indigent households	No. of HH that are registered as indigent receiving free basic electricity by 30 June 2027	All	2500	3000	4000	4500	5 000	Number	Outcome	Indigent Register
FS23	LDO1	BSD	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))-Provide free basic refuse removal to indigent households	No. of HH that are registered as indigent receiving free basic refuse by 30 June 2026	All	2500	3000	4000	4500	5 000	Number	Outcome	Indigent Register
FS24	LDO2	MFVM	% of consumer debtors revenue collected (actual total collections as a percentage of total levies/billings)	Percentage of Collected Revenue / Billed Revenue x 100 by 30 June 2027	All	60%	60%	75%	75%	75%	Percentage	Outcome	Section 71 Report
FS25	LDO2	MFVM	Develop departmental procurement plan and submit to Municipal Manager for approval on a quarterly basis	Number of departmental procurement plan developed and submitted to Municipal Manager for approval on a quarterly basis by September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Acknowledgement and a signed procurement plan
FS26	LDO2	MFVM	Effective asset management	Number of asset registers updated and submitted to AGSA on or before 31 August 2026	All	1	1	0	0	0	Number	Output	Proof of submission and acknowledgement of receipt
FS27	LDO2	MFVM	Effective asset management	Number of reports on asset count on a quarterly basis by 30 June 2027	All	4	1	1	1	1	Number	Output	Report on asset count

FS28	LDO3	GGPP	% of council resolution allocated to the Directorate implemented within the prescribed timeframe	Percentage of Council Resolutions Implemented/No of Council Resolutions taken by 30 June 2027	All	100%	100%	100%	100%	100%	Percentage	Output	Resolution Register

DIRECTORATE: TECHNICAL SERVICES

TL KPI REF	IDP Ref	KPA	KPI	CALCULATION	WARD	ANNUAL TARGET	2026/27 QUARTERLY TARGET				KPI TARGET TYPE	INDICATOR TYPE	PORTFOLIO OF EVIDENCE
							2026		2027				
							Q1	Q2	Q3	Q4			
TS1	LDO2	MFVM	Limit unaccounted electricity to 10% by 30 June 2026	(Number of Electricity Units Purchased and/or Generated- Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or generated) × 100} by 30 June 2027	All	10% of average electricity losses, measured by 30 June 2027	10%	10%	10%	10%	Percentage	Outcome	Quarterly reports submitted to Council
TS2	LDO1	BSD	Compliance of drinking water with the SANS 241 physical and microbiological parameters at final water and distribution sampling points, with zero detection of E. coli and not more than three parameter exceedances per analysed sample, measured on 31 December 2025 and 30 June 2026	Number of parameter exceedances per analysed drinking water sample, with no detection of E coli by 30 June 2027	All	less than 3 parameter exceedances per analysed sample	0 E.Coli ≤3 parameter exceedance, across 4 quaters				Number	Outcome	Water Quality reports submitted to council
TS3	LDO1	BSD	Spend 95% of MIG conditional grant to upgrade infrastructure by 30 June 2026 [Total amount spent/ Total amount allocated) x100]	Percentage of MIG conditional grant spent by 30 June 2027	All	95%	0%	40%	55%	95%	Percentage	Outcome	MIG expenditure report
TS4	LDO1	BSD	% of budget spend on INEP grants	Percentage spending on DOE on or 30 June 2027	All	100%			40%	100 %	Percentage	Outcome	DOE expenditure report
TS5	LDO1	BSD	Budget spend on WSIG grant	Percentage spending on WSIG on or 30 June 2027	All	95%	0%	40%	55%	95%	Percentage	Outcome	RBIG expenditure report
TS6	LDO3	GGPP	Submit MIG performance and expenditure reports to CoGTA, National and Provincial Treasury	Number of MIG expenditure reports submitted to CoGTA by 30 June 2027	All	12	3	3	3	3	Number	Output	MIG performance progress and expenditure report. Proof of submission to CoGTA, National and Provincial Treasury
TS7	LDO3	GGPP	Submit WSIG performance and expenditure reports to DWS, CoGTA, National and Provincial Treasury	Number of WSIG performance and expenditure reports to DWS, CoGTA, National and Provincial Treasury by 30 June 2027	All	12	3	3	3	3	Number	Output	WSIG performance progress and expenditure reports to DWS, COGTA, National and Provincial Treasury. Proof of submission to

													CoGTA, National and Provincial Treasury
TS8	LDO3	GGPP	Submit INEP performance and expenditure reports to DOE	Number of INEP expenditure reports submitted to DOE by 30 June 2027	All	12	3	3	3	3	Number	Output	MIG performance progress and expenditure report Proof of submission to CoGTA, National and Provincial Treasury
TS9	LDO4	MFVM	Develop departmental procurement plan and submit to Municipal Manager for approval on a quarterly basis	Number of departmental procurement plan developed and submitted to Municipal Manager for approval on a quarterly basis by September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Acknowledgement and a signed procurement plan
TS10	LDO5	BSD	Upgrading of 1,120m Bulk sewer lines and pumpstation (MIS: 529455) in Relebohile/Luckhoff by June 2027	% of the budget spend on the Upgrading of 1,120m Bulk sewer lines and pumpstation (MIS: 529455) in Relebohile/Luckhoff by 30 June 2027	All	50%	N/A	N/A	50%	50%	Percentage	Output	Performance and expenditure progress reports
TS11	LDO5	BSD	Upgrading of Waste Waste Treatment Works (WWTW) in Koffiefontein by June 2027	% of the budget spend on the Upgrading of Waste Waste Treatment Works (WWTW) in Koffiefontein by June 2027	5	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS12	LDO5	BSD	Refurbishment of the sports facility in Petrusburg/Bolokanang by June 2027	% of budget spend on the Refurbishment of the sports facility in Petrusburg/Bolokanang by June 2027	5	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS13	LDO5	BSD	Construction of 2.6MVA, 22kV 3-Way Electrical Switching Station in Petrusburg by 30 June 2027	% of the budget spend on the Construction of 2.6MVA, 22kV 3-Way Electrical Switching Station in Petrusburg by 30 June 2027	6&3	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS14	LDO5	BSD	Conduct electricity meter audit on businesses per town by June 2026	% of electricity meter audited conducted by end June 2027	All	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS15	LDO5	BSD	Rehabilitation of storm water management system – Phase 1 (MIS:545527) in Bolokanang /Petrusburg by June 2027	% of budget spend on the Rehabilitation of storm water drainage in Bolokanang/ Petrusburg by June 2027	All	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS16	LDO5	BSD	Upgrading of Outfall line and sewer pump station in Jacobsdal by 30 June 2027	% of the budget spend on the Upgrading of Outfall line and sewer pump station in Jacobsdal by 30 June 2027	2	100%	25%	50%	75%	100 %	Percentage	Output	Performance and expenditure progress reports
TS17	LDO5	BSD	Koffiefontein:Refurbishment of WWTW by 30 June 2027	% of budget spend on the Refurbishment of WWTW in Koffiefontein by 30 June 2027	4&5	100%	N/A	N/A	50%	50%	Percentage	Output	Performance and expenditure progress reports

TS18	LDO3	GGPP	% of council resolution allocated to the Directorate implemented within the prescribed timeframe	Council Resolutions Implemented/No of Council Resolutions taken by 30 June 2027	All	95%	95%	95%	95%	95%	Percentage	Outcome	Council execution list submitted quarterly to Council

DIRECTORATE: COMMUNITY SERVICES

TL KPI REF	IDP Ref	KPA	KPI	CALCULATION	WARD	ANNUAL TARGET	2026/27 QUARTERLY TARGET				KPI TARGET TYPE	INDICATOR TYPE	PORTFOLIO OF EVIDENCE
							2026		2027				
							Q1	Q2	Q3	Q4			
CS1	LDO1	BSD	No. of HH in formal areas meet minimum refuse removal standards (at least once a week)	Number of Households with access to refuse removal	All	Director Community Services		N/A	N/A	N/A	Number	Outcome	Technical Report
CS2	LDO6	BSD	Develop an Integrated Human Settlement Plan (Housing Strategy) and submit draft to Council by end June 2026	Number of Integrated Human Settlement Plans developed and submitted to Council by 31 March 2027	All	1	N/A	N/A	1	N/A	Number	Output	Developed Integrated Human Settlement Plan (Housing strategy)
CS3	LDO6	BSD	Develop a Spatial Development Framework on or before 30 June 2026 and submit to Council for approval	Number of Spatial Development Frameworks developed and submitted to Council by 31 July 2026	All	1	1	N/A	N/A	N/A	Number	Output	Council Resolution
CS4	LDO6	BSD	Updated the human settlement Erven waiting list.	Number of updated human settlement Erven waiting list by 30 June 2027	All	4	1	1	1	1	Number	Output	Waiting list from the Department
CS5	LDO6	BSD	Land audit for municipal and private owned land	Number of land audit reports on the municipal and private owned land conducted by 30 June 2027	All	4	1	1	1	1	Number	Output	Land audit report
CS6	LDO6	BSD	Conducting building inspections by June 2026	Number of reports on building inspections conducted by 30 June 2027	All	4	4	1	1	1	Number	Output	Land audit report
CS7	LDO6	BSD	% of land use applications submitted within 60 days of receipt	Percentage of Land use applications received and submitted within 60 days divided by total correct applications received by 30 June 2027	All	90%	90%	90%	90%	90%	Percentage	Outcome	Land use registers
CS8	LDO6	BSD	% of land development applications submitted within 60 days of receipt	Percentage of Land development applications received and submitted within 60 days divided by total correct applications received by 30 June 2027	All	90%	90%	90%	90%	90%	Percentage	Outcome	Applications submitted and approved

CS9	LDO6	BSD	% of Building plans approved within 30 days	Percentage of Building plans approved within 30 days divided by total correct plans received by 30 June 2027	All	90%	90%	90%	90%	90%	Percentage	Outcome	Building plan register
CS10	LDO5	BSD	Develop a Cemetery Master Plan by 30 June 2027	Number of Cemetery master plans developed by 30 June 2027	All	1	N/A	N/A	N/A	1	Number	Output	Council Resolution of Approved Plan
CS11	LDO5	BSD	Develop a Sport Infrastructure Master Plan by 30 September 2026	Number of Sports Infrastructure master plans developed by 30 September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Council Resolution approving master plan
CS12	LDO6	BSD	Review the Disaster Management Plan and submit to council for approval	Number of Disaster Management Plans reviewed by 30 September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Council Resolution
CS13	LDO6	BSD	Establish an Internal Disaster Risk Management Advisory Forum by 30 December 2026	Number Internal Disaster Risk Management Advisory Forum established by 30 December 2026	All	1	N/A	1	N/A	N/A	Number	Output	Forum minutes and agenda
CS14	LDO6	BSD	Submit a Human Settlements project funding application to the Department of Human Settlements by 30 September 2026	Number of Human Settlements project funding applications submitted by 30 September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Proof of submission
CS15	LDO4	GGPP	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	No. of council resolutions implemented within time frame divided by total No. of resolutions by 30 June 2027	All	95%	95%	95%	95%	95%	Percentage	Outcome	Council execution list
CS16	LDO4	MFVM	Develop departmental procurement plan and submit to Municipal Manager for approval on a quarterly basis	Number of departmental procurement plan developed and submitted to Municipal Manager for approval on a quarterly basis by 31 September 2026	All	1	1	N/A	N/A	N/A	Number	Output	Acknowledgement and a signed procurement plan
CS17	LDO4	MFVM	Effective asset management	Number of reports on asset count on a quarterly basis by 30 June 2027	All	4	4	1	1	1	Number	Output	Report on asset count

CHAPTER 7

SECTOR PLANS

7.1 Sector Plans, strategies, By- Laws and Policies

Status Quo Introduction

At the core of the new system of local government is the ability of municipalities to coordinate and integrate programmes of other spheres and sectors operating in their space. This role is very critical given that all government programmes and services are delivered in municipal spaces. In this regard, the integrated development planning process becomes a vehicle to facilitate integrated development to ensure the attainment of local government outcomes contained in the White Paper on Local Government.

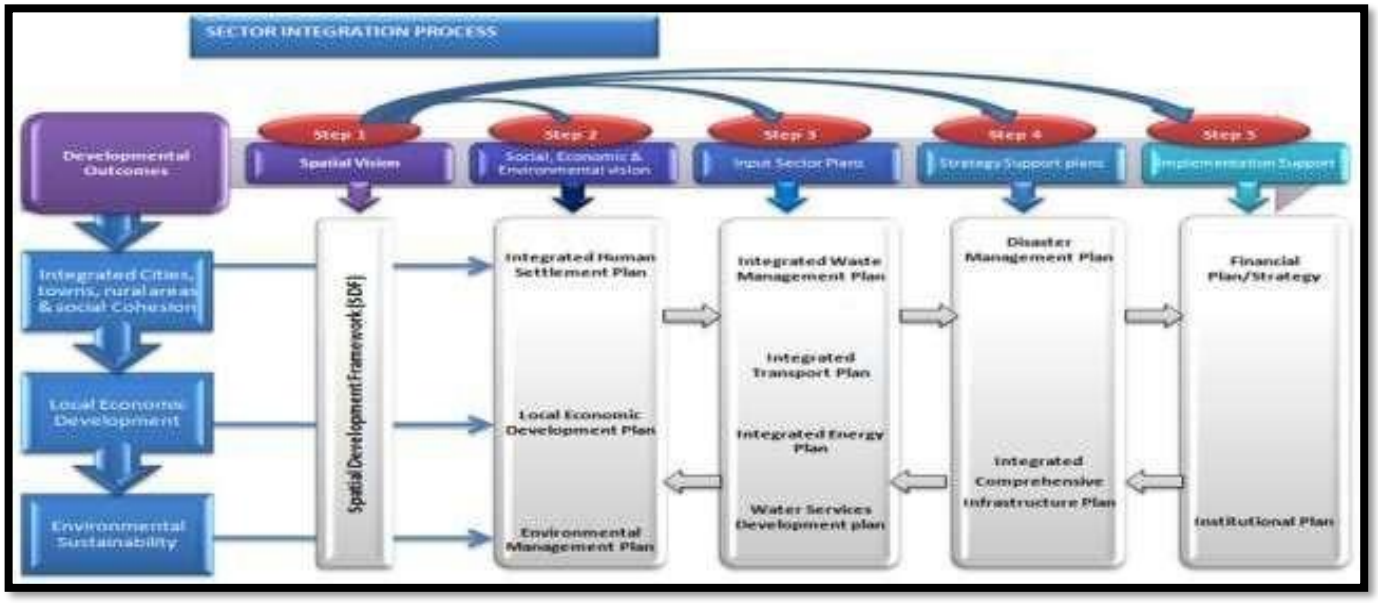
The approaches and plans to achieve these outcomes are contained in various national and provincial legislation and policy frameworks. National departments through legislation and policies express government priorities, strategies, plans and programmes. The legislation and policies also require municipalities to develop sector specific plans to guide the rendering certain services. For the purpose of this framework these sector plans are grouped in two (2) main categories, namely:

- sector plans providing overall development vision of the municipality and
- sector plans that are service-oriented.

7.1.1 Integration of Sector Plans

The diagram below illustrates how the sector plans are to be integrated into the IDP.

Figure 18: Sector Plan Integration



Below are the Sector Plans and their Status:

Section 26 of the Local Government Municipal System Act on Core components of the Integrated Development Plan provides for the development of a suite of sectoral plans to enhance the IDP.

At a minimum the municipality is expected to develop the following sectoral plans as core components of the IDP.

SECTOR PLAN	IN PLACE OR NOT IN PLACE	STATUS QUO	DATE: COUNCIL ADOPTION/NEXT REVIEW
Spatial Development Framework	In place	Adopted by Council	August 2018
Rural Development Sector Plan			
Water Master Plan	In place	Adopted by Council	May 2019
Sewer Master Plan	In place	Adopted by Council	May 2019
Roads and Stormwater Master Plan			
Water Service Development Plan (WSDP)	In place	Adopted by Council	May 2019
Electricity Master Plan	In place	Adopted by Council	2017
LED Strategy	In place	Draft	
Tourism Sector Plan	In place	Non – existent	
Integrated Waste Management Plan (IWMP)	Not in Place	Last adopted by Council in March 2018	Current in Draft
Integrated Human Settlements Plan	In place	Adopted by Council	2023
Air Quality Maintenance Plan (AQMP)	Not in Place		
Disaster Management Plan	Not in Place	Draft	
Fire Management Plan	Not in place	Non – existent	

Workplace Skills Plan	In place	Adopted by Council	July 2025
Human Resources Strategy	In place	Adopted by Council	August 2019
Energy Master Plan	Not in place	Non – existent	
Infrastructure Master Plan	Not in place	Non – existent	
Housing Sector Plan	Not in place	Non – existent	
Turnaround Strategy	In place	Adopted by Council	August 2018
Risk Management Strategy	In place	Adopted by Council	August 2018
Public Transport	In place	Adopted by Council	
Integrated Environmental Management Plan	Not in place	Non – existent	

7.2 Status Quo of Policies

POLICY	STATUS
Municipality Fraud Prevention Policy	
Risk Management Policy Attendance and Punctuality Policy Leave policy Occupational Health and Safety Policy Recruitment and placement policy Training and Development policy Subsistence and travelling policy HR Policy and procedure manual Commonage management Policy Business License Policy	In place In place (Due for review)
BY-LAWS ADOPTED	
Standard draft by law for township economies	In place (Approved)

▪ Standard Delegation of powers ▪ Encroachment policy ▪ Fire and Emergency services ▪ Ward committee ▪ Public safety and order ▪ Dumping and littering ▪ Waste Management ▪ By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land	

CHAPTER 8

LETSEMENG LOCAL MUNICIPALITY PROJECTS

2026/27 PROJECTS

8.1 INTRODUCTION

This chapter will outline the funded capital and operating projects for the 2026-2027 IDP and 2026/2027– 2028/2029 Budget and Medium-Term Revenue and Expenditure Framework (MTREF) and projects from sector departments, government entities and mining companies.

8.2 FUNDED CAPITAL PROJECTS

PROJECTS FOR 2026/2027 FUNDED BY MIG.

- **MIG – Municipal Infrastructure Grant = R 10 697 000.00**

Projects under MIG for Financial year 2026-27:

Project Management Unit	**R**	**534 850.00**
Relebohile (Luckhoff): Upgrading of 1,120m Bulk sewer lines and pump station (MIS:529455)	**R**	**4 145 558.97**
Bolokanang (Petrusburg): Rehabilitation of stormwater management system - Phase 1 (MIS:545527)	**R**	**5 217 441.60**
Koffiefontein: Refurbishment of sports facility	**R**	**800 000.00**

PROJECTS FOR 2026/2027 FUNDED BY WSIG

- **WSIG – Water Services Infrastructure Grant = R 23,000,000.00**

Projects under WSIG for Financial year 2026-27:

Koffiefontein: Refurbishment of WWTW	**R 22 785 000.00**
Upgrading of Outfall line and sewer pump station in Jacobsdal	**R 215,000.00**

PROJECTS FOR 2026/27 FUNDED BY INEP

- **INEP – Integrated National Electrification Programme = R4 000 000.00**

Petrusburg: Construction of 2.6MVA/22KV 3 way switching station	**R 4 000 000.00**

8.3 FUNDED OPERATING PROJECTS 2026/27

PROJECT NAME	BUDGET
SMME Development	R 210 000
Commonage Farmers Support	R 210 000
Repairs and Maintenance (Repair Potholes, water leaks, electricity issues, Sewerage pipes, etc)	R 8 000 000
Water Purchases	R 7 700 000
Bulk Purchases – Electricity	R 47 000 000
Chemical to clean water and VIP Toilets	R 3 100 000

8.4 2026/27 PROJECTS AND PROGRAMMES OF OTHER SPHERES OF GOVERNMENT (SECTOR DEPARTMENTS PROJECTS)

DEPARTMENT OF COMMUNITY SAFETY, ROADS AND TRANSPORT

PROJECT NAME	CONTRACTUAL TIMEFRAMES		PROJECT COST	TOTAL EXPENDITURE AS AT 30 SEP 2025	BUDGET 25/26	BUDGET		
	START	END				2026/27	2027/28	2028/29
S830: Oppermansgronde Access Road	Feb 26	TBC	97 858 065	-	13 000 000	84 000 000	34 000 000	-
Blading & Re-gravelling – Xhariep	Apr 26	Mar 29	100 000 000	-	2 000 000	3 500 000	98 000 000	98 000 000

DEPARTENT OF DEPARTMENT OF FISHERIES, FORESTRY AND THE ENVIRONMENT (DFFE)

XHARIEP DISTRICT

Contact Official: Tshepo Moselesele

Project name	Area		Coordinates/property description	Timeframes		Progress/Milestone	Actual budget		
	Location	Ward		Start date	End date		2026/2027	2027/2028	2028/2029
Cleaning & Greening Programme	Letsemeng LM			April 2026	August 2026	In the planning phase			
Municipal Environmental Graduates Programme	Letsemeng LM			01 August 2025	30 July 2027	The programme is under implementation, and the incumbents are operational in the municipality			
FS Invasive Alien Plants Clearing and Bush Encroachment Project	Jacobsdal, Koffiefontein, Luckhoff, Petrusburg (Letsemeng LM)			April 2026	March 2027	The programme is under planning	R7 330 446	R7 770 272 `	R8 236 489

DEPARTMENT OF WATER AND SANITATION

Contact Person: Hlengwa

Project name	Area		Coordinates/ property description	Timeframes		Progress/Mile stone	Actual budget as per DORA		
	Location	Ward		Start date	End date		2026/2027	2027/2028	2028/2029
Upgrading of Outfall Line and Sewer Pump Station. (Schedule 5B-WSIG)	Letsemeng: Jacobsdal/Ratanang		29.25.04 S, 25.00.52 E	24 November 2023	30 October 2024 Anticipated Completion Date: 31 January 2026	90%	R23000	R23250	R
Koffiefontein WTW and Ditlhake Bulk Water Storage (4.5 ML Reservoir) (Schedule 5B)	Letsemeng: Koffiefontein/ Ditlhake	Ward 5	29.25.04 S, 25.00.52 E	15 January 2022	18 February 2023 Anticipated Completion Date: TBC	56%	R23000	R23250	R
Koffiefontein Refurbishment of WWTW)	Letsemeng: Koffiefontein	Ward 5 & 6	29.25.04 S, 25.00.52 E	28 January 2025	30 January 2026	40%	R23000	R23250	R

LETSEMENG LOCAL MUNICIPALITY

THANK YOU!!!