



DITSOBOTLA LOCAL MUNICIPALITY

2025/2026 DRAFT INTEGRATED DEVELOPMENT PLAN

Adopted: 30 March 2025

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SECTION A: INTRODUCTION & OVERVIEW

1. Background

The Integrated Development Plan (IDP) is the primary strategic planning document guiding and informing all planning, development, and decision-making within the municipality. As a central planning tool for government, the IDP embodies local government developmental goals and a comprehensive service delivery programme.

The IDP facilitates horizontal and vertical coordination and integration across national, provincial, and local spheres of government. Furthermore, it necessitates community participation and stakeholder involvement. Consequently, the integrated development planning process is crucial for the success of every South African municipality's endeavour to establish responsive, developmental, and accountable local government. Additionally, the IDP binds the municipality in the exercise of its executive authority.

Ditsobotla Local Municipality (DLM) adopted its fifth generation Integrated Development Plan in May 2022 in line with the provisions of the Local Government: Municipal Systems Act No. 32 of 2000 for the 2022 – 2027 council term. Section 34 of the MSA requires a municipality to review the adopted IDP annually informed by changing circumstances. This review represents the third annual review of the Ditsobotla IDP following the one conducted in May 2024.

The review takes place at a time when the municipality was already placed under mandatory provincial intervention in terms of section 139(5) of the Constitution of the Republic of South Africa, 1995 – placing a strategic focus on the municipal financial recovery while also addressing pertinent governance and institutional challenges. Evidently the intervention underscores the prevalence of a challenging socio-economic environment which constrain municipal revenue and negatively impacts sustainable service delivery.

As part of the current review process the municipality has taken into account both national and provincial support towards ensuring municipal financial recovery and the stimulation of the local economy through multi-pronged sectoral interventions implemented through various intergovernmental relations platforms. It is essential to identify and integrate all government and private sector initiatives focused on developing DLM through the current IDP review process. This will help minimize duplication of efforts and optimize overall development.

1.1. Process Followed

Section 28 of the Municipal Systems Act stipulates that a municipal council must adopt a written process to guide the planning, drafting, adoption, and review of its Integrated Development Plan (IDP) within a prescribed period after the start of its elected term. The process plan plays a strategic role in ensuring good governance and service delivery by streamlining municipal planning activities. It establishes clear structures for planning, including roles and responsibilities, and provides mechanisms for public participation and process monitoring.

In compliance with this provision, Ditsobotla Local Municipality adopted its Process Plan in August 2024 (attached as Annexure A) and implemented various activities as part of the IDP review which include:

- Consultative meeting between Ditsobotla Local Municipality and Ngaka Modiri Molema District Municipality (district municipality) was held to align municipal programmes in compliance with items 2(5) and (6) of the Municipal Planning and Performance Regulations, 2001 which requires that both the district municipality and local municipalities within its areas must consult each other on proposed amendments to their respective integrated development plans and take into consideration all comments submitted one to another before taking a final decision on the proposed amendments. Flowing from this consultative meeting a list of currently running and planned projects initiated by the district municipality are included in the Ditsobotla Local Municipality's IDP.
- Mid-year performance reviews and adjustments – The mid-year performance and budget reports 2024/2025 were also used as a baseline for the review of the integrated development plan.
- The first round of community consultations to determine their development priorities were held as per schedule below:

| Cluster | Wards | Date | Time | Venue |
|---------|---------------------|-----------------------------|---------------------------|-------|
| B | 1, 2, 3, 4 & 5 | Monday, 9 December 2024 | Municipal Council Chamber | 10h00 |
| A | 15, 16, 17, 18 & 20 | Tuesday, 10 December 2024 | Municipal Council Chamber | 10h00 |
| | 6 & 7 | Tuesday, 10 December 2024 | Municipal Council Chamber | 17h30 |
| C | 8, 9, 10 & 11 | Wednesday, 11 December 2024 | Itsoseng Community Hall | 10h00 |
| D | 12, 13, 14 & 19 | Thursday, 12 December 2024 | Matlaba Primary School | 10h00 |

- The final IDP document (this document) will be tabled for adoption by Council on 30 May 2025 in line with the relevant provisions of the Municipal Systems Act 32 of 2000 read together with the Municipal Finance Management Act 56 of 2003.

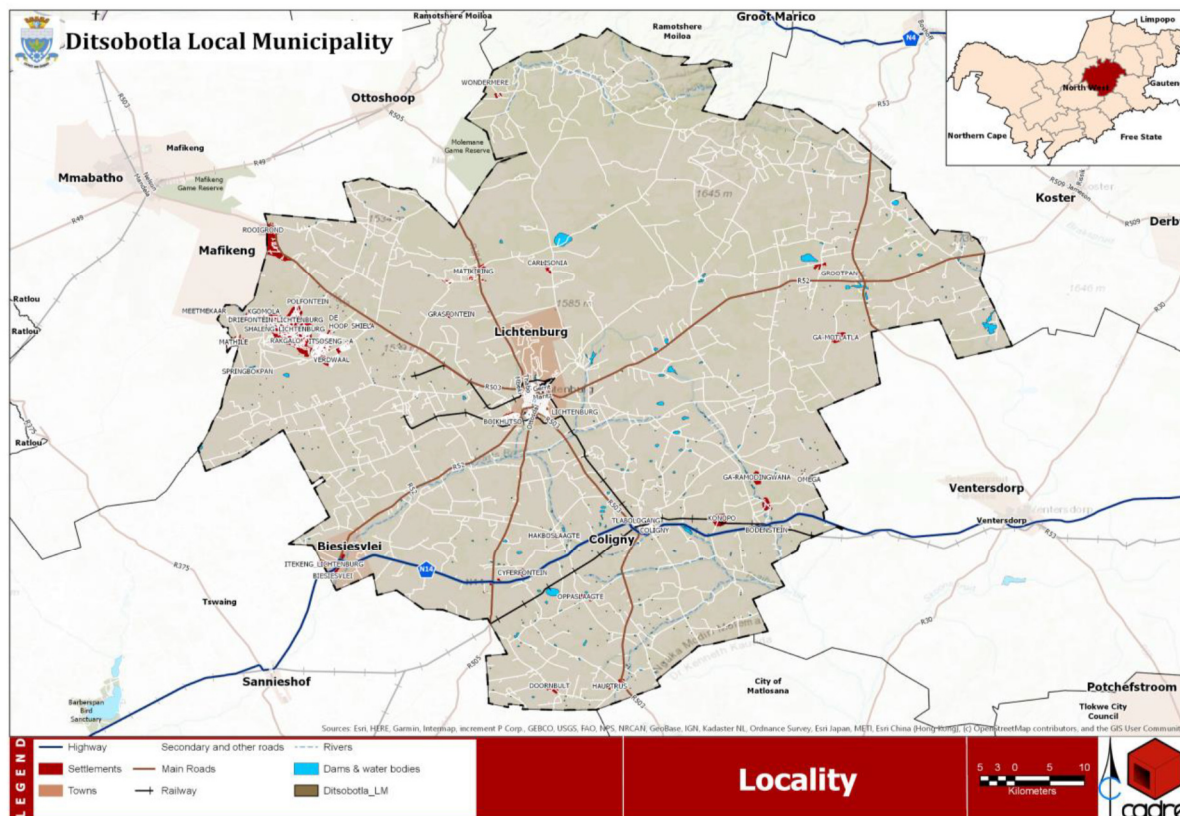
1.2. Overview of Ditsobotla Local Municipality

The Ditsobotla Local Municipality is a Category B municipality situated within the Ngaka Modiri Molema District in the North West Province. It is one of the five municipalities in the district, making up almost a quarter of its geographical area. The seat of the local municipality is Lichtenburg. The municipality was established through the amalgamation of the former Lichtenburg, Coligny and Biesiesvlei Transitional Councils.

It comprises an area of 6 500km² and includes the towns of Lichtenburg - Boikhutso, Bodibe, Itsoseng, Coligny and Tlhabologang. A number of rural settlements and commercial farming activity also surrounds it. The village composition of the municipality is made up by the residential areas of Bodibe; Matile; Springbokpan; Verdwaal; Bakerville; Ga-Motlatla; and Putfontein. An estimated 164 176 people live in the municipality (StatsSA, 2022).

Lichtenburg is the economic and administrative heart of the municipality. It was established in 1873 and played a significant role in the history of the old Transvaal

Republic. During the mid-1920s the town became the centre of diamond rush following the discovery of rich deposits. The main economic activity today is the production of maize. Lichtenburg lies in the heart of the 'maize triangle', which is the primary production area in the country. Within a radius of 80km from the town, there are also three major cement producers.



Map 1: Locality Map of Ditsobotla Local Municipality (Source: Ditsobotla SDF)

1.3. Legislative Context

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality, which:

- Links, integrates and coordinates plans and considers proposals for the development of the municipality.
- Aligns the resources and capacity of the municipality with the implementation of the plan.
- Forms the policy framework and general basis on which annual budgets must be based.

1.4. Annual Review of the IDP

On the 31 August 2024 Council of Ditsobotla Local Municipality adopted the 2025-2026 IDP and Budget Process Plan. The Process Plan was adopted

The IDP is reviewed annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances demand. The review process serves as an institutional learning process whereby stakeholders can meet to discuss the performance of the past year. It allows for the refinement of plans based on changing environmental circumstances (both internal and external). The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument of a municipality.

The review as indicated earlier on, is not a replacement of the 5-year IDP, nor is it meant to interfere with the long-term strategic direction of the municipality to accommodate new and additional demands. As prescribed by section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 Of 2000) the following is legislated:

“34. Annual review and amendment of integrated development plan.

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.”

In line with the above provision read together with section 21 of the Local Government: Municipal Finance Management Act 56 of 2003 Ditsobotla Local Municipality has reviewed its Integrated Development Plan which is supported by the 2025/2026 – 2027/2028 Medium Term Revenue and Expenditure Budget.

The purpose and objectives of the review exercise is to, among others:

- reflect and report on the progress made in respect of the implementation of the institutional and development targets set in the previous financial year;
- evaluate the appropriateness of the development strategies reflected in the 5-year plan and make the adjustments where necessary taking into consideration external and internal changes (variables);
- determine annual targets and action plans for the next financial year to stay on track with the implementation of the 5-year plan.
- inform the annual budget of the municipality and improve on efficiency to maximize the impact of available resources;
- confirm the Council's strategic objectives and the medium-term service delivery and development agenda;
- review the prioritization of key programmes and projects in each municipality, whilst ensuring that all projects are directed towards achieving the strategic objectives; and

- to address the recommendations reflected in the assessment report emanating from the COGTA provincial government assessment of the previous financial year's municipal IDP review.

1.5. Strategic Overview of the IDP

The current political leadership took office following the dissolution of the previous council and subsequent by-election on the 14 December 2022. The municipality is also placed under mandatory provincial intervention in terms of section 139(5) of the Constitution of the Republic of South Africa, 1996 to facilitate its financial recovery and ensure that it is able to meet its obligations. In the context of this intervention, part of the strategic intent of council is to address the financial, service delivery and governance challenges that led to the dissolution of the previous council and reposition Ditsobotla Local Municipality as an organ of state capable of delivering sustainable services to the community.

Based on the overall performance for the period under review council reaffirmed the following strategic focus areas:

- Building a financially viable and resilient municipality capable of providing sustainable services;
- The appointment of senior managers and staff with the requisite skills, knowledge and competencies;
- A government underpinned by principles of accountability, transparency and good governance;
- A government that is responsive to the needs of the community and better positioned to create a conducive environment for economic growth; and
- Fighting corruption, patronage, nepotism and self-enrichment.

1.6. Structure of the IDP Document

This document is structured into various sections, preceded by foreword by both the Mayor and the Municipal Manager that sets the strategic direction for the Integrated Development Plan. The vision, mission, and strategic objectives of the municipality remain unchanged.

The sections of this generation of IDP can be summarized as follows:

Section A: Introduction and Overview which looks broadly at the legal framework guiding the IDP and the alignment of the municipal plans with those of other spheres of government with emphasis on the District Development Plan and also explaining the five-year IDP process and the key timeframes followed.

Section B: Situational Analysis which provides a municipal development profile with an overview of the municipal area and highlights the key socio-economic data that informs the development needs in Ditsobotla Local Municipality also the physical perspective of the Ditsobotla municipal area.

Section C: Municipal Vision and Mission, which reflects on the Vision and Mission of the municipality, the institutional arrangements in the municipality. The section also

gives the municipal priorities for the next five years and the input by the community in the process of developing the IDP.

Section D: Spatial Development Framework - The primary purpose of the Spatial Development Framework is to present the spatial development goals of the municipality that result from the integrated consideration and sifting of spatial implications and of different sectoral issues. It provides decision-makers with a clear frame of mind on how and where development should occur within identified resource frames. The Municipal Spatial Development Framework applies to the entire municipal area of Ditsobotla. The overall SDF serves as an informant of the local spatial development frameworks contained in this section.

Section E: Objectives, Strategies, Indicators, Targets and Projects which states the municipality's strategic objectives, annual performance indicators and targets including the projects earmarked for the implementation over the mid-term framework.

Section F: Medium Term Revenue and Expenditure Framework Budget 2024/2025 – 2027/2028

Section G: Operational Plan which provides brief outline on the municipality's political structures, Ward Committees, Portfolio Committees of Council including the political and administrative interface.

Section H: Performance Management which legal framework on performance management and the municipal performance management model.

SECTION B: SITUATIONAL ANALYSIS

2. Demographic and Socio-economic Profile

This section outlines the environment within which the Ditsobotla Local Municipality exists, reflecting on both the external factors (socio-economic) and internal factors such as service delivery, financial, institutional, spatial development as well as other environmental considerations. An attempt towards analysing the technological and cross-cutting issues is done with a view of identifying constraints and devising intervention mechanisms aimed at addressing them.

The situational analysis and therefore the basis for priority review are derived from a rigorous process of community participation, internal engagement as well as data analysis collated during the year under review (2023/2024). The internal sources used for verification of the current situation includes planning documents prepared for the Ngaka Modiri Molema District Municipality on service delivery and infrastructure backlogs, the 2022 Census Statistics as well as other planning documents of the Ditsobotla Local Municipality.

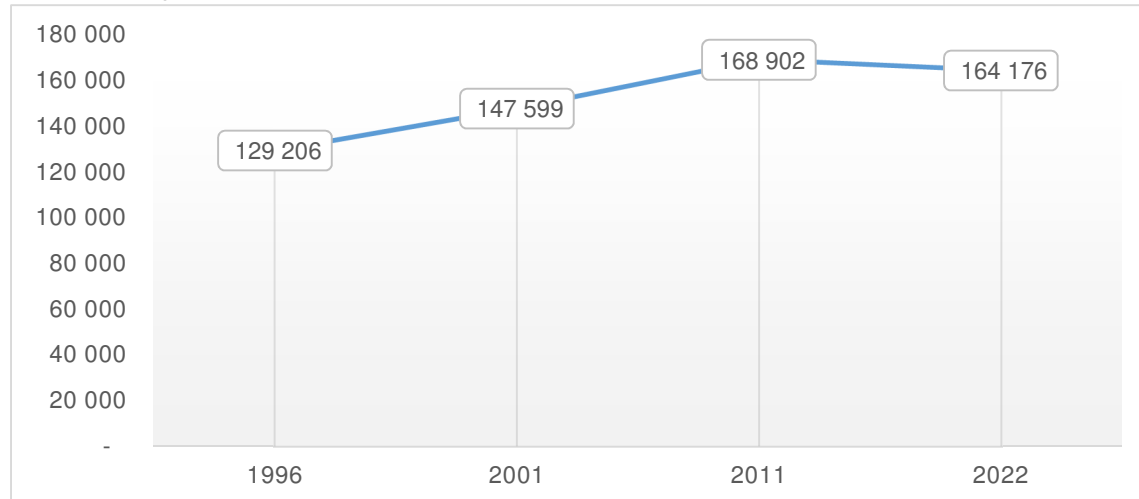
2.1. Demographics

An understanding of changes in the population structure is crucial as part of devising planning responses emanating from growing pressures on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level.

The following statistics provide an overview of the economic, demographic and socio-economic environment of Ditsobotla Local Municipality in the context of the Ngaka Modiri Molema district, North West Province and South Africa.

2.1.1. Population & Households Profile

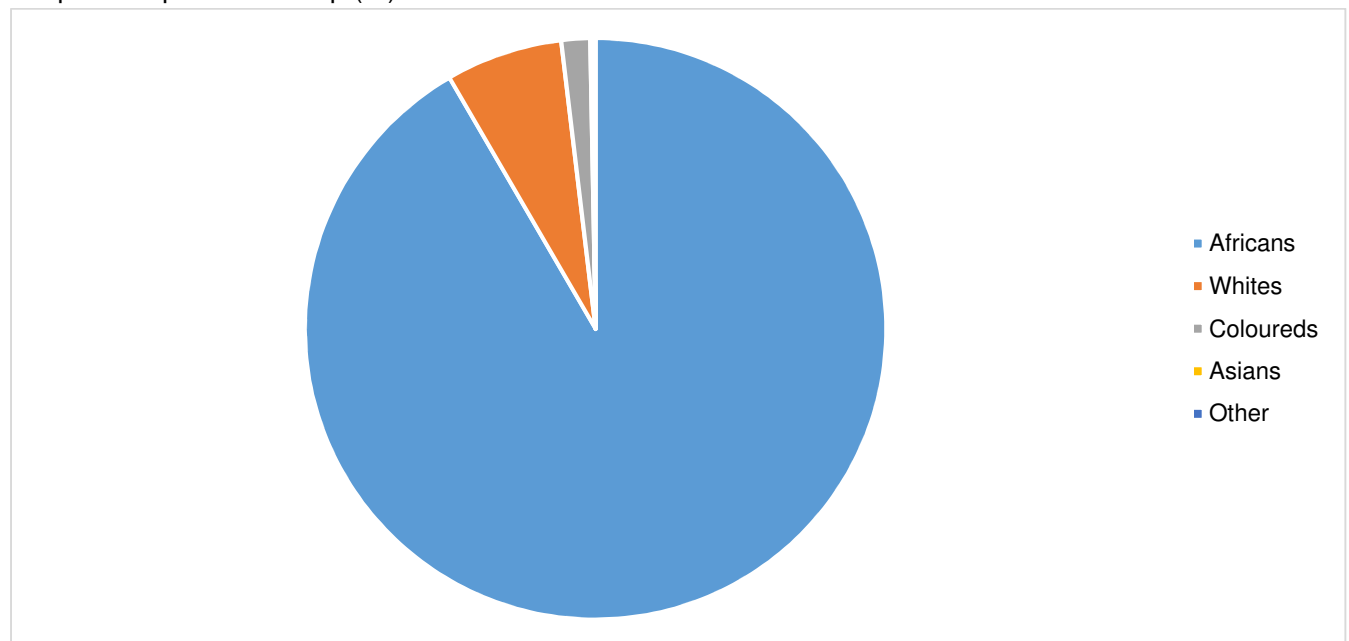
According to Statistics South Africa (Census 2022) the population of Ditsobotla Local Municipality has declined (-0.3%) from **168 902** to **164 176** between 2011 and 2022. This figure is lower than the provincial population growth rate of 0.8% and that of South Africa which is 0.2%. The graph below illustrates this population trend.

Graph 1: Population Growth Trends

Source: StatsSA, Census 1996 - 2022

2.1.2. Population by Group

According to the Census 2022 (Statistics South Africa) figures the Ditsobotla Local Municipality's population is constituted of 91.7% African (150 600), 6.5% White (10 642), 1.6% Coloured (2 572), 0.1% Asian (97) people.

Graph 1: Population Group (%)

Source: StatsSA, Census 2022

2.1.2.1. Population by Gender and Age

An understanding of the age structure and population of the municipality is vital in planning for the anticipated demands for services and employment opportunities. Specifically, it enables the municipality to:

- Identify the potential need and location of facilities (e.g. education and health);

- Identify the expected growth in economically active population and potential employment seekers; and
- Project and plan for facilities to cater for the older persons as well as the future demands for social facilities (i.e. old age care centres, cemeteries etc.).

The total population categorised according to the population group, as well as the subcategories of age and gender reveals the following trends.

Table 2: Population by Age and Gender

| Age Category | Males | % Males | Females | % Females |
|--------------|-------|---------|---------|-----------|
| 85+ | 175 | 0.1 | 462 | 0.3 |
| 80-84 | 334 | 0.2 | 588 | 0.4 |
| 75-79 | 608 | 0.4 | 1 009 | 0.6 |
| 70-74 | 1 075 | 0.7 | 1 415 | 0.9 |
| 65-69 | 1 856 | 1.1 | 2 346 | 1.4 |
| 60-64 | 2 607 | 1.6 | 3 200 | 1.9 |
| 55-59 | 2 986 | 1.8 | 3 624 | 2.2 |
| 50-54 | 3 476 | 2.1 | 4 060 | 2.5 |
| 45-49 | 3 842 | 2.3 | 4 383 | 2.7 |
| 40-44 | 5 053 | 3.1 | 5 053 | 3.1 |
| 35-39 | 5 986 | 3.6 | 5 999 | 3.7 |
| 30-34 | 6 259 | 3.8 | 6 422 | 3.9 |
| 25-29 | 6 721 | 4.1 | 6 780 | 4.1 |
| 20-24 | 7 388 | 4.5 | 6 946 | 4.2 |
| 15-19 | 7 582 | 4.6 | 7 352 | 4.5 |
| 10-14 | 7 994 | 4.9 | 7 952 | 4.8 |
| 5-9 | 7 429 | 4.5 | 7 580 | 4.6 |
| 0-4 | 8 845 | 5.4 | 8 788 | 5.4 |

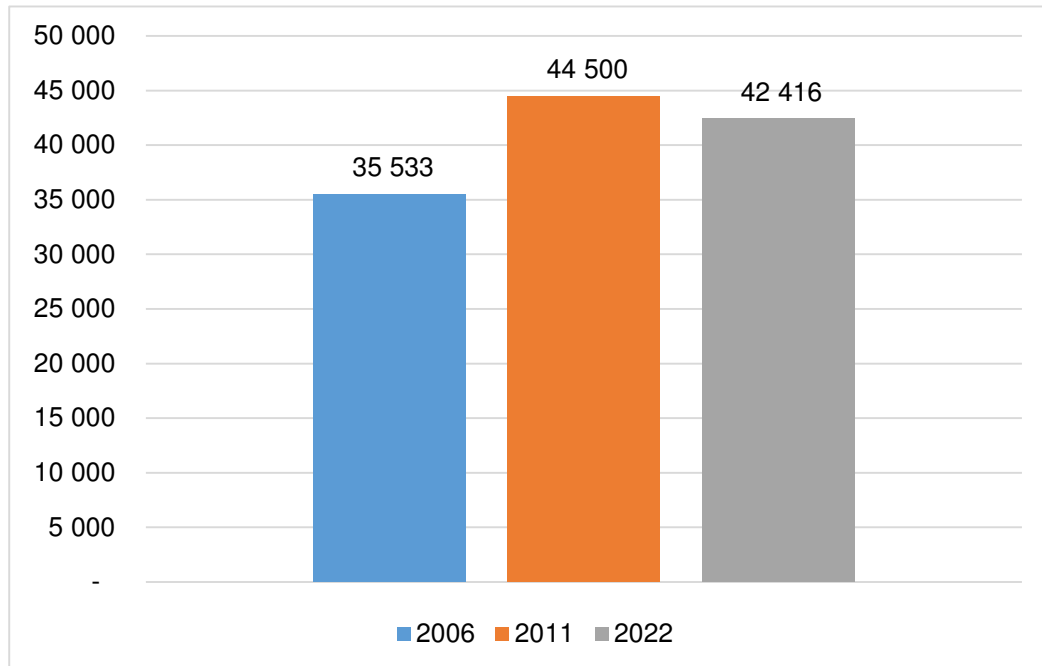
The total male population of Ditsobotla Local Municipality is 80 216 compared to a slightly higher number of female population which stands at 83 959 representing a male/female ratio of 48.9% and 51.1% respectively.

The largest share of the population is of infants and children aged 0 – 14 years which represents a total number of 48 588 or 29.6% of the total population. The age category with the second largest number of people is young working age (25-44 years) category with a total number of 48 273 or 29.4% of the total population followed by the teenagers and youth (15-24 years) age category with 29 268 or 18% of the total population. The age category with the least number of people is the retired/old age (65 years and older) which stands at 9 868 (6%).

2.1.2.2. Number of Households

According to Statistics South Africa the number of households for Ditsobotla Local Municipality has decreased from **44 500 in 2011 to 42 416 in 2022**. The average household size has also increased from 3.8 to 3.9 during the same period.

Graph 2: Number of Households



Source: StatsSA, Census 2006, 2011 & 2022

2.2. Socio-economic Profile

The statistical information and analysis of the socio-economic profile for Ditsobotla Local Municipality is based on the study undertaken by the National Treasury culminating into Municipal Socio-economic profiles for the 227 municipalities in South Africa excluding the Western Cape.¹ The use of MSEPs provides recent statistical socio-economic data for planning purposes largely based on Quantec, 2020 survey (research).

2.2.1. Poverty

Important indicators such as the Gross Domestic Product per Region (GDPR) per capita, household income, the number of indigent households, income inequality as well as human development in the Ditsobotla Municipality are explored to determine the levels of poverty.

2.2.1.1. GDPR per capita

The GDPR per capita illustrates the economic output per person and is often used as a measure for the standard of living.

The Ditsobotla Municipality has a higher GDPR per capita than that of the Ngaka Modiri Molema District, and a lower GDPR per capita than that of South Africa. Between 2016 and 2019, the GDPR per capita grew at an average annual rate of 0.089% for the municipality.

¹

See https://lg.treasury.gov.za/ibi_apps/rs/ibfs/WFC/Repository/Public/Municipal_Socio-Economic_Profiles/Profiles/Municipal_Profiles/North_West/Ditsobotla.pdf?IBIRS_action=run

2.2.1.2. Household Income

The average household income for Ditsobotla in 2019 was R372 which is lower than the district and national average of R1 795 and R166 641. However, the average monthly household income growth for Ditsobotla (1.88%) was slightly higher than the national average of 1.83% during the period 2016 – 2019 (National Treasury, MSEP).

Table 3: Average Household Income

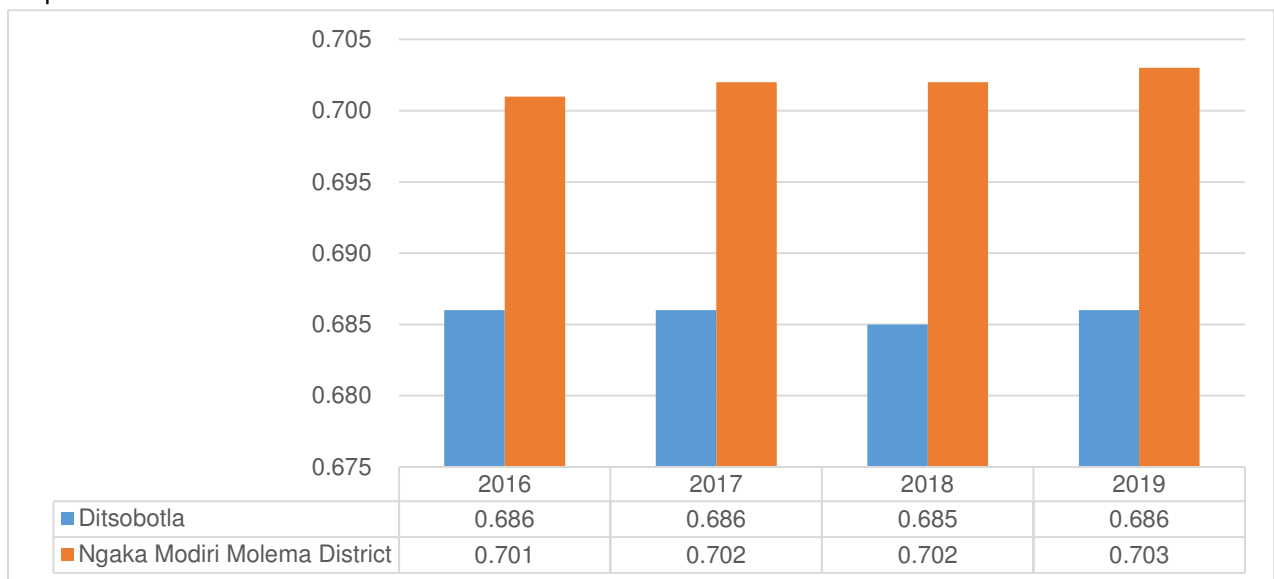
| | Average Household Income | Average Household Income growth (2016 – 2019) |
|---------------------|--------------------------|---|
| Ditsobotla | R372 | 1.88% |
| Ngaka Modiri Molema | R1 795 | 2.04% |
| South Africa | R166 641 | 1.83% |

Source: Quantec, 2020

2.2.1.3. Gini-coefficient

The Gini coefficient is a measure of income inequality. The Gini coefficient measures the deviation of the distribution of income among households from a perfectly equal distribution. A value of 0 represents absolute equality while a value of 1 represents absolute inequality.

Graph 3: Gini-coefficient 2016 – 2019



In 2019, the Gini coefficient in the Ditsobotla Local Municipality was 0.686. This indicates that income inequality is lower compared to that of the Ngaka Modiri Molema District. Furthermore, the Gini coefficient is decreasing over the reference period for the Municipality, showing that income inequality is declining for the period.

2.2.1.4. The Human Development Index (HDI)

The HDI combines three dimensions, namely, a long and healthy life, knowledge and a decent standard of living. The indicator used to measure long and healthy life is life

expectancy which the World Bank (2009) defines as the number of years a new-born infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life. The two indicators for knowledge are mean years of schooling and the expected years of schooling. Lastly, the decent standard of living is measured in terms of the Gross National Income (GNI) per capita.

The HDI for Ditsobotla Local Municipality increased from 0.644 in 2016 to 0.661 between 2016 – 2019 and was greater than that of Ngaka Modiri Molema district.

2.2.1.5. Dependency Ratio

The dependency ratio is explained as the ratio of dependents (people younger than 15 years and older than 65 years) to the working-age population (15 – 64 years). The dependency ratio for Ditsobotla Local Municipality declined from 61.5% during 2011 to 55% in 2022. This means that there are about 55 dependents for every 100 people of working age. Comparatively, for the period 2011 and 2022 the dependency ratio for Ditsobotla is slightly lower to that of the district municipality as per table below.

Table 4: Dependency Ratio 2001 – 2022 Census

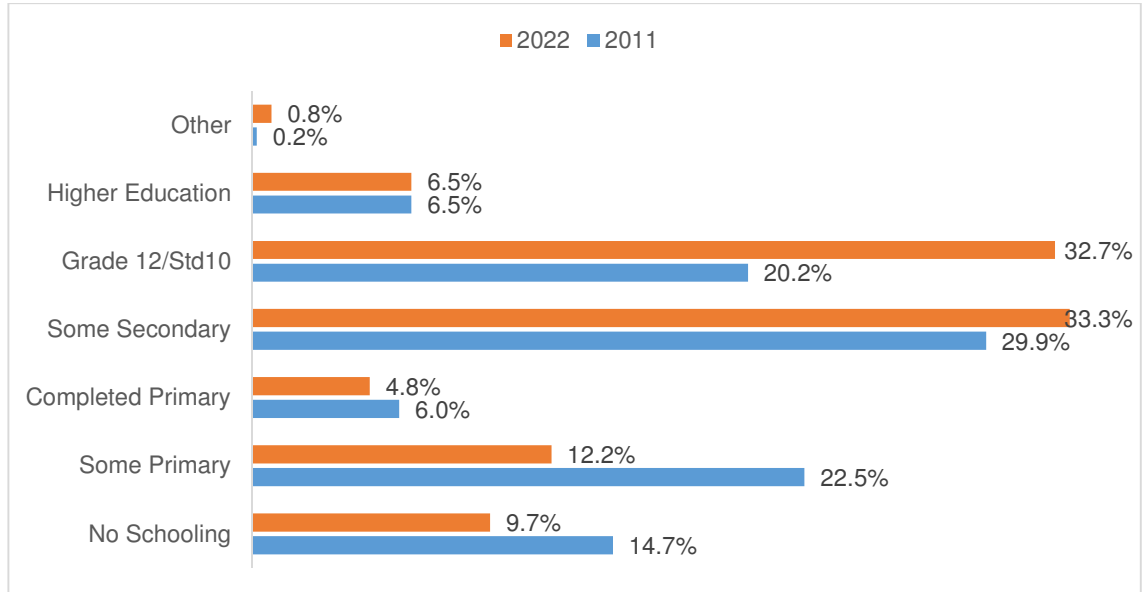
| | 2001 | 2011 | 2022 |
|---------------------|-------------|-------------|-------------|
| Ditsobotla | 58.8 | 61.5 | 55.3 |
| Ngaka Modiri Molema | 66.2 | 64.5 | 58.5 |

Source: Statistics South Africa

2.2.1.6. Education

The proportion of people without any schooling decreased by an annual average of - 0.46 from 14.7% to 9.7% between 2011 and 2022. The percentage of those with Grade 12 increased from 20.2% to 32.7% during the same period representing an average annual increase of almost 1% highlighting an improved functional literacy rate. The percentage of people with Higher Education remained steady at 6.5% over the same period.

Graph 4: Percentage Highest Level of Education (20+ years)



Source: StatsSA, Census 2011 & 2022

2.2.1.7. HIV/Aids Estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely (Quantec, 2022).

The table below provides the HIV programmes outcomes for Ditsobotla and Ngaka Modiri Molema District.

Table 5: HIV Treatment Indicators 2016 – 2019

| Patients remaining on ART | | | | |
|---------------------------|---------|---------|---------|---------|
| | 2016 | 2017 | 2018 | 2019 |
| Ditsobotla | 109 034 | 134 485 | 143 024 | 158 203 |
| Ngaka Modiri Molema | 576 691 | 631 078 | 685 204 | 768 653 |

| Patients starting ART | | | | |
|-----------------------|--------|--------|--------|-------|
| | 2016 | 2017 | 2018 | 2019 |
| Ditsobotla | 2 451 | 2 441 | 2 104 | 2 074 |
| Ngaka Modiri Molema | 10 382 | 10 204 | 10 031 | 9 393 |

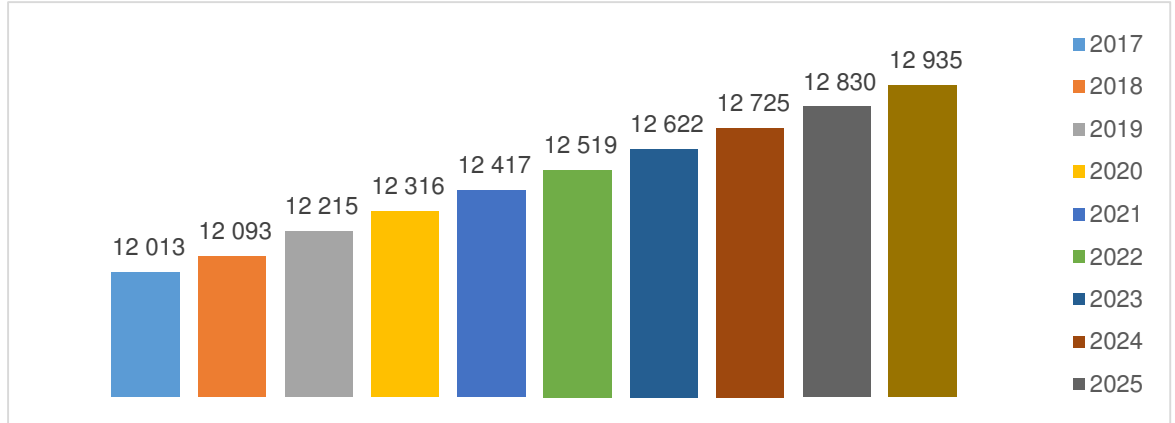
The HIV prevalence in Ditsobotla increased from 109 034 to 158 203 between 2016 and 2019 while the number of people starting ART decreased from 2 451 to 2 074 during the same period. The number of people on ART in Ditsobotla constituted 18.9% of the district and increased to 20.58% in 2019.

2.3. Economic Profile

2.3.1. Gross Domestic Product per Region (GDPR)

The figure below illustrates the size of the economy of Ditsobotla together with the economic growth estimates for the period 2016 and 2026. The economy generated R12.2 billion in GDP during 2019. Over the period 2012 to 2019 the economy grew at an average annual rate of 0.72%. Estimated that the economy will grow to approximately R12.9 billion by 2026.

Graph 6: Municipal GDPR (R million) and GDPR growth 2016 – 2026



Source: Quantec, 2020

2.3.1.1. Sectoral GDPR, 2019

The table below shows the share of GDPR contributed by each sector in Ditsobotla Local Municipality during 2019.

Table 7: Sectoral GDPR

| ECONOMIC SECTOR | R million (2019) | % Share | Average GDPR 2016 – 2019 |
|--|------------------|---------|--------------------------|
| Agriculture, forestry and fishing | R792 | 6.5% | -2.2 |
| Mining and Quarrying | R67 | 0.5% | 2.3 |
| Manufacturing | R2 317 | 19.0% | -0.9 |
| Electricity, gas and water | R179 | 1.5% | -3.0 |
| Construction | R803 | 6.6% | 3.3 |
| Wholesale and Retail trade, catering and accommodation | R2 147 | 17.6% | 2.5 |
| Transport, storage and communication | R1 281 | 10.5% | 2.6 |
| Finance, insurance, real estate, business services | R1 845 | 15.1% | 0.5 |
| General government | R1 502 | 12.3% | 0.9 |
| Community, social and personal services | R1 283 | 10.5% | 2.3 |
| Total | R12 215 | 100% | 0.8 |

Source: Quantec, 2020

The table above indicates that the GDPR of the municipality was slightly more than R12.2 billion during 2019. The manufacturing sector made the biggest contribution with 19% to the economy of Ditsobotla followed by wholesale, retail catering and accommodation with 17.6%. Over the period 2012 to 2019, the economy grew at an average annual rate of 0.72%. Compared to the Ngaka Modiri Molema District (0.76%), the Ditsobotla Municipality had a lower average annual growth rate. It is estimated that the value of the economy will grow to around R 12.9 billion by 2026.

2.3.2. The unemployment rate for Ditsobotla

Statistics South Africa defines an economically active person as one who is available for work and is aged between 15 and 65 years of age, regardless of whether that person is employed or not. According to Statistics South Africa (2004), an employed person is defined as one who works for remuneration, profit or family gain. The definition includes employers and employees, as well as those who are self-employed or a working family member. This includes both the formal and informal sector.

According to Statistics SA's narrow definition, the unemployment rate is the proportion of the labour force who are unemployed. The labour force participation rate shows the proportion of the working-age population (15 to 64) who are economically active, while the labour absorption rate indicates the proportion of working-age people who are employed. Based on 2019 statistics the unemployment rate of Ditsobotla stands at 27.18%, the economically active is 54.46% and the absorption rate is 39.65% (Quantec, 2020).

In 2019, those employed in the primary sector amounted to 18.04% of the working population, 15.59% in the secondary sector and 66.37% were employed in the tertiary sector in the Ditsobotla Municipality. The table below indicates the sectors that contribute to the employment in Ditsobotla Local Municipality. It indicates that the total number of people who lost their jobs in 2019 were 338.

Table 8: Sectoral Employment, 2019

| | Number of jobs (2018) | Percentage share | Average employment growth (2016 – 2019) | Employment growth 2019 |
|---|-----------------------|------------------|--|------------------------|
| Agriculture, forestry & fishing | 7 837 | 17.6% | -329 | 50 |
| Mining & quarrying | 180 | 0.4% | -34 | -10 |
| Manufacturing | 4 569 | 10.3% | 35 | -140 |
| Electricity, gas & water | 71 | 0.2% | -7 | -4 |
| Construction | 2 286 | 5.1% | -156 | -240 |
| Wholesale & retail trade, catering & accommodation | 10 861 | 54.4% | 685 | 98 |
| Transport, storage & communication | 1 485 | 3.3% | 46 | 24 |
| Finance, insurance, real estate & business services | 3 819 | 8.6% | 162 | -63 |
| General government | 5 192 | 11.7% | -58 | 61 |
| Community, social & personal services | 8 137 | 18.3% | 166 | -114 |
| Total | 44 437 | 100.0% | 510 | -338 |

Source: Quantec; Urban-Econ calculations, 2020

2.3.3. Crime

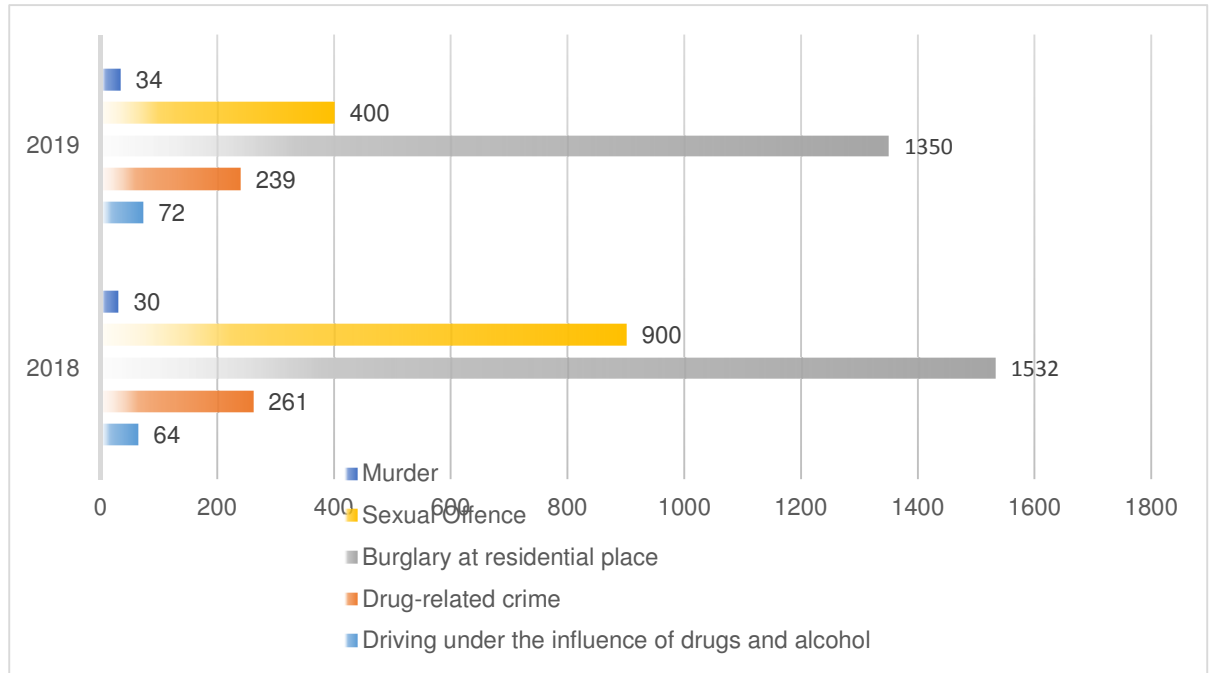
The crime statistics are important in the municipal planning process as they influence urban designs aimed at promoting the social, cultural and economic resilience of the communities and residents. Crime has a negative impact on communities which prompts a proactive planning approach anchored around national crime prevention strategies and interventions. The figures presented below outlines the number of crime incidences in Ditsobotla for the period 2016 – 2019.

Table 9: Incidence of Crime (2016 – 2019)

| | 2016 | 2017 | 2018 | 2019 |
|--|-------|-------|-------|-------|
| Murder | 31 | 46 | 30 | 34 |
| Sexual offences | 4 | 5 | 9 | 4 |
| Residential burglary | 1 434 | 1 673 | 1 532 | 1 350 |
| Drug-related crime | 402 | 424 | 261 | 239 |
| Driving under the influence of drugs and alcohol | 53 | 63 | 64 | 72 |

Source: SAPS; Quantec 2020

Graph 6: Incidence of Crime per 10 000 (2018 – 2019)



Source: SAPS; Quantec 2020

2.3.3.1. Perception of Safety

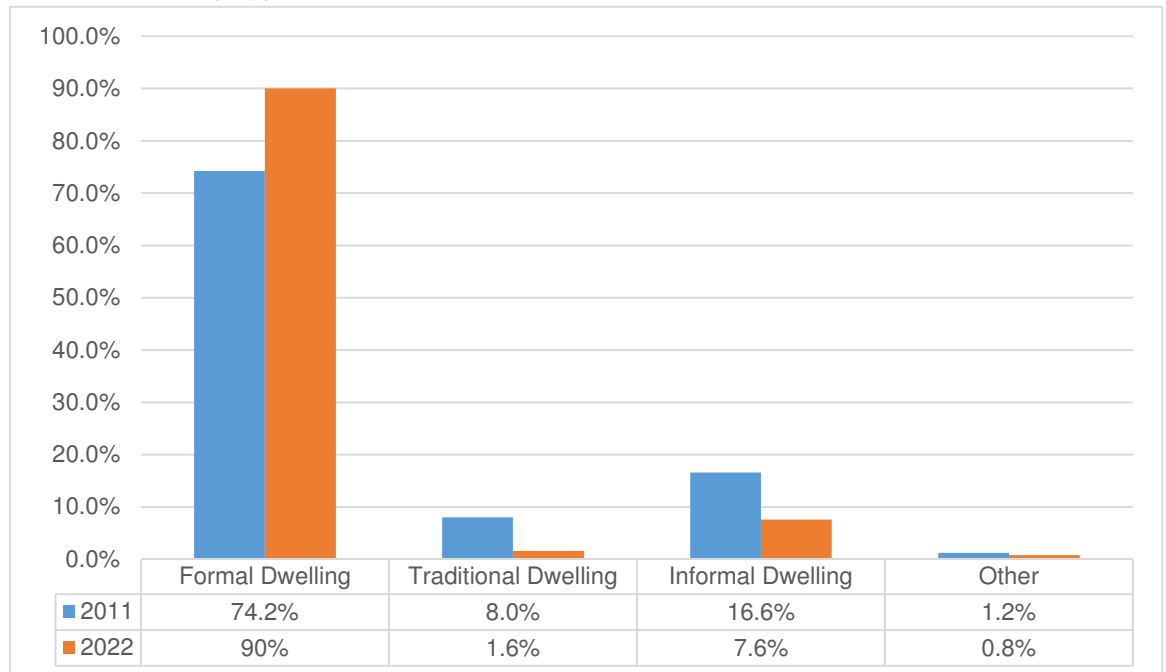
During the day 56 % of residents in the Ditsobotla Municipality feel very safe, while during the night only 11.4 % of residents feel very safe. At night around 60.9 % of residents feel very unsafe in the Ditsobotla Municipality. Perceptions of safety are more positive in the Ditsobotla Municipality compared to that of the Ngaka Modiri Molema District.

2.4. Household Infrastructure

2.4.1. Dwelling Profile

The number of households residing in formal dwellings increased from 33 025 or 74.2% in 2011 to 38 169 or 90% during 2022. Conversely, the number of households residing in traditional and informal dwellings (shacks) declined from 8% and 16.6% to 1.6% and 7.6% respectively. The graph below provides a comparative analysis of the dwelling by type for Ditsobotla Local Municipality between 2011 and 2022.

Graph 7: Dwelling Types



Source: StatsSA, Census

2.4.2. Water Services

In terms of the current powers and functions Ngaka Modiri Molema District Municipality is a water services authority and the Ditsobotla Local Municipality is a water services provider. The municipality is responsible for the provision of water services in towns and Ngaka Modiri Molema District Municipality provides to the other areas.

The main source of water is extracted from boreholes, springs, and rainwater. The Lichtenburg Water Treatment Works Plant is very old and needs to be properly managed to limit unnecessary maintenance or repairs. The bigger water supply system in the jurisdiction of the municipality is raw water which is extracted from the surface water resource and purified at the plant, which then supply reservoirs which feed internal water reticulation systems predominantly in towns, largely disadvantaging rural households.²

As a water service authority, Ngaka Modiri Molema District Municipality is responsible for the bulk water supply (boreholes, pumping mains and reservoirs) and also operates the whole value chain of the water supply schemes in the rural areas. The district municipality has appointed *Magalies Water* to operate and maintain the Itsoseng Water Scheme.

Municipal water provision is divided into the following thirteen (13) Water Schemes:

| Scheme | Description |
|---|--|
| Lichtenburg Scheme | The scheme consists of 21 boreholes of which 17 is situated at Klipveld (Lichtenburg) and 7 in Boikhutso. The district municipality is responsible for the maintenance of boreholes (bulk supply) and Ditsobotla performs the internal reticulation functions. |
| Coligny Scheme | It has 26 boreholes of which 6 are operational. |
| Itsoseng Scheme | Operated by <i>Magalies Water</i> , the scheme has 14 boreholes of which 11 are operational. |
| Biesiesvlei Scheme | The scheme has six boreholes |
| Springbokpan, Putfontein, Verdwaal, Sheila, Bodibe, Opraap, Stompie and Ga-Maloka | All rural schemes operated by Ngaka Modiri Molema District Municipality as a water service authority. |

The municipality is experiencing erratic and unreliable water supply in all its schemes. Consumers are experiencing low water pressures or no water from its schemes. In all the schemes the water is sourced from the boreholes. There is a need to upgrade the potable water scheme capacity to meet the demand of the connected consumers. Notable residential areas where water demand shortfalls are experienced include the following:

Table 10: Water and Demand

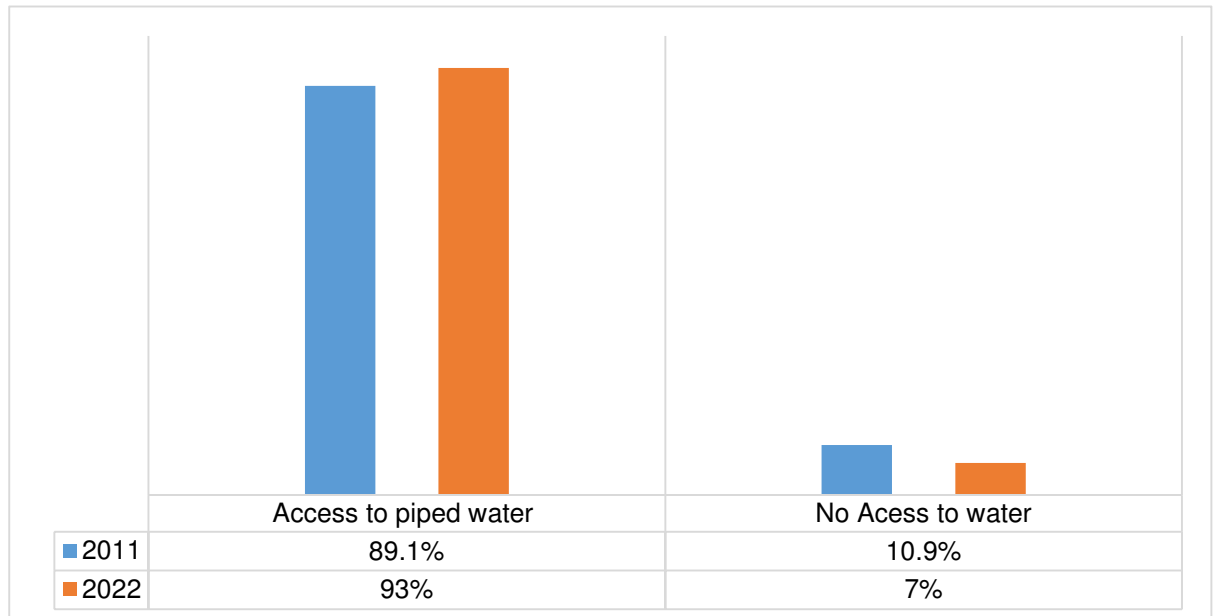
| Residential Area | Population Size | CURRENT SUPPLY VS. DEMAND | | | |
|------------------|-----------------|--|---|---------------------|--------------------------|
| | | Total litres required per day at 120/c/d | Current Supply / day Daily abstraction at 2/day at 12hrs | Current demand /day | Shortfall of water / day |
| Carlsonia | 964 | 115 680 | 0 | 115 680 | -115 680 |
| Grasfontein | 1352 | 162 240 | 0 | 162 240 | -162 240 |
| Wolverdind | 888 | 106 560 | 0 | 106 560 | -106 560 |
| Bodibe | 21 688 | 2 602 560 | 2 592 000 | 2 602 560 | -10 560 |
| Verdwaal | 8 104 | 972 480 | 691 200 | 972 480 | -281 280 |
| Matile | 1 368 | 164 160 | 125 280 | 164 160 | -38 880 |
| Tlhabologang | 15 007 | 1 800 840 | 777 600 | 1 800 840 | -1 023 240 |
| Itekeng | 5 626 | 675 120 | 259 200 | 675 120 | -415920 |

2.4.2.1. Access to Water

Significant progress has been registered in providing portable water to the municipal communities. The 2022 Census estimates the total number of households with access to piped water inside their dwellings to be 18 873 (44.5%), those with piped water inside the yard stands at 13 912 (32.8%). The number of households with access to

water on community stands is 6 670 (15.7%) and those without any access is 2 961 (7%).

Graph 8: Access to water



Source: Statistics South Africa, Census 2022

The water backlogs emanate from the emergence of unplanned (informal) settlements in Boikhutso (Jerusalem Informal Settlement), Itsekeng, Blydeville and Tlhabologang. Currently, indigents receive 25 litres a day or 6000 litres for free a month. Some parts of the Boikhutso township and rural areas do not get water at all and residents rely on communal tankers.

To service the community, the municipality plans to implement water conservation and demand management strategies, undertake a water audit, and undertake an infrastructure leakages index through preventative maintenance of water supply schemes. In addition, a water services legal framework and associated policies must be adopted and implemented.

The municipality does not have enough underground water infrastructure. The challenge is that water is supplied in slots and infrastructure is aged which affects the distribution of water as the lifespan of meters is impacted. The capacity of pipes is too low for the growing population. These old pipes are made of asbestos which leaks easily thereby needing attention.

2.4.2.2. Bulk-water Augmentation Programme

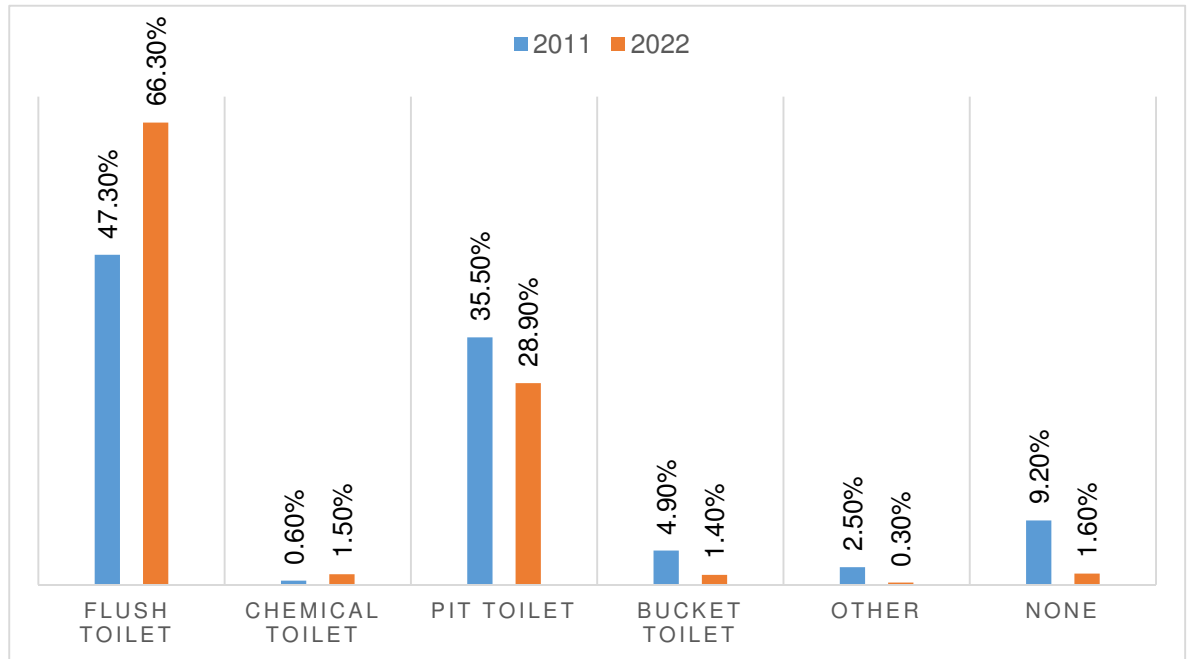
During the year under review (2023/2024) Ngaka Modiri Molema District Municipality committed implementation of the following bulk water infrastructure projects aimed at addressing chronic water shortages in Lichtenburg, Itsoseng, Bodibe and various villages. The projects currently under implementation include the following:

| Project Name | Source of Funding | Description | Estimated Funding |
|--|--------------------------|---|-------------------|
| Greater Lichtenburg Bulkwater Augmentation | Internal Funding (NMMDM) | Equipping 2 existing boreholes, drilling and equipping 6 additional boreholes; constriction of a 1Mℓ ground steel-tan with a booster pump station and installation of 3 booster pump stations at the three existing intermediate reservoirs at zone 3 Klipveld aquifer. | R50m |
| Assessment of mini-substations for Greater Lichtenburg | Internal Funding (NMMDM) | To conduct a comprehensive assessment of all 172 mini-substations for possible replacement. | R8m |
| Itsoseng Bulkwater Augmentation | Internal Funding (NMMDM) | Construction of 1Mℓ storage tank, refurbishment of the existing borehole, drilling and equipping 8 additional boreholes. Refurbishment of the old reservoir and replacement of the 450mm asbestos line for Itsoseng Zone 3. | R90m |
| Water Supply at Blaauwbank Farm | Internal Funding (NMMDM) | To drill and equip 1 borehole; erecting of 2 x 10kℓ elevated storage tanks with pipelines and communal taps. | R1.5m |
| Bulkwater Augmentation at Springbokpan | Internal Funding (NMMDM) | To drill, pump test, do water quality analysis and equip 3 boreholes with concrete pump house and palisade. | R5m |
| Bodibe Ward 17 Water Reticulation | | Water Reticulation Project | R243 780 318 |

2.4.3. Sanitation

The proportion of households with access to sewer and sanitation increased from 47.3% to 66.3% between 2011 and 2022 (Census, 2022). This trend is consistent with a general decline on the proportion of households dependant on other types of sanitation. Notably, the proportion of households without access to sanitation reduced from 9.2% to 1.6% during the same period.

Graph 9: Access to Sanitation



Source: Statistics SA, Census 2022

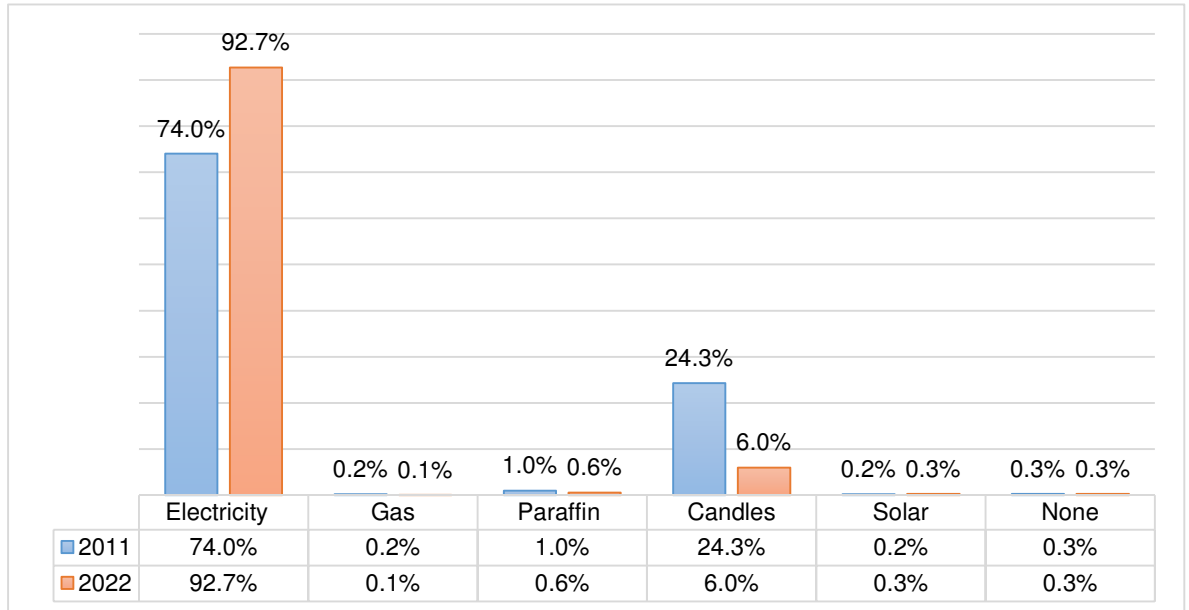
The spatial distribution of access to sanitation dictates that most of the formal towns such as Lichtenburg, Boikhutso, Coligny, Tlhabologang, and Itsoseng do have access to waterborne sanitation systems. The villages mostly rely on pit latrines and chemical toilets.

The sewer network has an old design with small pipes that causes leakages because of the pressure on the pipes which have limited capacity for the growing population. In townships, there are no sewer networks. The community in some instances block the pipes by disposing of rubbish in the sewer system and damaging the plant at high cost and risk.

2.4.4. Electrical Services

The municipality is licensed to provide electricity in the areas of Lichtenburg, Blydeville, and Coligny, which are urban centres. More than 80% of Ditsobotla residents where the municipality is providing electricity have pre-paid meters. Eskom provide services to all other villages and townships.

Graph 10: Energy for lighting



Source: Statistic SA, Census

Ditsobotla has approximately 39 330 households (Census 2022) connected to the electricity grid which is a significant increase from the 32 933 recorded during the Census of 2011, translating to approximately 92.7% connectivity. The estimated 7.3% (3 096 household) backlog is reflective of the informal settlements in Itekeng, Blydeville, and Boikhutso.

During the previous and the year under review a number of electrification projects were undertaken by Eskom and include the following areas:

Table 11: Roll Overs as at February 2024

| Project Name | Project Type | Progress |
|--|-----------------|--|
| Springbokpan Ext | Household | Energised & Completed |
| Springbokpan Lavage | Household | Energised & Completed |
| Gamaloka Ext Phase 3 | Household | Energised & Completed |
| Ditsobotla Munic Infills 2021-2022 | Infills | Completed |
| Rietkuil-Rakwedi | Household | Energised & Completed - Awaiting Final CAPEX |
| Bodibe Rakgolo | Household | Energised & Completed - Awaiting Final CAPEX |
| 23/24 Wilverdiend | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Rietkuil 2 Farm Houses 6 | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Monamaladi & Nkaikela Village | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Meetmekaar Extension | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Matile Village | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Grasfontein | Pre-engineering | Pre-Engineering - In Progress |
| 23/24 Bodibe Dithwaneng & Venter Extension | Pre-engineering | Pre-Engineering - In Progress |

Source: Eskom DoRA Reporting

Table 12: Current Projects

| Project Name | Project Type | Project Progress |
|---|-----------------|----------------------------------|
| NW384_Ditsobotla | Ditsobotla Bulk | Pre-Engineering |
| Welverdiend | Households | Under Construction - In Progress |
| Sannieshof Substation Rebuilt | Pre-Engineering | In Progress - Pre-engineering |
| Rietkuil 2 Farm Houses | Households | Energised & Completed |
| Monamaladi & Nkaikela Village | Households | Energised & Completed |
| Meetmekaar Extension | Households | Energised & Completed |
| Matile Village | Households | Energised & Completed |
| Grassfontein | Households | Under Construction - In Progress |
| Bodibe Ditswaneng & Venter Extension | Households | Energised & Completed |
| 24/25 Tlhabologang Scotland Extension 8 | Pre-Engineering | In Progress - Pre engineering |
| 24/25 Bodibe Venter Extension 1 & 2 | Pre-Engineering | In Progress - Pre engineering |

Source: Eskom DoRA Reporting, February 2024

Illegal connections, faulty meters, and aged infrastructure are the major challenges faced by the municipality. Overloading and burning of cables also result in losses. The total electricity infrastructure for Lichtenburg and Coligny areas needs urgent upgrading as it experiences a maximum demand problem.

The following is a summary of the key electricity challenges as identified in the draft electricity Master Plan:

- Aging network;
- Most switch stations without ceilings;
- Current sub-station buildings require upgrading due to structural damages;
- Sub-station transformers are overloaded +/- 95 to 100% capacity. **The immediate commercial demand is estimated at approximately 3 900 kVA;**
- HT cable feeders are inadequate and underground cables in service over 40 years;
- Lack of continued maintenance of the high-mast lights;
- Streetlights are more than 35 to 50 years old, and are non-energy efficient, and a huge risk to the public.

2.4.5. Waste Collection / Refuse Removal³

The Environmental Health Services Unit is responsible for the provision of waste management functions in the Ditsobotla Local Municipality, which covers refuse removal, transportation and disposal; cleansing services; garden and bulk refuse removal services; and environmental awareness. The unit experiences various

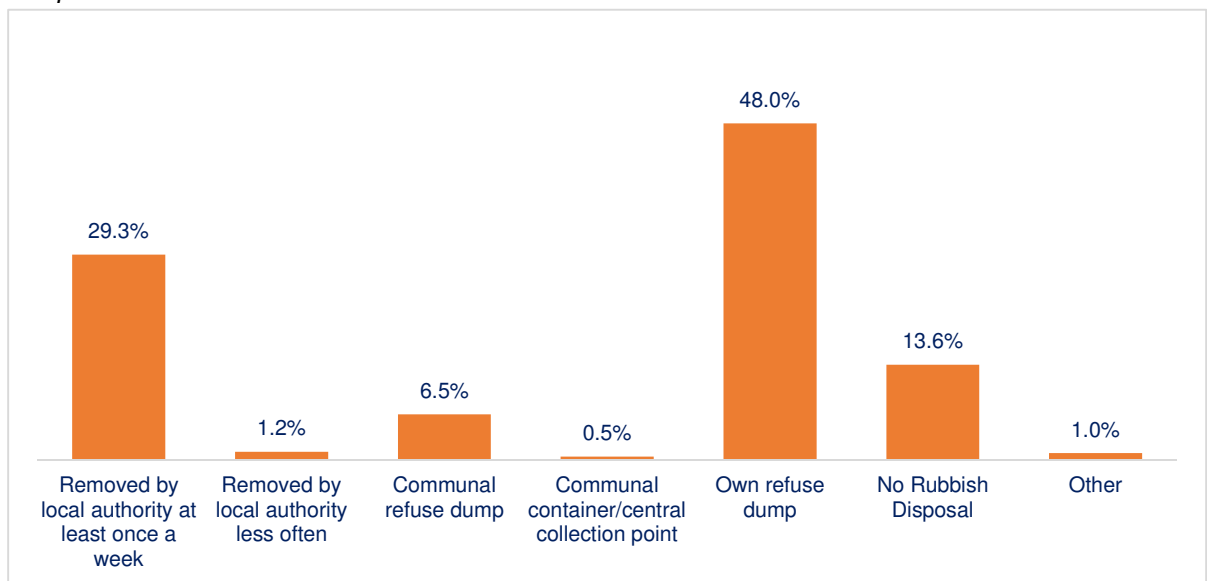
challenges including: obsolete and unreliable fleet and equipment; shortage of skilled staff, especially at supervisory levels; and designation of waste management officers.

Ditsobotla Local Municipality waste collection service is provided by two compactor trucks with capacities of 12m³ and 10m³ respectively. The frequency of waste removal in Lichtenburg, Boikhutso, Blydeville and Shukran is once a week for residential and business areas. The Lichtenburg waste site needs to be brought up to standard, including fencing of the area and entrance control at the site.

Other communities within the municipality utilize informal communal dumping sites and undertake their own waste disposal. In terms of the latter this normally entails a pit being dug in the vicinity of the residence where the waste is discarded and burnt on a regular basis. The Lafarge, *Sephaku* Cement and *Afrisam* cement industries within the municipal area manage their waste independently of the municipality and have recycling initiatives contributing towards waste minimisation.

The figure below depicts access to refuse removal (in percentages) in Ditsobotla Local Municipality. According to StatsSA, Census 2022, 30.5% of waste is removed by the local authority once a week; 48% of waste is disposed at residence owned refuse dumps; 13.6% has no rubbish removal, 6.5% use communal refuse dumps and 1.2% is removed by the local authority at less often intervals.

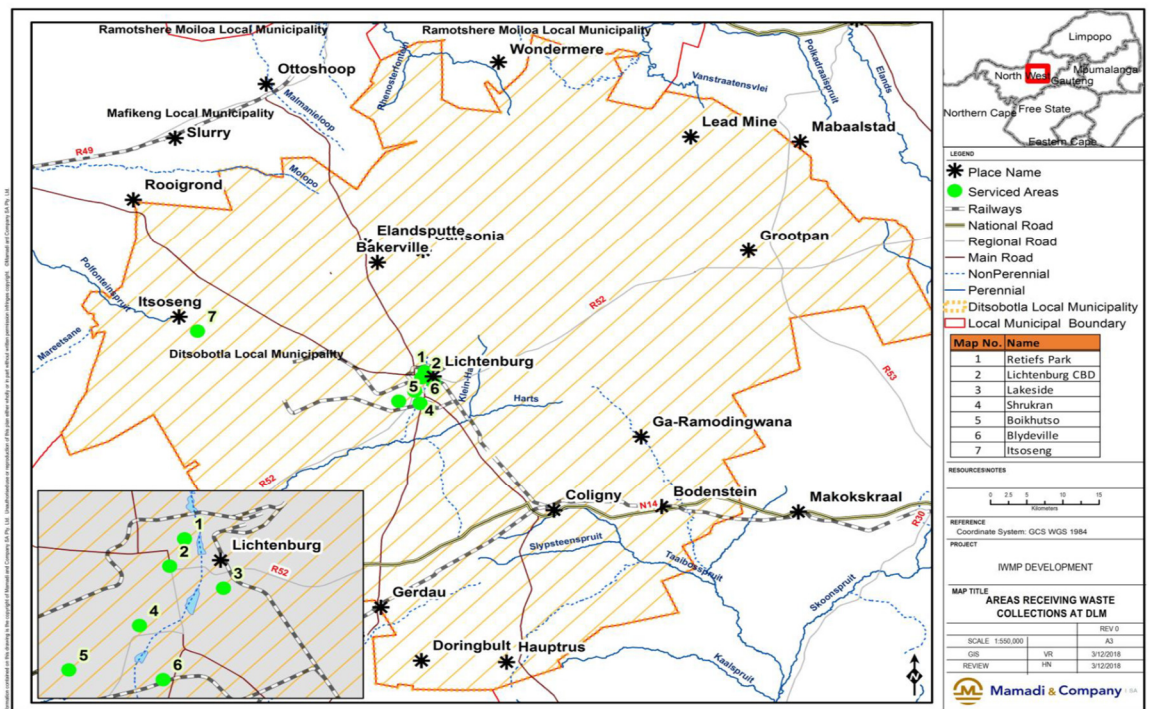
Graph 11: Access to Refuse Removal



Source: StatsSA, Census 2022

According to StatsSA, 2022 Ditsobotla Local Municipality has a total of 42 416 households with 12 447 households receiving refuse removal services from the municipality, while 22 189 households utilises communal or own dumping stands. A total of 5 756 households does not have any form of access to refuse removal services. The total number of indigent people within Ditsobotla Local Municipality is 6 178 and the number of indigent receiving free waste management services in terms of the FBRR is unknown.

Map: Areas receiving refuse removal services



Source: Ditsobotla IWMP, 2018 – 2023

The spatial distribution of refuse removal clearly indicates that provision of formal refuse removal services by the municipality occurs only in formal towns/residential areas of Lichtenburg, Blydeville, Boikhutso, Coligny, Tlhabologang, Itsoseng and Itekeng.

Some residential areas receive weekly refuse removal services. Furthermore, general waste from the Central Business District is also collected on a weekly basis. AfriSam dispose general waste to the Lichtenburg landfill site on a weekly basis. The challenge facing the municipality is to extend the refuse removal service to the rural and village communities in the long-term and to initiate waste recycling projects.

Ditsobotla Local Municipality also renders street sweeping and litter picking services. Clean-ups are also done for illegally dumped waste.

2.4.5.1. Waste Disposal Sites

Ditsobotla Local Municipality has four (4) registered landfill sites in terms of the *Minimum requirements for waste disposal by landfill (DWAf, 1998) and its amendment*; namely; Lichtenburg, Itsoseng, Tlhabologang and Biesiesvlei. Itsoseng, Tlhabologang & Biesiesvlei landfill sites have been issued with waste management licences for closure and rehabilitation. The Lichtenburg landfill which is currently operational does not meet any of the minimum requirements for a landfill site and thus it currently operates as a dumpsite. Ditsobotla Local Municipality does not have any waste transfer stations or buy back centres.

The following table summarises the landfill sites in Ditsobotla Local Municipality:

Table 13: State of Landfill Sites

| Name of site | Licence No | Status |
|-----------------------|--------------------|---|
| Lichtenburg Landfill | B33/ 2/330/3/P5B | Waste Licence for Landfill Site Licence from Department of Water Affairs and Forestry |
| Itsoseng Landfill | NWP/WM/NM3/2012/07 | Decommissioning and Closure of Landfill Site Licence from North West Department of Economic Development, Environment, Conservation and Tourism (READ) |
| Biesiesvlei Landfill | NWP/WM/NM3/2012/08 | Decommissioning and Closure of Landfill Site Licence from READ. |
| Tlhabologang Landfill | NWP/WM/NM3/2014/02 | Decommissioning and Closure of Landfill Site Licence from READ. |

2.4.5.1.1. Lichtenburg Waste Disposal Site

The Lichtenburg Waste Disposal Site is located 8km outside town on the Deelpan road on the farm Elandsfontein 34IP. The Lichtenburg waste site is registered but does not fully satisfy the required standards. The landfill is not fenced and access to the site is not controlled. There are no structures or landfill infrastructures such as ablution facilities, water source, weighbridge, electricity or boreholes for ground water monitoring.

The following issues at the landfill site were identified as major concerns/challenges:

- There are no ground water monitoring boreholes;
- There are people illegally residing at the landfill site;
- Reclaimers do not have PPE;
- Financial Constrains in the site management;
- Lack of Human Recourses;
- Health and Safety issues;
- No Landfill Maintenance Service;
- There is a lot of waste that should not be disposed at the landfill site, such as recycled e.g. glass, garden waste.
- There is difficulty in controlling the illegal re-claimers; and
- Broken-down waste management fleet.

2.5. Financial Viability and Management Analysis⁴

This financial viability and management analysis is an adaptation of a diagnosis contained in the Financial Recovery Plan (30 March 2023). The issues identified remain prevalent and are at the centre of the mandatory provincial intervention strategies:

⁴

See Financial Recovery Plan Prepared for Ditsobotla Local Municipality (May 2023). Available from www.ditsobotla.gov.za

Ditsobotla LM is faced with severe liquidity challenges. The financial difficulties are compounded as financial information is not credible nor complete and supporting documentation is often found wanting. This is epitomized by the fact that the municipality is experiencing a backlog in compiling the Annual Financial Statements and is still struggling to generate accurate information from the financial system.

The municipality has significant creditors balances, estimated to exceed R1,49bn by the end of 2022/23, which is growing exponentially with no viable mitigation measures in place. The inability to pay creditors is exacerbated by a breakdown in revenue generation and/or collection and the complete lack of oversight over the revenue value chain which is the lifeblood of the municipality. This has led to an estimated cash shortfall of around R1,42bn on 30 June 2023.

The lack of a financial plan in terms of a credible, realistic Medium Term Revenue and Expenditure Framework budget. The municipality has continuously adopted unfunded budgets over the last few years. Additionally, budget amounts are escalated based on inflation targets and do not closely resemble actual results. This is further compounded by the lack of credible and reliable information required to make accurate and reasonable projections.

Lack of management and oversight over the entire revenue value chain which includes, but is not limited to: Approval of tariffs that are not reflective of the costs of delivering the service; poor meter management leads to consumers not being billed for consumption; inaccurate billing due to financial system complications and/or incomplete input data; inability to implement effective debt collection practices; poor credit control and indigent management processes; and over-reliance on government grants and subsidies.

Insufficient planning and budget for maintenance of critical service delivery assets and ageing infrastructure is contributing to rapid deterioration of the municipality's already frail infrastructure and poses a risk to the municipality's revenue generation capabilities.

The financial challenge in the municipality stems from various inefficiencies which should be viewed and evaluated holistically to enable sustainable financial recovery. The financial difficulties are impacted by a combination of factors which include among others:

| Focus Area | Issues Identified |
|--|--|
| <p>Funded budget and budget parameters</p> <p>Budget related policies</p> | <ul style="list-style-type: none"> • The municipality's Budget is significantly unfunded after all the municipality's liabilities are considered. • The municipality applies incremental budgeting, with no needs analysis for proposed projects. • Ineffective planning and budgetary control measures has led to a budget which is not credible not realistic. |
| <p>Revenue management value chain/revenue raising measures (revenue targets)</p> | <ul style="list-style-type: none"> • The revenue baseline of the municipality is insufficient to cover the operating costs. This is due to low collection rates and negative cash flows. • Inability to pay long outstanding creditors. Payment arrangement for creditors not concluded. • The revenue baseline of the municipality is insufficient to cover operating costs. This is due to low collection rates and negative cash flows. • Budget-related policies not updated/not in place. The municipality has not updated/approved budget-related policies including the tariff policy, rates policy, credit control and debt collection policy. Revenue management value chain/revenue raising measures (revenue targets) • Contractors accessing the municipal property and digging streets are unregulated (no way leave policy). • Revenue overall collection rate has been very low and for 2020/21 financial year was 46%. • Incorrect tariffs linked income types (services and rates) leading to incorrect billing. • Valuation roll does not reconcile to the billing system. • Lack of capacity to read meters by skilled meter readers internally and consumers billed estimates. Readings based on units send in by consumers. • Not all consumers are metered and there are unknown consumers. Meters do not comply with Token Identifier (TID) requirements which creates a risk that tokens may be used more than once. • Billing reconciliations not performed between the billing system and trial balance (including prepaid services). • Incomplete/inaccurate meter readings due to faulty/broken meters. No policy for maintenance or to prevent tampering. • Lack of water and electricity meters. • Vandalism of older existing meters for brass content. • Illegal connections and/or unmetered losses. |

| Focus Area | Issues Identified |
|------------------------------------|--|
| | <ul style="list-style-type: none"> • All electricity-related services are performed by a service provider, Cigicel. This includes installation of the meters, monthly billing, and ultimately the recovery of electricity charges. The Service provider handles all electricity-related issues, and the municipality has limited control and oversight over the process. • The municipality has moved to a new service provider and is encountering significant limitations with regard to the billing of consumers. • Failure to implement billing control procedures. Per 2020/21 AFS a claim R 27 000 000 against the municipality by the previous service provider for loss of income that assisted with billing and credit control. Customer care and data accuracy. |
| Customer Care | <ul style="list-style-type: none"> • No customer care |
| Cost-reflective tariffs | <ul style="list-style-type: none"> • The tariffs for all income items are based on CPI increase. The cost per division is not considered (for example water, electricity There are no calculations/schedules to support the base of tariff rates whether done in the current year or in the previous years to indicate how the operational costs per division of the municipality were factored into the tariff setting exercise. • Year-on-year tariff adjustments with no substantive justification (an increase of 4.8% as 22/23 budget on all items except electricity that increased with approved NERSA tariff). Final tariffs were not approved and published as oversight of the Accounting Officer and council. • No tariff policy. Lack of understanding of employees on budget procedures and tariff setting |
| Indigent Policy | <ul style="list-style-type: none"> • No verification of indigent debtors performed or approved indigent policy. |
| SCM compliance and value for money | <ul style="list-style-type: none"> • Lack of capacity and lack of competency of remaining officials. The SCM unit is functional and currently consists of nine officials however there is a concern with regards to the competence levels of the staff members. Members in units include SCM clerks, due to vacancies issues and oversight of the Accounting officer to appoint competent officials. • SCM Committees not properly functional, due to change management. • No reasonable procurement plan in place. • Outdated SCM related policies |

| Focus Area | Issues Identified |
|---|---|
| Cost containment and realistic cash flow management | <ul style="list-style-type: none"> • High reliance on government grants. Per 2020/21 AFS grants revenue is 33% of total revenue. • High-employee related cost - Per 2020/21 AFS employee cost 32% of total expenditure. • High expenditure for security services - Per 2020/21 AFS R19 372 530 • High consultancy fees - Per 2020/21 AFS R28 449 648 • Non-payment of SALGA fees - Per 2020/21 AFS balance of R9 355 332 outstanding • Cash flow management committee not in place • Excessive overtime due to non-filling of critical vacancies and a lack of internal controls to manage overtime. |
| Financial control environment | <ul style="list-style-type: none"> • Weak internal control environment. • Leadership did not adequately oversee the internal control environment evidenced by repeated findings during audit. • Leadership did not adequately oversee the internal control environment evidenced by repeated findings during audit. • No progress in respect of financial disciplines relating to the daily, weekly, and monthly reconciliation. • Risk management activities were not adequately designed or implemented to mitigate high and/or pervasive risks of material misstatement." • The municipality is understaffed due to the high labour turnover in critical finance roles. Lack of capacity in the BTO office, the Accounting officer and those charged with governance. Overall lack of skill and competence. • Over reliance on consultants. Consultants are contracted for critical finance functions without proper performance monitoring. • System migration challenges from EMS to Sage have affected billing and reporting since 2020. • Some key finance related policies not in place and/or are outdated. • Poor records management due to financial system challenges which has led to successive disclaimer of opinions by AGSA. |

| Focus Area | Issues Identified |
|---|--|
| MFMA circular 71 financial ratio analysis against set norms | <ul style="list-style-type: none"> • Repairs and maintenance below the norm of 8% of the value of Property, Plant and equipment and Investment Property. • Debtors recovery rate is significantly below the norm of 95%. This is further exacerbated by the billing complications. • Significant increase in average debtor's days. • No bad debts written off during the 2021 or 2022 financial years. • Creditors payment period (1054 days) is increasing and is significantly more than the norm of 30 days. • Remuneration of employees and councillors are within the norm of 25%-40%, but a lack of skills and/or competence in virtually all areas indicating a bloated/ineffective organisational structure. |
| <i>m</i> SCOA implementation | <ul style="list-style-type: none"> • Non-adherence to <i>m</i>SCOA legislation. • No functional Steering committee for <i>m</i>SCOA implementation. • No <i>m</i>SCOA Road Map developed. • Data strings not credible. • The municipality does not fully use of <i>m</i>SCOA modules on all business processes. |
| Debtors management and indigent management | <ul style="list-style-type: none"> • Due to non-delivery of services, debtors are not paying their account. • The debtor's book could be significantly overstated and could require further write offs which management have not affected. Proper reconciliations not performed between the age analysis and statement. • Municipality has weak controls in debtor's management. Interest is not being charged on all accounts in arrears as required by section 64(2)(g) of the MFMA. No follow ups made on long outstanding debts. • Collection rate. Collection rate improved from 19% in 2019/20 to 46% in 2020/21. This is however significantly below Treasury's benchmark of 95%. • Disputes over ownership of land and properties which affects collection of debts from properties rates. • Failure to implement procedures for debt collection. Per 2020/21 AFS a claim R44 000 000 against the municipality by previous service provider for loss of income that assisted with debt collection. |

| Focus Area | Issues Identified |
|--|---|
| | <ul style="list-style-type: none"> • Outstanding debt of councillors (more 90 days) and government institutions (more than 30 days) in contravention of the MSA and MFMA. • Established culture of non-payment. Poor public perception due to a lack of service delivery over an extended period affecting the consumers' appetite to pay. • Ineffective billing system and increase in debtor days. Due to incorrect billing/system errors/skilled meter readers, the municipality is facing a challenge in making follow ups with its customers who always dispute amounts billed. |
| Expenditure Management | <ul style="list-style-type: none"> • No grant management policy in place, to prevent the misuse of funds. • Non-payment of services within 30 days of receipt of the invoice as required by the MFMA. (resulting in interest levied - per 20/21 AFS R19 148 508). • Creditors days increased from 954 days in 2019/20 to 1054 days in 2020/21 which means the Municipality is taking a very long time to settle amounts owed. Overpayment of suppliers due to poor controls based on previous audit report. • No payment arrangement with biggest creditors - Eskom. No reconciliation of account/proper record keeping as per previous audit. (Expenditure per 20/21 AFS - R146 673 487) |
| Asset Management | <ul style="list-style-type: none"> • Misappropriation of assets due to lack of controls and a standalone asset management division (capacity); for example, building projects reported as completed could not be identified during physical verification. Poor record keeping of information. • No up-to-date Asset Management Policy. • No fleet management plan to ensure efficient service delivery. |
| Cash Management | <ul style="list-style-type: none"> • Poor record keeping of information as per previous audit report (19/20). |
| Unauthorised, Fruitless and Wasteful Expenditure (UIF&W) | <ul style="list-style-type: none"> • Significant UIF&W per 2020/21 AFS • Irregular: R355 567 932 • Unauthorised: R203 571 244 • Fruitless & wasteful: R228 208 518 • Deviations: R8 136 845 • Purchases made from suppliers from which officials are not independent. |

| Focus Area | Issues Identified |
|------------|---|
| | <ul style="list-style-type: none"> Poor contract management. The contract register is not regularly updated with details of all suppliers, contract term and payment made, leading to irregular or fruitless and wasteful expenditure. MPAC did not put measures in place to investigate UIF&W expenditure, as the MPAC committee is dysfunctional. |

2.5.1. Analysis of Key Financial Ratios

| Ratio | Budget Ratio for 2022/2023 | Analysis |
|---|----------------------------|--|
| Capital Expenditure to Total Expenditure – indicates the prioritisation of expenditure towards current operations versus future capacity in terms of Municipal Services. The norm is 10% - 20%. | 6% | Capital expenditure in relation to total expenditure has increased from 4% to 10%. This is mainly a result of a higher capital budget being allocated for the year. Budget amounts are heavily dependent on Grant funding. |
| Repairs and Maintenance to Property, Plant and Equipment and Investment Property – measures the level of repairs and maintenance to ensure adequate repairs and maintenance to prevent breakdowns and interruptions to services delivery. The norm is 8%. | 0.3% | Repairs and Maintenance is significantly below the norm of 8%. Maintenance of key assets are not prioritised. Lack of asset maintenance is leading to infrastructure breakdowns and service delivery limitations. Assets are rapidly deteriorating at an unsustainable rate. |
| Annual Collection Rate - indicates the level of payments by debtors as a percentage of revenue billed on credit. The norm is 95%. | 46% (2020/21) | The municipality had challenges in 2020/21 because of a financial system changeover which resulted in them not billing correctly for part of the year adversely affecting the billing and recovery of revenue. Revenue collection is the lifeblood of the municipality. The prolonged underperformance to this extent is another key contributor to the severe financial challenges. |
| Bad Debts Written-off as % of the Bad Debt Provision: The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient. The norm is 100%. | Not measurable | No bad debts were written off over the two years under review and no write-offs are included in the budget. This is an indication of a lack of adequate debtors management and debt collection. |

| Ratio | Budget Ratio for 2022/2023 | Analysis |
|--|----------------------------|--|
| Debtors Management Net Debtors Days – indicates the average number of days taken for debtors to pay their accounts. The norm is 30 days. | Not measurable | Debtors days are significantly above the norm of 30 days. With debtors taking an average of 255 days (2019/20) and 359 (2020/21) days to settle accounts, signifying an 41% increase. Using the same ratio, Debtors days are expected to increase to 506 days in 2021/22 and 712 days in 2022/23. Escalating debtors' days is of great concern reflecting that debtors' management is not prioritised. The inability to collect outstanding amounts is a major contributor to the severe financial challenges. |
| Liquidity Management | | |
| Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants) The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue. The norm is 1-3 months | 0.39 months | The ratio is significantly less than the benchmark of 1 month indicating that the municipality is unable to fund monthly operational expenditure and continue to provide services. The budget ratio for 2021/22 shows improvement, but is based on budgeted cash balances which is not credible and indicates a significantly unrealistic increase in cash balance. |
| Current Ratio - this ratio indicates the extent to which current assets can be used to settle short-term liabilities. If current assets do not exceed current liabilities, it means a liquidity problem i.e., insufficient cash to meet financial obligations. The norm is 1.5 - 2:1. | 0.94 | Current ratio is below norm. The budget ratios are not credible or reliable as the full extent of payables balances are not reflected. Unmitigated increase in current liabilities driven by the increasing payables balances and non-collection of debtors means that the ratio is expected to decline further if action is not taken imminently. |
| Liability Management | | |
| Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure - indicates the cost required to service the borrowing. It assesses the borrowing or payment obligation expressed as a percentage of total operating expenditure. The norm is 6% - 8% | N/A | Municipality does not have external borrowings |

| Ratio | Budget Ratio for 2022/2023 | Analysis |
|--|----------------------------|--|
| Debt (Total Borrowings)/ Revenue - indicates the extent of total borrowings in relation to total operating revenue. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. Alternatively stated, the ratio indicates the affordability of the total borrowings. | N/A | Municipality does not have external borrowings |
| Efficiency | | |
| Net Operating Surplus Margin – measures the net surplus or deficit as a percentage of revenue. The norm is > 0% | -6% | Municipality had a Net Operating Deficit in 2019/20 and minimal surplus in 2020/21. One of the factors contributing to a significant improvement was the decrease in debt impairment recognised for consumer debtors in 2020/21 compared to the prior year. The budget for 2021/22 indicates another surplus whereas 2022/23 budget indicates a deficit predominantly due to lower revenue levels expected. |
| Distribution Losses | | |
| Electricity Distribution Losses (%) The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold because of losses incurred. The norm is 7% - 10% | N/A | Distribution losses are above the norm indicating a lack of control over and safeguarding of electricity distribution. Electricity losses is result of illegal connections, unmetered connections and a dilapidated electricity network. The estimated rand value is in excess of R40 million per year and may be the single biggest contributor to unmitigated increases in the Eskom debt. These losses are over and above the impact of poor debt collection of billed amounts. |

| Ratio | Budget Ratio for 2022/2023 | Analysis |
|--|----------------------------|---|
| Water Distribution Losses (Percentage) The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold because of losses. The norm is 15% - 30%. | N/A | No disclosure of water losses in the Annual Financial Statements as required in section 125 of the MFMA. |
| Revenue Management | | |
| Revenue Growth (%) – measures the growth in revenue year on year. The norm is at the rate of CPI – CPI 2019/20 (4.1%)–MFMA Circular 107 CPI 2020/21 (2.9%)–MFMA Circular 115 CPI 2021/22 (4.9%)–MFMA Circular 123 CPI 2022/23 (6.9%)–MFMA Circular 123 | -8% | Revenue was above CPI in 2019/20 theoretically reflecting growth which may not be a true reflection as CPI was very low owing to strict lockdown restrictions. No revenue growth was recorded in 2020/21 and a decline in revenue is expected in 2022/23. The 2021/22 budget shows a 9% growth rate, but further inspection of the budget schedule indicates that this is due to over inflation of interest on receivables (>R60 million) and External investments (>R3 million). Actual revenue growth is therefore below the norm. |
| Revenue Growth (%) - Excluding Capital Grants Measures the growth in revenue excluding capital grants year on year. The norm is > 5%. | | Similar to overall revenue growth, the growth in revenue excluding capital grants is also below the norm and 2021/22 budget amounts are skewed due to over-inflation of interest income. |
| Expenditure Management | | |
| Creditors Payment Period This ratio indicates the average number of days taken for trade creditors to be paid. The norm is 30 days. | 1013 days (2020/21) | The municipality's ratio is significantly above the norm. Delayed payment of creditors increases risk that suppliers of service providers withdraw their service or provision of goods which will disrupt service delivery. This is also an indication of liquidity challenges which the municipality is facing. If the same increase ratio as 2020 and 2021 is used, it is expected that creditors days will increase to 1231 for 2021/22 and 1496 for 2022/23. Non-compliance with MFMA regulations that requires creditors be paid within 30 days of invoices. |

| Ratio | Budget Ratio for 2022/2023 | Analysis |
|--|------------------------------|--|
| Irregular, Fruitless and Wasteful and Unauthorized Expenditure to Total Expenditure – this ratio measures the extent of irregular, fruitless and wasteful and unauthorized expenditure to total expenditure. The norm is 0%. | Not measurable 36% (2021) | The municipality's ratio for the 2 financial years in review is significantly above the norm. Only the expenditure for the year was considered rather than the cumulative balance. This indicates weaknesses within the municipality's SCM processes, non-compliance with procurement regulations, significant payments made in vain and overspending of the approved budget. The municipality must investigate all instances of this Unauthorised, Fruitless and Wasteful Expenditure in line with its policies and applicable legislation. |
| Remuneration (Councillor Remuneration and Employee Related Costs) as % of Total Operating Expenditure - Indicates the extent to which expenditure is applied to the payment of personnel. The norm is 25% - 40%. | 36.3% | Remuneration as a percentage of Total Operating Expenditure has been within the norm for the 2 years in review. Although within the norm, the results are on the high-end given the municipality's limited administrative obligations in relation to the service delivery mandates. Various focus areas have also highlighted that required competencies and skills are often not maintained in-house, therefore the ratio may be misguided as filling of positions is still not sufficient in terms of the skills and competency needs of the municipality. |
| Contracted Services as a % of Total Operating Expenditure - indicates the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions. The norm is 2%-5%. | 5.8% | Contracted services for 2019/20 are within the norm, but non-implementation of mSCOA indicates that not all contracted services are classified and subsequently recognised under the appropriate headings. Notwithstanding, contracted Services for 2020/21 and the budget for 2021/22 and 2022/23 are still above the norm and must be limited in terms of Cost containment measures. Actual results may significantly exceed the budgeted amounts. |

2.6. Environmental Analysis

2.6.1. Climate

2.6.1.1. Temperature

Ditsobotla Local Municipality's temperatures varies between minimums of $\pm 7,8^{\circ}\text{C}$ in the winter and maximums of $\pm 40,6^{\circ}\text{C}$ over December/January months.

2.6.1.2. Rainfall

Ditsobotla receives mostly its rain in January month, and have an average monthly rainfall of approximately 118mm. As in most north-western municipal areas, the winter months are the driest periods with less than 5mm rain per month on average (Ditsobotla SDF, 2005).

2.6.1.3. Air value

Cement manufacturing companies are the main probable cause of air pollution in Ditsobotla, but the companies are observing the problem as part of their environmental monitoring process.

2.6.1.4. Topography

According to the topographical map of Ditsobotla, it is indicated that the total area of Ditsobotla is mostly flat, with some hills and ridges in the northern boundary of the municipal area that exceeds 5° . In the southern area of the municipal area, there are also a number of hills, but does not exceed 5° . The urban area of Ditsobotla municipality does not have any significant hills or ridges that can hinder urban development. (Source: SDF, 2012).

2.6.1.5. Surface Water

The surface water drainage pattern in Ditsobotla reveals that the main drainage areas are located in the southern, western and northern parts of the municipality. Important rivers within the area include the following:

- **The Hartsrivier and Groot Hartsrivier** draining in a south western direction of Itsoseng and Biesiesvlei. This river has its origin in the areas east and south of Lichtenburg. An important tributary of the Hartsrivier is **Tweelingspruit** which joins the Hartsrivier north of Biesiesvlei.
- The **Taaibosspruit** (draining into and from the Taaibosspruit dam) is located in the south eastern parts of the Ditsobotla and drains in a south eastern direction. The Taaibosspruit as well as its main tributary, the Slypsteenspruit has its origins in the area around Coligny. The Taaibosspruit then drains into the Skoonspruitriver.
- The droë Molopo River and the **Moloporiver** is located in the north-western parts of Ditsobotla and drains in a western direction. The Molopo river which originates

at the **Molopo Eye**. Of specific importance is the fact that the major water supply scheme to the Mafikeng Local Municipality (i.e. the Molopo/Grootfontein supply scheme) is partly supplied by water from the Molopo Eye.

- The most important river in the northern part of the study area is **Ribbokfontein se Loop** and the **Klein Marico River** which drains in a north western direction (Source: Ditsobotla SDF, 2005).

2.6.2. Ecological Systems

The Ditsobotla Local Municipality is located within the Grassland biome. The topography of this biome is mainly flat and rolling, but includes the escarpment itself with altitudes varying from near sea level to 2 850m above sea level.

Grasslands are dominated by a single layer of grasses. The amount of cover depends on rainfall and the degree of grazing. Trees are absent, except in a few localized habitats. Geophytes are often abundant.

Frosts, fire and grazing maintain the grass dominance and prevent the establishment of trees. There are two main categories of grasses (*i.e.* sweet grasses and sour grasses). Sweet grasses have lower fibre content, maintain their nutrients in the leaves in winter and are therefore palatable to stock. Sour grasses have higher fibre content and tend to withdraw their nutrients from the leaves during winter so that they are unpalatable to stock. At higher rainfall and on more acidic soils, sour grasses prevail, with 625mm per year taken as the level at which unpalatable grasses predominate. C4 grasses dominate throughout the biome, except at the highest altitudes where C3 grasses become prominent.⁵

Overgrazing tends to increase the proportion of pioneer, creeping and annual grasses, and it is in the transition zones between sweet and sour grass dominance that careful management is required to maintain the abundance of sweet grasses. The Grassland Biome is the cornerstone of the maize crop, and many grassland types have been converted to this crop.

Sorghum, wheat and sunflowers are also farmed on a smaller scale. The Grassland Biome is considered to have an extremely high biodiversity, second only to the Fynbos Biome. Rare plants are often found in the grasslands, especially in the escarpment area. These rare species are often endangered, comprising mainly endemic geophytes or dicotyledonous herbaceous plants.

Very few grasses are rare or endangered. High hyper diversity areas are mainly confined to the northern parts of the Ditsobotla Local Municipality as well as the areas immediately surrounding the perennial and non-perennial rivers and pans.

⁵ C3 plants are adapted to cool season establishment and growth in either wet or dry environments. On the other hand, C4 plants are more adapted to warm or hot seasonal conditions under moist or dry environments. C3 grasses are more tolerant of frost compared to C4 grasses.

A breakdown of the total land area according to the various bio-diversity classes is summarized in the table below.

Table 14: Classes of Biodiversity

| Biodiversity Categories | | |
|-----------------------------|-------------------------|------------------------------------|
| Biodiversity Categories | Area (km ²) | Percentage of total municipal area |
| High hyper-diversity | 180.3 | 2.8% |
| High priority habitats | 398.4 | 6.2% |
| Medium-High hyper-diversity | 24.3 | 0.4% |
| Other areas | 5865.0 | 90.7% |
| Total | 6467.9 | 100% |

This information indicates that more than 180km² of the Ditsobotla Local Municipality is classified as high biodiversity areas, 24.3km² as medium-high hyper diversity areas and 398km² as high priority habitat. These three categories jointly represent 9.4% of the total land area within the Ditsobotla Local Municipality.

2.6.2.1. Vegetation Types

The vegetation of Ditsobotla is mostly Vaal-Vet Sandy Grassland (46%), Western Highveld Sandy Grassland (21%), Rand Highveld Grassland (11%), Highveld Alluvial Vegetation especially along the Groot Hartsriver. On the northern part of Ditsobotla municipal area, as well as Moot Plains Bushveld (6%) is found. In the vicinity of Itsoseng, Klerksdorp Thornveld (9%) can be found. The following table indicate the different vegetation types and their coverage of the municipal area.

Table 15: Vegetation

| Vegetation Name | Count | Hectares | % |
|---|-------|------------------|------------|
| Highveld Alluvial Vegetation | 24 | 8 679.024 | 7.57176 |
| Klerksdorp Thornveld | 16 | 10 668.15 | 9.307114 |
| Moot Plains Bushveld | 7 | 7 549.354 | 6.586212 |
| Rand Highveld Grassland | 40 | 13 531.09 | 11.8048 |
| Vaal-Vet Sandy Grassland | 212 | 50 012.39 | 43.63184 |
| Western Highveld Sandy Grassland | 398 | 24 183.6 | 21.09827 |
| Total | | 11 4623.6 | 100 |

2.6.2.2. Geology and Mineral Deposits

The Ditsobotla geology, mineral deposits and dolomite indicates that the northern area of the municipality is underlain by dolomite, whereby the same portions of land have deposits of Malmani Supergroup. At the very northern boundary of the municipality, Vaalian Erathem can be found along the Ribbokfontein se Loop as well as the Klein Marico River. The central part of the municipality, surrounding Lichtenburg town, is underlain by Dwyka Group, Karoo Supergroup.

The limestone deposits located near Dudfield north-west of the Lichtenburg-Boikhutso as well as the deposits found in the Bodibe, Welverdiend/Meetmekaar area are commercially utilized. Mineral deposits include a number of manganese deposits in

the areas north of Bakerville as well as Lead, Fluorspar and Zinc deposits in the extreme northern parts of the municipality. These formations mainly consist of quartzite, shale, basalt, andesite, conglomerate, iron, jaspilite, dolomite, chert, diamictite, porphyritic and amygdaloidal rocks.

The southern section of the Bodibe, Welverdiend/Meetmekaar, Springbokpan cluster and Coligny-Tlhabologang cluster are mainly underlain by sand, limestone, conglomerate, clay, alluvium, calcrete, siltstone, silcrete, calcarenite, dune sand and aeolianite. The Itekeng-Biesiesvlei cluster is underlain by geology from the Ventersdorp formation consisting mainly of andesite, conglomerate, sandstone, dacite, quartz porphyry, shale and tuff.

2.6.2.3. Environmental Protection

According to the North West Spatial Development Framework specific environmental sensitive areas were identified (Intervention Zone Four). Critical bioregional categories need to be clearly protected and conserved. These categories are outlined in more detail below:

Category One: Protected Areas

- Areas that have been proclaimed in terms of the Protection Areas Act and are included in the national protected areas register (these include privately owned contract nature reserves);
- Special protected forest areas declared in terms of the National Forest Act;
- Areas that are in the process of being proclaimed if there is high certainty that the proclamation will occur;
- Note that areas under voluntary conservation agreements for which there is no long-term security, such as conservancies /stewardship agreements, must not be shown as protected areas, but may be shown as context information (see below).

Category Two: Critical Biodiversity Areas

This category may include several sub-categories such as:

- Irreplaceable sites
- Important sites
- Terrestrial ecological corridors
- Aquatic ecological corridors
- Special habitats
- Critical wetlands
- Crucial estuaries
- Critical sub-catchments
- Critically endangered ecosystems*
- Endangered ecosystems*

(These terms must be reserved for ecosystems whose status has been assessed using the criteria developed for identifying threatened ecosystems in terms of the*

Biodiversity Act. Ecological support areas should also include a number of subcategories, such as:

- *Primary wetlands production areas*
- *Groundwater recharge zones*
- *All wetlands*
- *All riparian zones)*

Category Three: Other Natural Areas

- These areas are still subject to the usual authorization procedures e.g. EIA's.

Category Four: Areas Where No Natural Habitats Remains

- These areas include cultivated areas, afforested area, mined areas, urban areas, and areas under coastal development.

2.7. Tourism and Cultural Heritage

2.7.1. Heritage Resources

2.7.1.1. Culture

Lichtenburg was established in 1873 by Commandant H.A. Greeff, who named the town after his farm near Durbanville in the Cape Province. The town accommodates a social-historical museum, an agricultural museum with a collection of antique tractors and many other interesting objects.

2.7.1.2. Ampie Bosman Cultural History Museum

This museum provides an introduction to the history of Lichtenburg (1873). Exhibits cover among others the founding and development of the town, discovery of the local diamond fields, General J.H. De la Rey and the siege of Lichtenburg during the Anglo-Boer War (1899 – 1902).

2.7.1.3. North West Agricultural Museum

This museum exhibit a collection of farm implements and tractors from the earliest history of mechanised agriculture in the region. Exhibits of blacksmith tools, a horse mill from the last century and old steam engines can also be seen.

2.7.1.4. Lichtenburg Diggings Museum⁶

The theme of the main museum is the alluvial diamond diggings in the region during 1925 – 1935, then the richest public diggings in the world. The largest pure red diamond ('pigeon blood red') in the world was found here in 1927. The biggest

⁶ This museum has been damaged by fire around November 2023 and needs to be rehabilitated.

diamond rush in history took place in March 1927 on the farm Grasfontein near Lichtenburg, when 25 000 runners took part to peg their claims.

From May 1926 to the end of 1927 there had been 45 more proclamations on 8 farms. The vastness of the diggings became evident (36 kilometres long and 1,6 kilometres wide). At 1945, when the production on the diggings was on the same scale as in 1925, 104 diggings on 13 farms were proclaimed.

A "City of Shacks" rose within a year or two housing approximately 150 000 people. Bakers, called after the owner Albert Baker, and later known as Bakerville, was the "main town". The main business centre housed as many as 250 diamond buyers' offices, as well as dining places, bioscopes, even a merry-go-round, and about 60 cafes, shops, barbers, butcheries, and other businesses. The school, one of the 17 on the diggings, had 15 classrooms.

At Grasfontein where the biggest rush in the world history took place on 4 March 1927, more than 2 million carats were found. More than 1,5 million carats were found on each of the farms of Uitgevonden (where Bakerville is situated) and Welverdiend. Between the years 1926 and 1945 more than 7 million carats were found with a value of £14,6 million.

2.7.1.5. Art Gallery

The art gallery which is one of the biggest in the country side of Southern Africa, housing a valuable collection of paintings by well-known South African artists, is situated in a wing of the Civic Centre, Lichtenburg.

Painting of Gregorie Boonzaaier, Irmin Henkel, Irma Stern, Louis Steyn, Watler Batiss, Dirk Meerkotter, F Claerhout, Bettie Cilliers-Barnard, Johannes Meintjies, and Hennie Potgieter form part of the collection.

2.7.1.6. Monuments

The following monuments are found on the Square in front of the Lichtenburg Town Hall:

- A twice life size statue of General De la Rey mounted on his horse;
- The Burger Monument engraved with the names of 87 burghers of Lichtenburg and district who fell during the Anglo-Boer War;
- Memorial erected during 1938 Symbolic Ox Wagon Trek; and
- The Afrikaans Language Monument designed by Hennie Potgieter and erected during the 1975 language centenary festival.

Other significant monuments include:

- The Greef memorial at Witklop 20km north east of Lichtenburg in commemoration of the founder of Lichtenburg, HA Greef.

- Lichtenburg Graveyard with the graves of General De la Rey. Also 113 British graves from the Anglo-Boer War and several graves from the early days of the town with beautiful examples of Boer Volk Art can be seen.
- A small Voortrekker monument is erected on Elandsfontein.
- A historical cattle dip on the farm Elandsputte, 20km north of Lichtenburg was declared a national monument.
- The Gruisfontein battlefield 24km east of Lichtenburg, where a monument has been erected in honour of the burghers who died.

2.7.1.7. Historical Buildings

- The Dutch Reformed Church in Gerrit Maritz Street erected in 1890 (National Monument).
- The old Magistrate's Building dates back to 1895.
- General De la Rey's home, 3km west of town, was demolished during the Anglo Boer War and rebuilt on the original foundations.
- The home of the founder, HA Greef, built on Manana 10km east of Lichtenburg.
- An old plantation house, home of the pioneer in dry-land farming, Colonel H du Toit, erected in 1910 south of town.

SECTION C: MUNICIPAL VISION AND MISSION

3. Introduction

This section provides a summary of municipal-wide priorities that need to be focused on as part of the municipality's development agenda over the next five years. It is a culmination of a holistic assessment of the performance of the municipality during the previous financial years and proposes key strategic issues, which must inform all interventions in the short to long-term period.

3.1. Vision Statements

"A developmental municipality dedicated to the social and economic upliftment of its communities."

3.2. Mission Statement

"Sustainable service delivery through: transparent administration; dedicated staff; implementation of municipal programmes; and consultation with communities."

3.3. Key Priorities of the Municipality

The dissolution of council of Ditsobotla resulted in a coalition government entered into between various parties following the 14 December 2022 by-elections. The following are some of the broad priorities identified by council:

- Building a financially resilient and viable municipality capable of providing sustainable services.
- The appointment of senior managers and staff with the requisite skills, knowledge and competencies;
- Professionalization of the municipal administration based on a decentralized service delivery model to meet the priority household infrastructure of water, sanitation, electricity, and solid waste management.
- A government underpinned by principles of accountability, transparency and good governance;
- A government that is responsive to the needs of the community and better positioned to create a conducive environment for economic growth;
- Fighting corruption, patronage, nepotism and self-enrichment.

3.4. Municipal-wide Priority Issues & Proposed Intervention

Based on the situational analysis and informed by the above priorities the following may be refined as immediate service delivery needs of the community of Ditsobotla:

- Water and sanitation;
- Electricity;
- Roads and Storm-water;

- Housing;
- Refuse Removal;
- Local Economic Development;
- Disaster and Emergency Responses; and
- Sports and Recreation Facilities.

At an administrative (institutional level) the immediate priority of the current administration is to adopt and implement the revenue enhancement strategies and financial management policies aimed at placing the municipality on a sustainable financial path. Part of the commitment would entail focusing on the implementation of the financial recovery plan.

SECTION D: SPATIAL DEVELOPMENT FRAMEWORK

4. Spatial Analysis and Human Settlements

4.1. Ditsobotla in Context⁷

The Ditsobotla Local Municipality is a Category B municipality situated within the Ngaka Modiri Molema District in the North West Province. It is one of the five municipalities in the district, making up almost a quarter of its geographical area. The seat of the local municipality is Lichtenburg. The municipality was established through the amalgamation of the former Lichtenburg, Coligny and Biesiesvlei Transitional Councils.

It comprises an area of 6 500 km² and includes the towns of Lichtenburg - Boikhutso, Bodibe, Itsoeng, Coligny and Tlhabologang. A number of rural settlements and commercial farming activity also surrounds it. An estimated 164 176 people live in the municipality (StatsSA, 2022).

Lichtenburg is the economic and administrative heart of the municipality. It was established in 1873 and played a significant role in the history of the old Transvaal Republic. During the mid-1920s the town became the centre of diamond rush following the discovery of rich deposits.

The main economic activity today is the production of maize. Lichtenburg lies in the heart of the 'maize triangle', which is primary production area in the country. Within a radius of 80km from the town, there are also three major cement producers.

4.2. Legislative Framework Guiding Spatial Rationale

4.2.1. Spatial Planning and Land Use Act (SPLUMA)

4.2.1.1. Purpose of SPLUMA

The purpose of the Spatial Planning and Land Use Management Act (SPLUMA) is to empower municipalities to regulate land use in their jurisdiction and ensure that properties are being used in accordance with zoning laws and approved building plans. It aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa. SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning.

SPLUMA provides that each municipality take responsibility for spatial planning and land use management within its jurisdiction. It requires the municipality to make administrative decisions, which are lawful, reasonable and procedurally fair.

4.2.1.2. SPLUMA Implementation Process

The municipality must categorise applications in order to determine which applications are determined by the Municipal Planning Tribunal and which are determined by the Accounting Officer. In the case of Ditsobotla Local Municipality the responsibility of the Accounting Officer is delegated to the Senior Manager: Planning and Local Economic Development in terms of existing by-laws.

The Act also provides for processes to be followed on land development applications. The municipality must determine the following in terms of land development applications:

- The manner and format in which a land development application must be submitted
- Timeframes applicable to each component phase of the application
- Level of participation required
- The matter and extend of intergovernmental participation as part of the land development application.

4.2.1.3. Establishment of Municipal Planning Tribunals (MPT)

According to section 35 of SPLUMA, municipalities must in order to determine applications within its area, establish a Municipal Planning Tribunal (MPT). The Ditsobotla Municipal Planning Tribunal was established in 2022 for a prescribed period of five years. It is composed of six (6) external members and four (4) internal members who are employees of the municipality.

Ditsobotla Local Municipality has also established the Appeals Authority comprised of the Executive Committee of Council. The Appeals Authority is responsible for appeals rising from the decisions of the MPT.

4.2.2. Spatial Development Framework (SDF)

Municipal Spatial Development Framework (MSDF) can be defined as a framework that seeks to guide the spatial development of a municipality. It seeks to illustrate the current, but also future spatial view of the municipality. The MSDF seeks to support the Integrated Development Plan (IDP) in terms of future spatial planning. The IDP is the budgetary guide for the entirety of the municipalities spending and determines allocation.

The SDF is a legally mandated municipal planning tool, which is guided by national, provincial and local sets of legislation. The national legislative framework is based around the Municipal Systems Act 32 of 2000 (MSA) and the Spatial Planning and Land Use Management Act, No 16 of 2013 (SPLUMA). Ditsobotla Local Municipality has adopted its Spatial Development Framework during 2020 which is due for review in 2025.

4.2.3. Ditsobotla By-Laws on Spatial Planning and Land Use Management

The Ditsobotla municipality is legally obligated to have developed a local "Spatial Planning and Land Use Management By-law" and has promulgated same in the Provincial

Government Gazette dated 17 March 2017.⁸ The By-law applies to all land within the municipal jurisdiction of Ditsobotla, including land owned by the state. The By-laws binds every owner and their successor in title and every user of land, including the state.

4.2.4. Ditsobotla Land Use Scheme

Sections 24 - 30 of the SPLUMA apply to any land use scheme developed, prepared, adopted and amended by the municipality. Ditsobotla Local Municipality has an adopted and published its Land Use Scheme in the Provincial Gazette (Gazette No. 8155) on the 20 October 2020.

The purpose of a Land Use Scheme as stipulated in section 25(1) of the Act requires the municipality to determine the use and development of land within the municipal area to which it relates in order to promote –

- a) harmonious and compatible land use patterns;
- b) aesthetic considerations;
- c) sustainable development and densification; and
- d) the accommodation of cultural customs and practices of traditional communities in land use management; and a healthy environment that is not harmful to a person's health

4.3. Municipal Land Analysis

4.3.1. Land Claims Analysis

The following portions of land in the jurisdiction of Ditsobotla Local Municipality have claims that are lodged on them and have been confirmed by the Land Claims Commission. The title deed of the subject properties is vested with Ditsobotla Local Municipality.

- Portion 81 Lichtenburg; and
- Portion 61 Lichtenburg.

⁸

Provincial Government Gazette No. 7739 dated 17 March 2017.

4.3.2. Land Availability Analysis

| | |
|--|--------------------|
| Residential Assessment | |
| Formal erven | 22 000 |
| Backyard shacks and second dwellings | 1 000 |
| Informal dwellings in and around urban areas | 1 700 |
| Traditional/Tribal Authority dwellings | 16 700 |
| Farm dwellings | 11 600 |
| Collective living quarters | 100 |
| Small holdings | 0 |
| Miscellaneous dwellings (commercial, etc.) | 200 |
| Sub-Total | 53 400 |
| Demand | |
| Bonded housing | |
| FLISP housing required | 3 440 |
| Subsidy housing required | 1 890 |
| Total demand for formal erven | 5 330 |
| Supply | |
| Vacant erven (bonded market) | 1 080 |
| Infill opportunity (bonded market) | 440 |
| Infill via backyard rental market on new stands | 250 |
| Total erven and gross space to be provided for in SDF which includes: | 3 560 erven |

Ditsobotla Local Municipality land availability analysis is provided for in the Spatial Development Framework (2020). The formal erven are the registered land parcels in the municipality jurisdiction. According to the above information, the demand for land in the municipal area is higher than the supply. This has called for land acquisitions as a remedial factor to address the demand.

According to a desktop analysis the Land Audit reveals that out of approximately 22 000 land parcels only 945 are municipal-owned which translates to around 4%. The remainder is state- and privately-owned land.

4.3.3. Land Acquisitions

It is the responsibility of the municipality to identify suitable land parcels for development in accordance with the SDF. The municipality is currently engaging the Department of Human settlement, through the Housing Development to purchase some portions of land for future settlement developments. About five (5) portions of land have been submitted to the Department for inclusion in the North West Provincial Land Acquisition pipeline.

4.4. DITSOBOTLA SPATIAL ANALYSIS/ SPATIAL INTERPRETATIONS

4.4.1. Hierarchy of Settlements

In terms of the Provincial Spatial Development Framework (2008), the following hierarchy of higher order nodes have been identified and classified for Ditsobotla:

- Lichtenburg – Priority 1 investment area; and
- Coligny – Priority 3 investment area.

The need also exists to determine rural clusters of settlements and a possible hierarchy of clusters and/or rural settlements. It is proposed that a criteria be used that to some extent reflect the prospects of 'sustainability' to identify such a hierarchy. The criteria used include:

- Number of residential units per settlement;
- Accessibility of settlements (from national, provincial, regional and other order roads);
- Proximity to larger centres of employment;
- Settlement status (proclaimed or informal);
- Status of housing type; and
- Number of social facilities.

Based on the outcome of applying the mentioned sustainable parameters, the settlements with the highest weight are those with the best relative prospects for sustainable development. The priority list below indicates settlements from a higher order to the lowest order settlements:

- Itsoseng / Bodibe cluster
- Itekeng
- Springbokpan
- Welverdiend
- Matile
- Bakerville
- Ga-Motlatla
- Grasfontein
- Carlsonia
- Ga-Ramodingwana

The provision of spatial guidelines for the rural intervention and development of rural settlements should be viewed as an important tool that can assist the Local Municipality with the revise of the IDP process and to help set development priorities. The North West Spatial Development Framework provides specific guidelines for the restructuring and upliftment of communities. The restructuring of rural development might be a political sensitive issue, but if government (including local government) is serious about addressing imbalances created by past policies (which led to the mismatch of where people live and work, poverty traps and unsustainable development), the spatial guidelines to address that, should receive more attention.

4.5. Ditsobotla Spatial Proposals

4.5.1. Lichtenburg – Boikhutso Cluster

The Lichtenburg – Boikhutso cluster is made up of multiple smaller areas that are divided by early beginnings of the Molopo River, smaller streams, dolomitic areas and open space systems. As such, the spatial form is guided and influenced by the systems and dolomitic areas of the north which has led to the cluster developing towards the south. The main areas of the cluster are Lichtenburg, Boikhutso, Blydeville and the industrial and cement processing area in the north.

The cluster is characterised by the largely formal and older areas of Lichtenburg and the formalised areas of Boikhutso and Blydeville. The latter areas do, however, feature informal areas which have developed in the last decade and a half. The cluster has a relatively large population of 26 000 and 7 500 households in Lichtenburg and Blydeville, with 19 000 and 5 200 households in Boikhutso.

4.5.1.1. Residential development

There are three areas identified for future residential development namely Lichtenburg Ext 4 to the south of the town and on both sides of the Coligny road; Boikhutso Ext 3 along the northern and western boundaries; and a proposed security complex known as Lichtenburg Ext 8. The development in the area has since the previous SDF followed the general proposed locations. However, informal settlements have sprung up along the river in Blydeville.

Additional informal settlements are located to the north of Boikhutso - this settlement is moving closer towards the waste dumping area and buffer zone. Two significant areas where development has occurred in recent years is the expansion of Boikhutso to the west (2011 onwards) and Blydeville to the west (2019 onwards). There is a new formalisation of Blydeville Extension 4 and the upcoming Boikhutso (ward 1) consisting 2 500 informal households.

4.5.1.2. Retail and business development

The Lichtenburg CBD is influenced by two main roads – Nelson Mandela Drive and President Thabo Mbeki Drive which is also the main route for heavy vehicles through Lichtenburg between Coligny and Mahikeng. It is proposed that business development should be allowed along both major roads.

The northern boundary of the CBD is proposed between Bantjies and Swart Street and the eastern boundary at Church Street. Retail development should be encouraged in the defined area, but certainty must be given to existing residents regarding the residential characteristics of the area. In saying this, retail development has occurred outside of the defined area and is sporadic in the south of Lichtenburg.

Retail development can also take place along Beyers Naude Drive (between 8th and 1st Avenues). Council has earmarked a portion of the farm Lichtenburg Town, east of Nelson Mandela Drive for retail development. This land is located outside the proposed CBD boundaries but is regarded as a committed future development area.

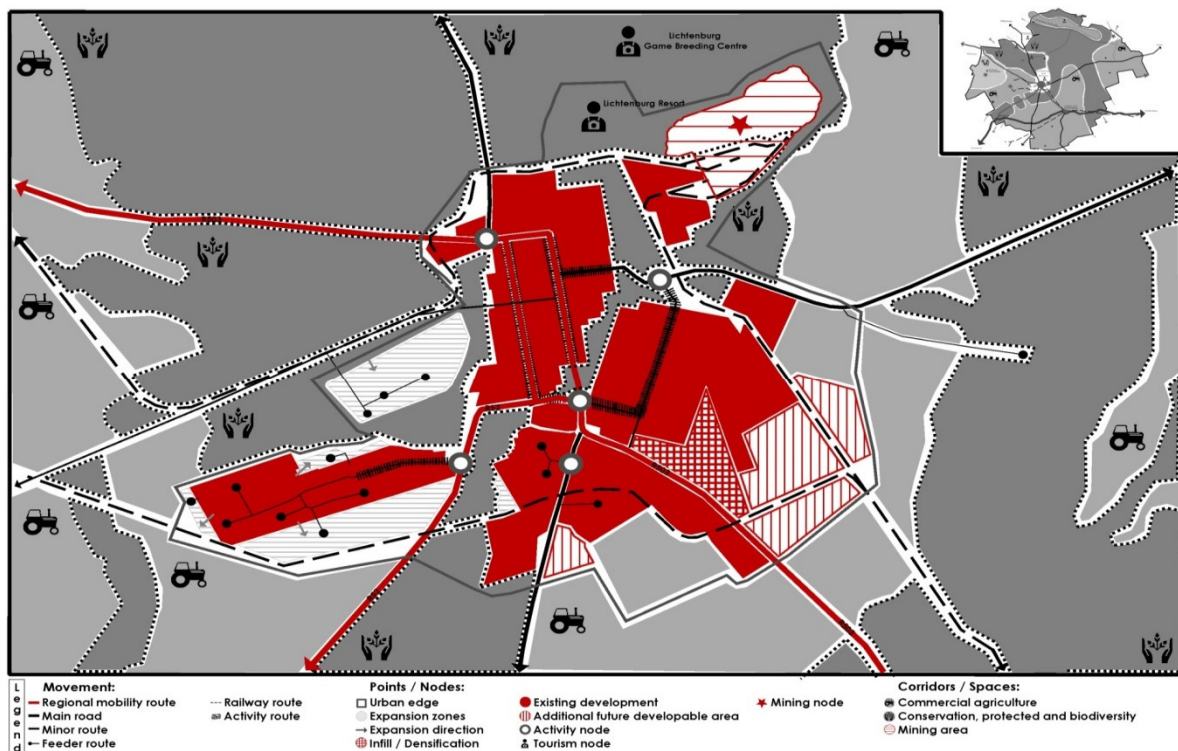
4.5.1.3. Industrial and commercial development

Based on predicted future growth it is unlikely that there will be a significant new demand for new industrial and commercial land in the cluster. The available industrial space in the MC van Niekerk Industrial Park should be sufficient to accommodate future demand. Little to no development has occurred in this area within the last ten (10) years and gives a good indicator of the health of the sectors that utilise these spaces.

4.5.1.4. Social facilities

The land use budget has indicated the need for seven schools and six clinics. However, the SDF notes that there are seven vacant school sites available which could partially address the need for land. The IDP provides for projects across the larger Lichtenburg, Boikhutso and Blydeville areas such as community halls; parks improvement and cemetery upgrading.

Map: Lichtenburg – Boikhutso Cluster



Source: Ditsobotla SDF, 2020

4.5.1.5. Key considerations

- Lichtenburg is ranked as priority 1 order investment node in terms of the North West Provincial Spatial Development Framework.
- It is located centrally on the new Potchefstroom – Lichtenburg – Mahikeng development corridor.
- It functions as a central place within the municipal and regional context.
- The occurrence of dolomite and environmental protected areas restrict expansion to the north.
- Prospects to integrate Boikhutso with Lichtenburg is limited because of natural open space systems.
- There is no strong business node in Boikhutso, and the existing node does not have the potential to be upgraded.
- Informal settlement is taking place to the north and east of Boikhutso that can complicate future expansion.
- A new “gateway project” is in the planning phase on the Mahikeng – Lichtenburg corridor.
- Low density residential development makes for difficult service provision, particularly in Boikhutso and Blydeville.
- Open space system (Molopo River) remains unutilised and still used as divider between areas.

4.5.2. Bodibe – Itsoseng Cluster

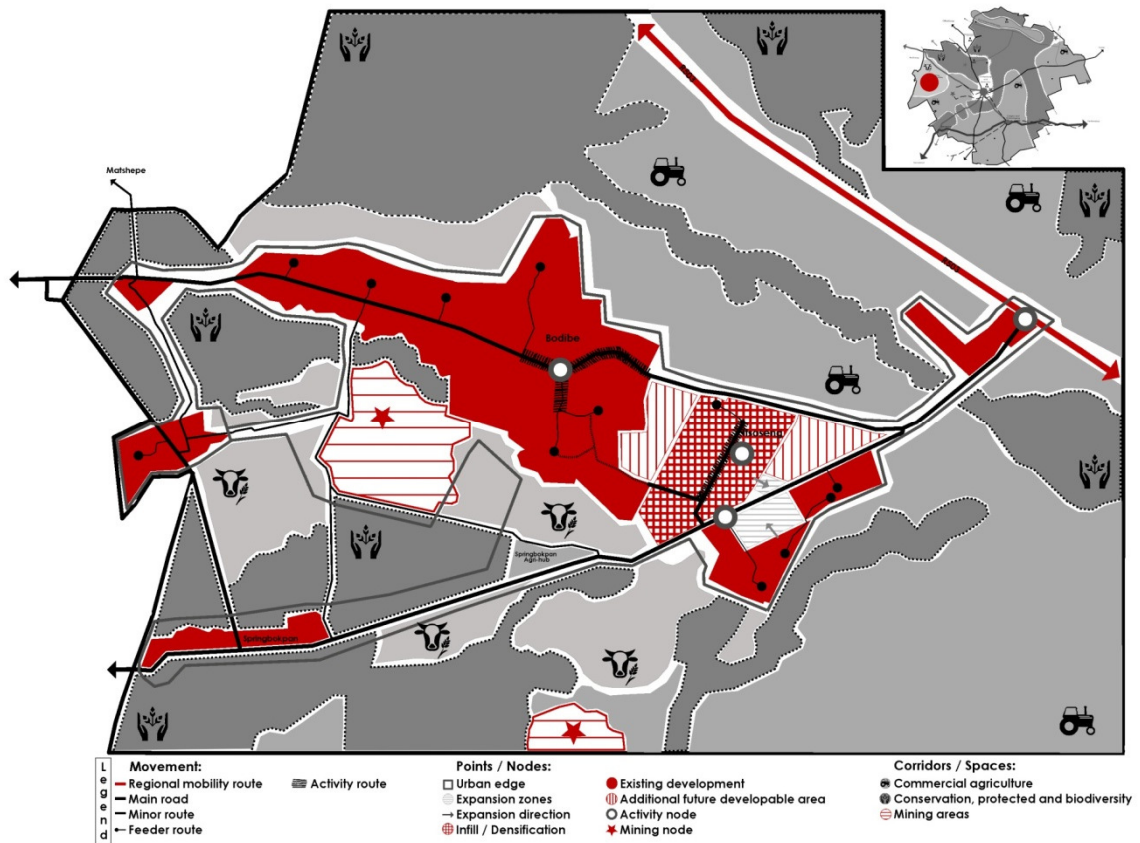
The Bodibe–Itsoseng cluster is a contrasting area in terms of its spatial form and overall development. The cluster features two main settlements with three smaller settlements all located around the Lafarge Tswana Lime mine.

Bodibe, as an area, is largely characterised by its organic development. It is spread out over a large area and follows a small stream running from east to west. As of 2011, Bodibe had a population of approximately 21 700 and 5 000 households. Itsoseng and Verdwaal (8 100 people and 1 900 households as at 2011) by contrast, is largely inorganic in its spatial form with regular grids and some road hierarchy. The area is wedged in between two main roads which determine its spatial form. Both of these areas are priorities for the current IDP with each featuring water, parks, roads and social services upgrading over five (5) years.

The area also features smaller villages and settlements. Springbokpan is located to the south of the Bodibe and Itsoseng. This area has grown in the last 15 years but has kept its linear spatial form albeit expanding further north towards Bodibe. In 2011, the settlement had a population of 2 100 and 630 households. Matile is another prominent small settlement to the east of the main cluster. This settlement has also grown in the past 10 years with a large number of infill developments occurring. It has maintained a regular spatial form. Matile had a population of 1 400 and 350 households as of the 2011 census.

The settlement of Welverdiend is located to the west of Bodibe. This is the smallest of the settlements in the cluster with a population of 890 and 220 households as of 2011. The settlements spatial form has changed over the last 10 years, with it growing

towards the east. The final settlement is Sheila to the north of Bodibe and Itsoseng. It has changed little in its spatial form and is reflected in its population of 1 680 as of 2011. All of these settlements have been allocated IDP projects similar to those seen in Bodibe and Itsoseng.



4.5.2.1. Residential development

The Bodibe rural housing project provides for the provision of 250 housing units at the extreme north-west boundary. There is also a project-linked subsidised housing project for 300 units within Itsoseng and the Verdwaal rural housing project will provide *in situ* upgrading of 300 units.

Bodibe has seen additional housing developments occur within it, these are primarily infill-type developments but not linked to any state provided housing. The residential footprint of Bodibe has remained largely the same over the last 10 -15 years.

Itsoseng, together with Verdwaal, have had some residential developments in recent years. In Itsoseng it has been in the eastern area connecting to Bodibe. In Verdwaal it has occurred in the northern portion along the main road dividing Itsoseng and Bodibe.

Proposed future residential development to accommodate future land requirements include:

- A possible eastward extension of Itsoseng;

- New development between the western areas of Itsoseng Zones 1 and 2 and the eastern boundary of Bodibe; and
- The proposed expansion area in Springbokpan – taking into account an environmentally sensitive area.

4.5.2.2. Business / Retail Development

The projected required space in this cluster is 6 000m² for retail space and 2 000m² for private office space. Existing activity is mostly concentrated in Itsoseng with a number of informal businesses scattered throughout other villages. It is proposed that the existing centre in Itsoseng be strengthened.

The commercial area at the centre of Itsoseng remains largely unchanged with limited expansion or new developments having occurred in the last 10 years. The area around the new health centre can become the nucleus of an integrated service delivery centre.

A local business and service delivery centre must be located close to the Bodibe clinic. Bodibe does not have a clearly defined nodal area, with only sporadic business and retail developments throughout the settlement with these being largely informal in nature.

4.5.2.3. Social facilities

Future demand for facilities includes two schools, thirteen (13) clinics and two (2) community centres. This can be partly addressed through the construction of the new health centre in Itsoseng and a new clinic at Springbokpan. Two new community nodes are proposed for west of Itsoseng and between Verdwaal 1 and 2.

There is a Portion 7 of the farm De Hoop 51 IP that has been identified as the new proposed Itsoseng Cemetery. All studies have been completed on the land and ready to be used.

4.5.2.4. Roads and transportation

The road network within the cluster is based around a ring that connects all the settlements. Within the settlements the type of roads differs between tarred and gravel (unsurfaced). The IDP has outlined a number of internal road improvement and upgrading projects across all the settlements. The upgrading of a number of roads are proposed:

- The main road linking the Itsoseng-Bodibe road with the Springbokpan road (has been re-tarred).
- Roads within the Bodibe area that function as access collector roads but can contribute to the future densification process.
- A proposed new road that links the southern extensions of Itsoseng with Bodibe (informal gravel roads at present).

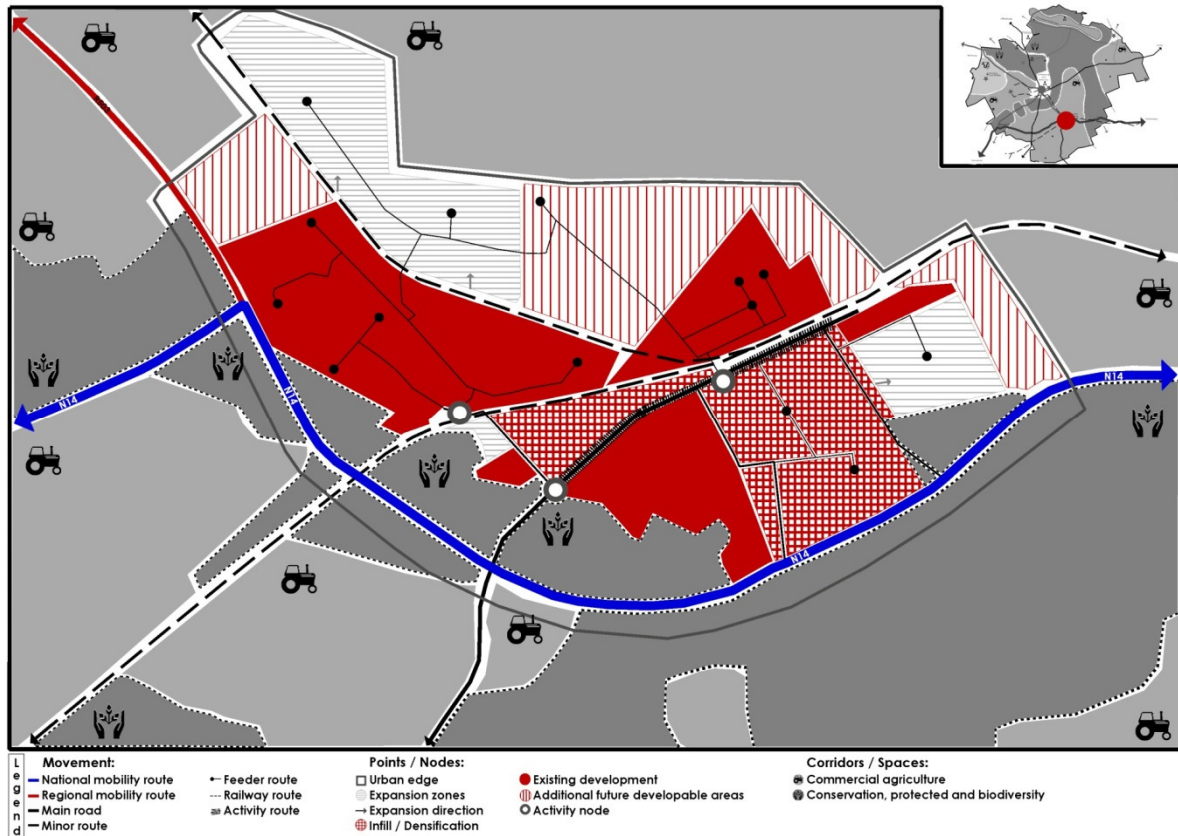
4.5.2.5. Key considerations:

- It is situated close to the western boundary of the municipality and functions mostly as a dormitory township.
- The smaller villages are located too far apart to consider the integration of settlements.
- It does not have good access from secondary roads and is only 5km away from the Mahikeng – Lichtenburg road.
- Existing businesses are not well-located in relation to roads.
- A possible lower-order gateway development should be considered on the R305 and a multi-use neighbourhood node be encouraged in Bodibe.
- Areas between Itsoseng and Bodibe as well as between Itsoseng and Verdwaal should be considered for infilling.

4.5.3. Coligny – Tlhabologang Cluster

The Coligny – Tlhabologang cluster is made up of two settlement areas that are divided by a railway line. The Coligny spatial form is characteristic of an older area with more established areas. The Tlhabologang area is spatially varied in that it has been formalised through *in situ* development.

The cluster as a whole is guided in its growth by the railway line mentioned prior, but also by the national road (N14). In 2011 the cluster had 2 270 people and 740 households in Coligny whereas Tlhabologang had 15 000 people and 3 750 households. The IDP projects are primarily based in Tlhabologang with electrification, roads, storm water, community halls, waste management and sanitation being the focus areas.



4.5.3.1. Residential development

According to the land use budget the future land requirement is estimated at 130 hectares. Committed future developments include areas to the west of Tlhabologang town. This development (Tlhabologang Extension 8) began in 2015 and is finalised. The development is however, isolated from the rest of the cluster due to the railway line.

Future residential development can take place in a north-westerly direction (Syferpan 78IP) and northerly (Rietvlei 70IP). The latter option is preferred because it will create a more compact urban structure with improved access to existing services for residents.

As indicated above one of the key residential development is Tlhabologang Ext 8 which establishment is finalised. There is also Tlhabologang Ext 9, which its establishment is at a completion stage. Portion 202, which forms part of Tlhabologang Ext 9 is currently outside the urban edge and shall be included in the 2025 review of the SDF.

Expected future residential growth in Coligny is very limited. The existing vacant stands as well as possible densification should be sufficient to deal with future demand. An area located south of the CBD has been earmarked for residential densification.

Future residential development of 62 stands, namely Coligny CBD is currently being done by the Housing Development Agency. It is an area south of the railway line and east of the of the existing CBD, the area was previously earmarked for industrial development.

4.5.3.2. Business/retail development

Future demand is estimated at 2 000m² of retail space and 600m² of private office space. Future development should take place within the existing CBD as well as the southward expansion of the CBD boundary up to Frances Street. This area has seen some level of development occur in the last 10 years with warehouses and retailers. The area north of Voortrekker Street up to the railway line can also be considered for future retail and business expansion. Such development can contribute to the improved integration of Coligny and Tlhabologang and improve access to business opportunities for residents.

4.5.3.3. Commercial/industrial development

There is no commercial/industrial area located within the cluster. It is proposed that an area south of the railway line and east of the existing CBD be earmarked for such purposes. Additional development can take place at Coligny Ext 4 located between the N14 and Andries Pretorius Street. Little to no development in this regard has occurred. The portion of land mentioned here is the proposed Coligny CBD stands.

4.5.3.4. Public Open Space

The primary natural feature is the tributary of the Taaibosspruit Dam. Areas along the river and the adjacent dams has been identified as high environmental control zones that should be protected from future development. The areas surrounding these zones should be reserved as public open spaces. The Tlhabologang section of the Taaibosspruit has seen increased informal developments moving closer towards it.

4.5.3.5. Social facilities

According to the land use budget the future needs would include one primary school and three clinics. It is also proposed that the existing cemetery be extended.

4.6. Urban Growth

Urban growth refers to the potential growth and development trajectories of towns and settlements within municipalities. It attempts to determine the future growth and decline of settlements across South Africa to relate these directly to the changes that are projected to occur due to climate change. Growth estimates for the entirety of the municipality were also developed. These estimates are based around 2011 Statistics South Africa data and then estimated forward to 2030 and 2050 respectively.

Additionally, two growth scenarios were developed, a medium and high growth scenario. The medium-growth scenario indicates population estimates if South Africa experiences medium levels of urban migration towards major towns and urban regions. The high-growth scenario indicates population estimates if South Africa experiences high levels of urban migration towards major towns and urban regions. A high growth scenario will result in increased populations within towns and settlements with an increased rural migration to

these places as well as towards larger urban centres outside of the municipality (CSIR, 2019).

Table: Ditsobotla Population Growth Scenario

| Pressure | 2011 | 2016 | 2025 | 2030 | 2050 |
|------------------------|---------|---------|---------|---------|---------|
| Medium Growth Scenario | 168 852 | 181 865 | 227 743 | 248 776 | 306 188 |
| High Growth Scenario | 168 852 | 181 865 | 214 157 | 230 338 | 274 952 |

Source: Ditsobotla Spatial Development Framework, 2020

4.7. Geographical Information System (GIS)

Ditsobotla Local Municipality is currently using ArcGIS 10 that is under the NW Cadastral Servers, which requires to be updated. It is recommended that the Planning staff be trained on the GIS programme.

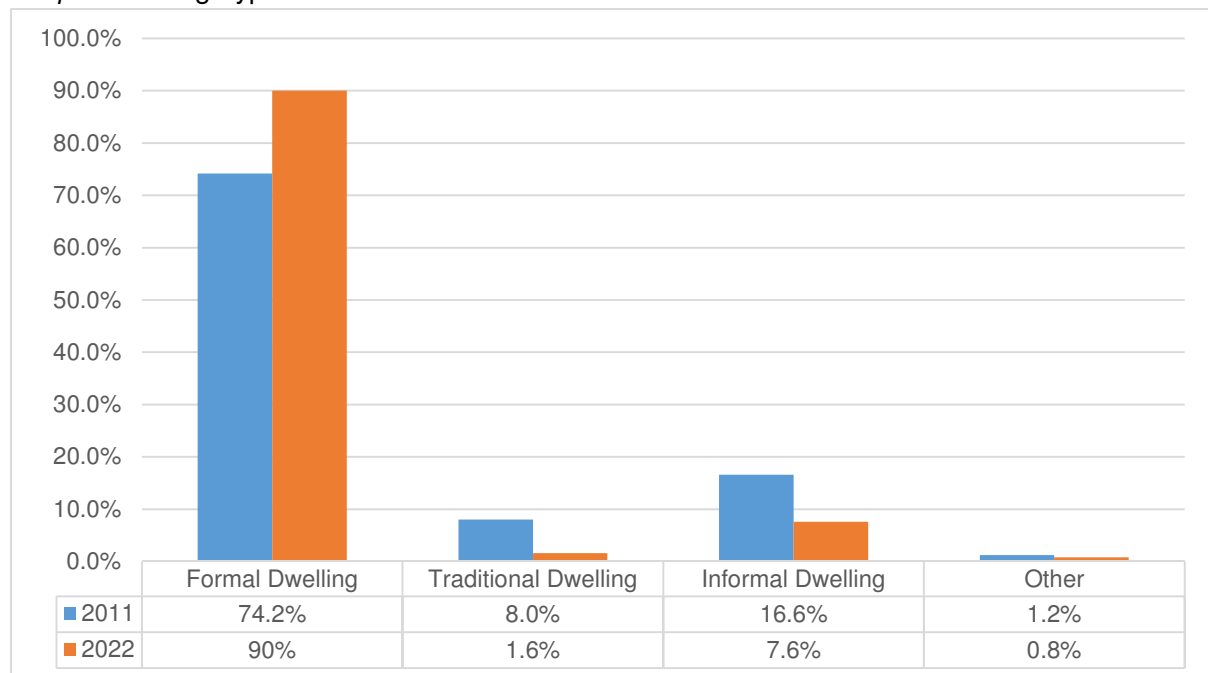
4.8. Human Settlements

4.8.1. Dwelling Profile

The right to adequate housing is enshrined in the Constitution of South Africa, 1996, which states that everyone has the right to have access to adequate housing and the state must take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right. This is largely due to the migration of farm-workers from their original workplaces into the former townships which resulted in squatting in areas such as Tlhabologang, Itekeng and Boikhutso.

The number of households residing in formal dwellings increased from 33 025 or 74.2% in 2011 to 38 169 or 90% during 2022. Conversely, the number of households residing in traditional and informal dwellings (shacks) declined from 8% and 16.6% to 1.6% and 7.6% respectively. The graph below provides a comparative analysis of the dwelling by type for Ditsobotla Local Municipality between 2011 and 2022.

Graph: Dwelling Types



Source: Statistics South Africa, Census 2011 & 2022

4.8.2. Priority Human Settlements and Housing Development Areas

The Minister for Human Settlement through Government Gazette No. 43316 dated 15 May 2020 declared **Lichtenburg** as one of the Priority Human Settlements and Housing Development Area. The PHSHDAs intends to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms. The following areas form part of the Lichtenburg PHSHDA:

- Retief's Park,
- Shukran,
- Boikhutso,
- Blydeville,
- MC Van Niekerk Park,
- Steward Bay, and
- Burgersdorp.

SECTION E: OBJECTIVES, STRATEGIES, INDICATORS, TARGETS AND PROJECTS

5. Objectives, Strategies and Objectives

The Objectives, Strategies and Projects are contained on the next page. The projects remained unchanged based on the assessment of the previous performance. Also included are water and sanitation projects undertaken by Ngaka Modiri Molema District Municipality as a water services authority.

5.1. KPA 1: Service Delivery and Infrastructure Development

| | | |
|--|---|--|
| NATIONAL GOVERNMENT STRATEGIC OBJECTIVES | Massive programme to build social and economic infrastructure Sustainable resource management and use | |
| 10 POINT PLAN | Improve the quantity of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management (infrastructure services). | |
| NATIONAL PRIORITY OUTCOMES | Outcome 6: An efficient, competitive and responsive economic infrastructure network. | Role of Local Government: <ul style="list-style-type: none">• Ring-fencing water, electricity and sanitation functions so as to facilitate cost-reflective pricing of these services.• Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport.• Maintain and expand water purification works and waste water treatment works in line with growing demands.• Cities to prepare to receive the devolved public transport function.• Improve maintenance of municipal road network.• Develop and implement water management plans to reduce water losses.• Ensure effective maintenance and rehabilitation of infrastructure.• Run water and electricity saving awareness campaigns.• Ensure proper management of municipal commonage and urban open spaces.• Ensure development does not take place on wetlands. |
| | Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced | |
| DITSOBOTLA OBJECTIVES | To deliver sustainable essential services such as water, sanitation, electricity, and roads for the Ditsobotla communities. | |
| STRATEGY(IES) | A partnership should be established between the relevant spheres of government, private sector and the respective communities to co-plan and co-fund massive social and economic infrastructure in Ditsobotla Local Municipality. | |

Strategies and Objectives: Service Delivery and Infrastructure

| Issue | Objectives | Strategy | Draft KPIs |
|---|---|--|--|
| Lack of access and internal roads in all areas as well as poor maintenance of existing roads and stormwater infrastructure in areas where such exists | SD/01 Develop key internal and access roads that are vital for the enhancement of economic growth and access to social amenities. | Access external funding through innovative means to increase the scale of road infrastructure development within Ditsobotla Local Municipality | % reduction of road backlog |
| | | | % increase in the MIG budget expenditure of the municipality |
| | SD/02 Provide basic internal roads in all rural areas of the municipality without proper streets. | Make resources available for the construction of basic compacted gravel roads in all rural areas and new township establishments | Kilometres of street roads constructed |
| | | | Kilometres of paved roads in all areas |
| Addressing poor project monitoring and quality assurance. | SD/03 Ensure that all project funds <u>are spent</u> in applicable financial year to which such funding relates. | Advertise, evaluate and award tenders on time. | 100% of approved projects tenders advertised and evaluated on time. |
| | | Submit project-funding proposals including MIG registrations on time. | % approved project proposals against MIG allocation |
| | | Employ staff for the Project Management Unit as per approved Business Plan for project monitoring and quality assurance. | % of staff employed to the Project Management Unit against approved BP |

| Issue | Objectives | Strategy | Draft KPIs |
|--|--|--|--|
| Deteriorating water services infrastructure | SD/04 Maintained, fully operational and reliable water infrastructure able to cope with increasing consumption | Conduct a municipal-wide infrastructure audit to identify bulk and reticulation supply shortages | Progress on water infrastructure audit |
| | | Develop a clear Operations and Maintenance Plan to curb or minimise water losses and damages to existing infrastructure | Council-adopted O&M Plan |
| | | | % water loss reductions |
| Lack of capacity in the electrical services unit or division | SD/05 Safe, effective and reliable electricity infrastructure able to cope with the demand side and supply | Develop the Electricity Master Plan and Operations & Maintenance Plan for the medium term | Council-adopted Electricity Master Plan |
| | | Source additional funding from external sources for the rehabilitation of the old electricity infrastructure within the municipal license area | Amount secured for infrastructure rehabilitation |

| Issue | Objectives | Strategy | Draft KPIs |
|---|--|--|--|
| Addressing municipal electricity backlogs | SD/06 Ensure that all residential areas falling within the municipal license area have access to electricity | Link the electrification priorities to municipal housing development initiatives | % of households in new township establishment with access to electricity |
| Existing power supply lower than demand | SD/07 Ensure adequate supply of power to match current and future demands brought by additional investments and new property development within the electricity license area | Accelerate the implementation of the 20MVA Lichtenburg Electricity Substation | % progress achieved towards completion of the 20MVA Lichtenburg Electricity Substation project |
| Understaffing in the electrical services unit/division | SD/08 A capacitated, well-staffed, competent electrical unit/division. | Recruitment of qualified electrical professionals to cope with the workload of providing electrical services. | Number of electrical professionals employed |
| Lack of social amenities such as sports field and community halls | SD/09 Ensure that all communities within Ditsobotla municipality have access to community halls, libraries, and sports facilities | Construct new facilities in areas without basic community facilities such as halls, sports field and libraries | Increase in number of residential areas with access to halls, sports field and libraries |
| | | Upgrade all existing basic sports facilities and halls to acceptable standards | Number of facilities upgraded or rehabilitated to acceptable standards |

| Issue | Objectives | Strategy | Draft KPIs |
|---------------------------|--|--|---|
| Cemeteries | SD/10 Upgrade and secure all cemeteries to acceptable standards. | Forge partnerships with local cement factories aimed providing palisade fencing for securing graveyards. | Number of cemeteries fenced. |
| Maintenance of cemeteries | SD/11 Obtain reliable and functional equipment for the maintenance of cemeteries and parks | Purchase equipment for the maintenance of cemeteries and parks | Amount secured for purchasing of maintenance equipment. |
| Solid Waste Management | SD/12 To ensure that all households have access to solid waste removal services by 2030 | Review the Integrated Waste Management Plan for Ditsobotla Local Municipality | Council-adopted Integrated Waste Management Plan |
| | | Provision of waste removal services to informal settlements | Number of households in the informal settlements receiving waste removal services |
| | | | Number of (new) formal households with access to refuse removal services |
| | SD/13 Formalize/develop safe legally compliant waste disposal sites. | Fencing of the Lichtenburg Waste Disposal Site | % progress towards fencing of Lichtenburg waste disposal site |

| Issue | Objectives | Strategy | Draft KPIs |
|-----------------------|---|--|--|
| | SD/14 Reduce municipal backlog on refuse removal | Make refuse bins available to every households in the municipal area where refuse removal is provided. | National KPI % households with access to basic level of solid waste removal. |
| Traffic and Licensing | SD/15 To ensure road safety and effective provision of traffic and licensing services to the public | To reduce roads fatalities and improve compliance with road traffic laws | Number of safety awareness conducted |

5.2. KPA 2: Local Economic Development

LED Analysis

The municipality still experiences the following challenges:

- Lack of funding for identified projects;
- Lack of support from sector departments and district municipality; and
- Lack of monitoring of LED Projects.

| Issue | Objectives | Strategy | Draft KPIs |
|---|---|--|---|
| Lack of strategic plan to stimulate local economic development and growth | LED/01 Ensuring economic growth and an environment conducive for investment attraction and retention of already established businesses. | Review of the LED Strategy. | Council-approved LED Strategy |
| | | Develop a Tourism and Marketing Plan. | % progress towards developed Tourism and Marketing Plan |
| Investment Attraction and Retention | LED/02 Implement municipal spatial development framework to effectively determine space for potential investment across all sectors. | Make land available for development in accordance with the municipality's Spatial Development Framework | Number of new investors |
| Addressing unemployment and poverty challenges. | LED/03 The reduction of unemployment through the creation of job opportunities and skills transfer for all communities in the municipal area. | Apply a targeted employment approach geared towards recruiting women, youths, especially unemployed graduates with scarce skills in all municipal infrastructure development projects. | Number of women and youth employed through short and longterm labour intensive programmes |
| | | | Number of work opportunities created through EPWP |

Projects (DDM – One Plan):

- **Reopening of the Lichtenburg Game Breeding Centre** is identified as one of the key development projects in the DDM for economic development:

The breeding centre was operated by the National Zoological Gardens of South Africa, and is there mainly to further the breeding programmes of endangered species already in place by the National Zoo, and to supplement the populations of local and international zoos. The centre was approximately 6 000 hectares breed animals such as the addax, scimitar horned and Arabian Oryx, and the Mohr gazelle, and you will find the remarkable pygmy hippo and Pere David's deer in the wetland area. The game in the centre also included rhino and various antelope. The main advantage of the breeding centre is its location. There is a lot of water in the area, which creates an adequate for various bird species. Roughly 30

hectares of the wetland area has been creatively honed into a series of dams and pans that function as a haven for water birds that venture here in their thousands. It is proposed that a feasibility study be conducted for the redevelopment of the centre to serve as a breeding centres for animal keeping facilities within the Province and nationally.

- **Lichtenburg Agricultural Museum** as a tourist attraction.

5.3. KPA 3: Municipal Financial Viability and Management

Currently the municipality is undergoing a serious cash flow problem which creates problems of wasteful and irregular expenditure mainly on interest for late payment of creditors such as Eskom. The DDLG&T has assisted by appointing a service provider who will capacitate and collectively with the municipality develop a Revenue Enhancement Plan. Specific focus will be on debt collection, tariff restructuring and cash flow management. Staff shortage and skilling will also be addressed through this intervention. Most of the municipal policies are reviewed annually as indicated below.

| Description | Current Status | Backlogs | Challenges | Plans to address the challenges |
|--|---|---------------------------------------|--|--|
| Tariff Policy | Tariff Policy in place | None | None | Policy will be reviewed annually |
| Rates Policy | Rates Policy in place | None | None | Policy will be reviewed annually |
| Supply Chain Management Policy | Supply Chain Management Policy in place | None | None | Policy will be reviewed annually |
| Staffing of Budget and Treasury Office | The Budget and Treasury Office is adequately staffed and critical positions that need to be filled is that of the Chief Finance Officer | Vacant CFO position need to be filled | Legal compliance and business continuity | The position will be advertised by 30 June 2025 |
| Payment of creditors | The municipality has challenges in paying major creditors such as Eskom, Auditor General and the South African Revenue Service) | Declined revenue collection | Cash-flow problems | Improvement of revenue collection and making payment arrangements with creditors |
| Auditor General's findings | Disclaimer of Opinion for the 2021/2022 financial year | Financial and governance deficiencies | Poor financial planning and management | Develop and implement a Post Audit Action Plan |
| Financial Management System | The municipality has an operational FMS | Billing problems | Impacts on revenue collection | Review the operational efficiency and use (transacting) on the system |

| KEY PERFORMANCE AREA | | Financial Management and Administrative Capacity | |
|--|---|--|--|
| NATIONAL GOVERNMENT STRATEGIC OBJECTIVES | | <ul style="list-style-type: none">• Building a developmental state including improvement of public services and strengthening democratic institutions.• Restore the institutional integrity of the municipality.• Develop and strengthen a politically and administratively stable system of municipalities.• Uprooting of corruption, nepotism, maladministration in our system of local government.• Build and strengthen the administrative, institutional and financial capabilities of the municipality, and all municipalities should have clean audits by 2019. | |
| 10 POINT PLAN | | | |
| NATIONAL PRIORITY OUTCOMES | Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. | Role of Local Government: <ul style="list-style-type: none">• Comply with legal financial reporting requirements.• Review municipal expenditure to eliminate wastage. | |
| DITSOBOTLA LOCAL MUNICIPALITY'S OBJECTIVES | Build and strengthen the financial management of the municipality to enhance service delivery and achieve clean audit by 2026 | | |
| STRATEGIES | | | |
| <div>EFFICIENT AND EFFECTIVE FINANCIAL MANAGEMENT</div> <ul style="list-style-type: none">• Review and adoption of finance policies.• Financial reporting and in-year reporting.• Budget management.• Medium Term Revenue and Expenditure Framework Plan.• Budget management.• Ensure alignment of financial system with GRAP/Budget format.• Develop a five-year integrated financial management plan.• MFMA Implementation reform.• Develop project-based funding model.• Development of the asset registers as prescribed by GRAP. | | | |
| <div>EXPENDITURE AND BUDGET MANAGEMENT</div> <ul style="list-style-type: none">• Payments be effected within 30 days.• Submission of both expenditure and budgets reports timely.• Timely creditors' reconciliation.• Implement budget reforms as per MFMA.• Capacity building.• Safeguard of the supporting documents.• The development of a comprehensive Inventory and Stores Management Policy.• Annual budget compilation.• Cash flow management.• Investment management. | | | |

STRATEGIES**BUDGET AND TREASURY MANAGEMENT**

- Manage revenue section.
- Manage supply chain management unit.
- Manage credit control and debt collection unit.
- Manage expenditure and budget management unit.
- Finance Interns capacitation.

REVENUE ENHANCEMENT

- Tariff setting.
- Billing.
- Meter reading.
- Debtor reconciliation.
- Revenue management.
- Distribution of accounts.
- Grant funding management.
- Development of cost recovery strategic plan.
- Manage and maintain updated valuation roll.

CREDIT CONTROL AND DEBT COLLECTION

- Indigent Management.
- Review and maintain credit control and debt collection procedures.
- Maintain the cut off, restriction, and disconnection and re-connection.
- Reducing the number of collection of debt to 30 days.

SUPPLY CHAIN MANAGEMENT

- Review and update of the Supply Chain Management Policy.
- Capacitate the Supply Chain Management Unit.
- Contract Management (compliance).
- Maintain updated service provider database

| Issue | Objectives | Strategy | Draft KPIs |
|---|---|--|--|
| Enhancement of revenue collection rates. Current collection rate is unsatisfactory at 60%. Inadequate skills on financial management and MFMA requirements. | FIN/01 Increase the current revenue collection rate by 30% to reach 90%. | Implement the debt collection and credit management policy of Council. | (Rand) reductions of outstanding debtors not registered as indigents. |
| | | Employ an external debt collections person to recover debts. | % progress in appointing an external debt collector |
| | | Update the municipality's Indigent Register to cover indigent households | % households earning less than R1 100 with access to free basic services of water, electricity and solid waste removal. (NKPI) |
| | FIN/02 Effective financial management and administration systems compliant with accounting standards and MFMA | Build internal skills capacity to be in line with current financial reforms (Municipal Finance Management Act) requirements targeted to low-level staff. | Number of Budget and Treasury Office personnel trained on financial management |
| | | | Number of middle managers enrolled for a finance management capacity-building programme. |
| Achieving Clean Audit Outcome | FIN/03 Compliance with the reporting requirements in terms of the Municipal Finance Management Act 56 of 2003 | Improve financial accounting controls and procedures | Revised internal controls (policies) and procedures adopted and implemented |
| | | | Percentage audit findings resolved as per follow-up audits |
| Supply Chain Management | FIN/04 To ensure effective, efficient and transparent supply chain management processes | Implementation of the SCM Policy to support economic growth and acceleration of infrastructure development | Reduction in the turnaround time in the awarding of the formal bids |

5.4. KPA 4: Institutional Development and Transformation

| | |
|--|---|
| <p>Human Resources</p> <p>Analysis:</p> <ul style="list-style-type: none"> • The municipality has adopted the Service Delivery and Budget Implementation Plan. • There is an adopted organisational structure with staff complement. • The municipality has the Employment Equity Plan and Workplace Skills Plan in place. • There is no Occupational Health and Safety Committee in place. • Council and its subcommittees are stable and meeting regularly. | <p>Labour Matters:</p> <p>Analysis:</p> <ul style="list-style-type: none"> • The relationship between trade unions and management is not of the required standard and need to improve. • There is an established Local Labour Forum which is constituted by both the unions and management which serves as a bargaining forum at the workplace. • The Training Committee and OHS Committee needs to be established and trained on their functions. <p>Challenges:</p> <ul style="list-style-type: none"> • Lack of cascading the performance management to individual employees within the municipality. • Non-payment or late payment of skills development levies. • Training not done regularly in terms of the Workplace Skills Plan. • The municipality does not have the Occupational Health and Safety Plan and the committee is not meeting regularly. • The Local Labour Forum is not functional and its subcommittees are not established. |
|--|---|

| | | |
|--|---|---|
| NATIONAL GOVERNMENT STRATEGIC OBJECTIVES | Building a developmental state including improvement of public services and strengthening democratic institutions. | |
| 10 POINT PLAN | <ul style="list-style-type: none"> • Restore the institutional integrity of the municipality. • Develop and strengthen a politically and administratively stable system of municipalities. • Uprooting of corruption, nepotism, maladministration in our system of local government. | |
| NATIONAL PRIORITY OUTCOMES | Outcome 5: <ul style="list-style-type: none"> • A skilled and capable workforce to support an inclusive growth path. | Role of Local Government: <ul style="list-style-type: none"> • Ensure councils behave in ways to restore community trust in local government • Continue to develop performance monitoring and management system. |
| | Outcome 12: <ul style="list-style-type: none"> • An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. | |
| DITSOBOTLA MUNICIPALITY'S LOCAL OBJECTIVES | <ul style="list-style-type: none"> • To build and enhance the human resource capacity of the municipality. • To ensure that there is a good, sound industrial relationship between the employer and employees. • To create safe working environment for all employees. • To enhance corporate image of the municipality. | |
| STRATEGIES | <ul style="list-style-type: none"> • Develop and implement the Service Delivery and Budget Implementation Plan. • Provision of accessible basic skills, basic formal education, including adult basic education to municipal employees. • Ensure a functional and effective Local Labour Forum. • Develop and implement Occupational Health and Safety Plan. • Develop a marketing plan for the municipality. • To encourage career growth and personal development of employees. | |

| Issue | Objectives | Strategy | Draft KPIs |
|--|--|--|--|
| Integrated Development Planning and Budget alignment | MT/01 Ensure alignment of municipal priorities and capital expenditure with the budget | Implement all projects identified in the IDP within approved budget provisions of the financial year | % of a municipality's budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP. |
| Strategic Planning | MT/02 Develop a strategic plan to enhance IDP implementation at operational level | Hold a strategic planning session by to address IDP/Budget implementation | Council-approved Strategic Plan |
| | MT/03 Realignment of municipal structure to meet current service delivery challenges | Re-design the entire municipal structure to conform to legal requirements as well as meet community needs | Council-approved organizational structure design. |
| | | Recruitment of staff to critical vacancies | % of senior managers appointed as a proportion of total establishment % of personnel to vacancies |
| Organisational efficiency | MT/04 Ensuring organizational efficiency for service delivery. | Finalize the development of outstanding human resources management policies for enhanced internal control measures | Number of human resources management policies developed and implemented. |
| | | Introduction of time management system | Fully functional time management system implemented |
| Lack of performance management and poor work ethics. | MT/05 Implement an Organizational Performance Management System applicable to all municipal employees. | Develop and implement a Performance Management Policy Framework to guide PMS implementation and review process | Council-adopted Performance Management Framework Policy |

| Issue | Objectives | Strategy | Draft KPIs |
|--|---|--|---|
| Lack of performance management and poor work ethics. | MT/05 Implement an Organizational Performance Management System applicable to all municipal employees. | Adopt and implement appropriate performance model for Performance Management. | % implementation of the adopted performance management model. |
| | | Provide training on approved performance model to the Executive Committee, all Unit Managers, and HR personnel | Number of Executive Committee members, Unit Managers, and HR personnel trained on approved performance model. |
| | | Implement performance appraisal across all levels of municipal employment. | % progress implementation of performance linked contracts to employees |
| | | | % staff budget spent on approved workplace skills plan (WSP) |
| Poor communication with communities regarding service delivery and municipal programme performance | MT/06 To ensure that the Ditsobotla Local Municipality has an efficient communication and information management system. | Develop an integrated communications strategy. | % progress in adopting the Strategy. |
| Records and Archiving | MT/07 To safeguard municipal information | Comply with standards for material archiving. | % progress improvement of the archiving system. |
| Information and Communication Technology | MT/08 To ensure an effective, efficient and secure information and technology environment for Ditsobotla Local Municipality | Development of ICT Strategy and Policies | Council-approved ICT Strategy |

5.5. KPA: Good Governance and Public Participation

| | |
|--|--|
| KEY PERFORMANCE AREA | Governance, Public Participation and Intergovernmental Relations |
| NATIONAL GOVERNMENT STRATEGIC OBJECTIVES | <ul style="list-style-type: none"> Municipalities that have reliable and credible Integrated Development Plans that are used as a guide for every development, programmes and projects within that municipality. |
| STRATEGIC OBJECTIVES | <ul style="list-style-type: none"> Municipalities that have reliable and credible Integrated Development Plans that are used as a guide for every development, programmes and projects within that municipality. Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system. Build and strengthen the administrative, institutional and financial capabilities of municipality. All municipalities should have clean audits by 2025. The creation of a single window of coordination, support, monitoring and intervention as to deal with uncoordinated interaction by other spheres of government with municipalities including unfunded mandates. |
| 10 POINT PLAN | |
| NATIONAL PRIORITY OUTCOMES | Outcome 9: Responsive, accountable, effective and efficient local government system. |
| DITSOBOTLA LOCAL MUNICIPALITY'S OBJECTIVES | <ul style="list-style-type: none"> To ensure good governance; To project Ditsobotla Local Municipality as a preferred area to invest, live and work; To inform the community about services rendered and have an effective communication system; To provide the necessary strategic support for the implementation of the SDBIP; To encourage and ensure public participation through ward committees. To ensure participation of sector departments and other stakeholders on integrated development planning. |

| Issue | Objectives | Strategy | Draft KPIs |
|------------------------------------|---|---|---|
| Public Participation | GG/01 The provision of democratic and accountable local government. | Train ward committees on local government finances and planning processes. | Number of ward committees trained on local government finance and planning processes. |
| | | Implement the municipal public participation programme | Number of Mayoral Imbizo held |
| | | Encourage the involvement of ward committees in the affairs and setting of the municipal development agenda | Number of ward committee meetings |
| Internal Audit and Risk Management | GG/02 Ensuring corporate governance compliance and improvement of institutional performance | Establish Internal Audit and Risk Management Unit | Progress towards the establishment of the Audit and Risk Management Unit |
| Integrated Development Planning | GG/03 To ensure the achievement of the municipality's development agenda | The development of the integrated development plan | Council-adopted IDP |

5.6. Capital Projects: Ditsobotla Local Municipality

The MIG Project Performance Report as at 10 March 2025 reflects the following information in relation to projects under implementation:

| Project Name | MIG Registered Amount | Total Expenditure to Date | Contractors Appointment Amount | Works Progress |
|---|-----------------------|---------------------------|--------------------------------|---|
| Blydeville Roads Network | R23 278 513.44 | R3 812 638.31 | R18 798 089.75 | 40% Progress |
| Construction of Springbokpan Hall | R7 645 623.00 | R7 540 037.41 | R7 645 623.00 | 100% Complete |
| Construction of Putfontein Community Hall | R8 846 375.00 | R5 219 119.23 | R8 846 375.00 | 70% Progress |
| Construction of Community Hall in Tlhabologang Phase 2 | R3 220 000.00 | R2 270 262.33 | R3 143 756.44 | Practical Completion |
| Bodibe High Mast Lights | R9 970 500.00 | R3 508 644.83 | R7 949 696.43 | 50% Progress |
| Putfontein High Mast Light | R3 000 000.00 | R3 000 000.00 | R4 483 210.60 | 70% Progress |
| Upgrading of Roads Network & Stormwater in Itsoseng (Phase 2) | R18 899 000.00 | R14 780 807.16 | R18 125 533.09 | 64% Progress |
| Tlhabologang Short Streets | R4 252 286.91 | R4 153 956.49 | R6 576 128.67 | 50% Progress |
| Sports Stadium in Itekeng | R18 522 791.35 | R18 226 804.61 | R18 522 791.35 | Practical Complete |
| Construction of Community Hall in Itekeng | R8 534 150.00 | R926 495.37 | R0.00 | Contractor awaiting signed SLA to establish site. |
| Upgrading of Boikhutso Stormwater Network | R15 999 662.49 | R1 446 992 | R0.00 | |
| Boikhutso Roads Network Phase 2 (Ward 3) | R23 278 513.44 | R 2 558 329.83 | R23 905 155.23 | |
| Ga-Motlatla High Mast Lights | R4 000 000.00 | R 0.00 | R0.00 | |
| Shiela High Mast Lights | R4 000 000.00 | R395 674.11 | R0.00 | |

5.7. Capital Projects: Water and Sanitation

| Project Name | Source of Funding | Description | Objective | Status | Estimated Funding |
|---|--------------------------|---|--------------------------------|---|-------------------|
| Greater Lichtenburg Bulkwater Augmentation | Internal Funding (NMMDM) | Equipping 2 existing boreholes, drilling and equipping 6 additional boreholes; construction of a 1Mℓ ground steel-tan with a booster pump station and installation of 3 booster pump stations at the three existing intermediate reservoirs at zone 3 Klipveld aquifer. | Bulk water augmentation | There are 17 boreholes that are producing 154ℓ/s from zone 1 and 2 of the aquifer. These boreholes are being over-pumped and high lying areas do not get water | R50m |
| Itsoseng Bulkwater Augmentation | Internal Funding (NMMDM) | Construction of 1Mℓ storage tank, refurbishment of the existing borehole, drilling and equipping 8 additional boreholes. Refurbishment of reservoir and replacement of the 450mm asbestos line for Itsoseng Zone 3. | To provide safe drinking water | The 15 existing boreholes are not supplying enough water in the whole area especially Zone 3. The water demand in Itsoseng is 8Mℓ/day and currently is at 6Mℓ/day. The old reservoir has cracked inside and the 450mm bulk asbestos line that supplies Itsoseng Zone 3 has leaks. | R90m |

| Project Name | Source of Funding | Description | Objective | Status | Estimated Funding |
|--|--------------------------|--|--|---|-------------------|
| Water Supply at Blaauwbank Farm | Internal Funding (NMMDM) | To drill and equip 1 borehole; erecting of 2 x 10kl elevated storage tanks with pipelines and communal taps. | Bulkwater augmentation. | The farm does not have water. They are dependant on tankering | R1.5m |
| Bulkwater Augmentation at Springbokpan | Internal Funding (NMMDM) | To drill, pump test, do water quality analysis and equip 3 boreholes with concrete pump house and palisade. | To provide safe drinking potable water | The 5 boreholes developed through MIG are functional and low yielding supplying water to the main steel tank about 4 – 5km away. Supply does not meet the demand. | R5m |
| Assessment of mini-substations for Greater Lichtenburg | Internal Funding (NMMDM) | To conduct a comprehensive assessment of all 172 mini-substations for possible replacement. | Provide sustainable electricity. | 172 mini-substations have reached their lifespan and they are frequently exploding. | R8m |

| # | Project Title | Implementing Agent | Project Costs | Status | Budgeted 2025/26 |
|---|--|--------------------|---------------|--------------|------------------|
| 1 | Bodibe Ward 17 Water Reticulation | NNMDM | R243 780 318 | Design | R69 780 318 |
| 2 | Ditsobotla Rural Sanitation Programme | NMMDM | R322 448 231 | Construction | R60 000 000 |
| 3 | 20 MVA Lichtenburg Substation (INEP Funding) | Ditsobotla | R55 000 000 | Preplanning | |
| 4 | Installation of Smart metering (Water and Electricity) | Ditsobotla | TBD | Concept | TBD |
| 5 | Rehabilitation of Lichtenburg Landfill Site | Ditsobotla | TBD | Concept | 0 |

5.8. Sector Departments Projects

6.

| Type of Infrastructure | Project Name | IDMS Gate | Local Municipality | Project Duration | | Total Project Cost | Total Expenditure to date from previous years | MTEF Forward Estimates | | |
|--------------------------------|--|--------------------------------------|--------------------|------------------|--------------|--------------------|---|------------------------|--------|--------|
| | | | | Date: start | Date: finish | | | 24/25 | 25/26 | 26/27 |
| Upgrading and Additions | | | | | | | | | | |
| Hospital | General De La Rey Hospital Upgrade | Stage 1: Initiation/ Pre-feasibility | Ditsobotla | 01 Apr 22 | 01 Mar 27 | 27 788 | 28 605 | 5 250 | 14 700 | 10 000 |
| Hospital | Upgrading of Itsoseng CHC to District Hospital | Stage 1: Initiation/ Pre-feasibility | Ditsobotla | 20 Jan 21 | 31 Mar 27 | 19 984 | 20 554 | 1 400 | 14 700 | 60 000 |
| Maintenance and Repairs | | | | | | | | | | |
| Sports Facilities | Itsoseng Stadium | Stage 1: Initiation/ Pre-feasibility | Ditsobotla | 01 Apr 22 | 31 Mar 27 | 2 262 | 1 054 | 500 | - | 500 |
| New or Replaced Infrastructure | | | | | | | | | | |
| Arts and Culture Centre | Bodibe Modular Library | Stage 2: Concept/ Feasibility | Ditsobotla | 01 Apr 23 | 31 Mar 27 | 20 000 | 269 | 4 800 | 10 200 | 5 000 |

6.1. Projects Funded through Social and Labour Plans

| Funding Company: Afrimat | | | | |
|--|------------|-------------|---------------|--|
| Project | Budget | Location | Status | Comments |
| Bodibe Multipurpose Centre and Rebuilding of Tribal Authority office | R4 000 000 | Bodibe | Not completed | <ul style="list-style-type: none"> The project started with the construction of boundary wall with steel palisades in 2018. The wall is now Partially dilapidated due to theft and vandalism. Land surveying done and awaiting approval from the DMRE before the Architect starts drafting the building plans. Submitted section 102 to merge budget to R4 500 000 with that of the Skills project – awaiting DMRE approval. |
| Skills Development Project (Brick Making) | R500 000 | | | <ul style="list-style-type: none"> A section 102 was submitted to DMRE in December 2024 for approval to reallocate the funds for this project towards the above mentioned infrastructure project. |
| Phase 1: Taletso Resource Centre | R964 246 | Lichtenburg | Completed | <ul style="list-style-type: none"> This is a backlogged project. Construction commenced in 2024. This is a collaboration between <i>Afrimat</i>, <i>Sephaku</i> and <i>Afrisam</i>. Each company committed R964 246. The project included refurbishing the centre, installing computers and new furniture. |
| Phase 2: Building of Auditorium | R3 984 715 | | Not completed | <ul style="list-style-type: none"> Construction of the Auditorium will commence in 2026. |

| Funding Company: AfriSam SLP Cycle 2022 – 2026 Projects (LED and Enterprise Development) | | | | | | | |
|--|--------------|---|-------------------|-----------------|--|--|--|
| Project Name | Project Type | Description | Budget Allocated | Exp. | Challenges | Action Required | Completion/ Progress |
| Water Project | LED | Invest into remedying water challenges in Ditsobotla | R2 000 000 | R0 | Project not implemented due to not the municipality's inability to identify challenged community/areas that need assistance with water | Municipality to identify areas to be assisted. | No progress |
| Taletso TVET College Resource Centre | | Support by setting up and equipping Taletso TVET College Resource Centre, supply and install Computer Equipment, CCTV, Alarm System & Furniture. This is a collaboration project between <i>AfriSam</i> Cement Manufacturing. | R964,246 | R361,996 | No challenges, project implemented and completed, no intervention or co-operation needed from the municipality | None | Project completed, handover and DMRE inspection underway |
| | | Construction/Building of an Auditorium at Taletso TVET College. This is a collaboration project between <i>AfriSam</i> and two other cement manufacturers. | R3,984,715 | R0 | Project does not need involvement from Ditsobotla Municipality. To be implemented | None | To be implemented |
| Establish Brickmaking Project – Upgrade roads in Ditsobotla | ED | Set up a brickmaking project to manufacture brick/paving materials to upgrade internal roads in Ditsobotla area. Though this project will depend on land availability identified and provided by the municipality. | R758,009 | R0 | The municipality is to provide land, have not being able to engage with the municipality | Municipality to provide land, then Implement | Not started |
| SMME Development | ED | | R1,000,000 | R403,037 | None | None | In progress |
| Total | | | R8,706,970 | R765,033 | | | |

**SEPHAKU DEVELOPMENT (PTY) LTD - SUMMARY REPORT ON THE IMPLEMENTATION OF THE SOCIAL AND LABOUR PROJECTS
GENERATION ONE SLP – 2014 – 2018**

| Project Name | Summary Description/Background | Budget | Project Status | Beneficiaries | Spend | Challenges | Current Status and Future Plans |
|--|---|----------|------------------|------------------------|----------|---|--|
| Refurbishment of the Springbokpan Clinic | <p>There is no formal healthcare facility in Springbokpan, and the community relies on a mobile clinic for healthcare needs.</p> <p>Healthcare services are provided twice a week; however, the mobile clinic often fails to arrive due to mechanical breakdowns.</p> <p>As a result, the service is generally considered unreliable.</p> <p>As a result, members of the community are forced to travel to Matile and Itsoseng for healthcare services, with an average distance of approximately 10km.</p> | R690,000 | Completed - 2015 | Springbokpan Community | R690,000 | <p>The Department of Health changed its strategy and refused to take over the clinic as a fully functional healthcare facility, stating that it did not meet the new standards.</p> <p>Consequently, the Department of Health requested Sephaku to hand the facility over the community. The community now uses it as awaiting area for the mobile clinic.</p> <p>Additionally, the community has repurposed the building as a drop-in centre and a coordination centre for home-based care activities.</p> | <p>The need for a fully functional clinic remains the highest priority for the Springbokpan community, a need that has been confirmed by the Department of Health.</p> <p>An agreement was reached between Sephaku, the Department of Health, and the Springbokpan community to construct a new clinic that will meet National Health Insurance (NHI) standards.</p> |

| Project Name | Summary Description/Background | Budget | Project Status | Beneficiaries | Spend | Challenges | Current Status and Future Plans |
|--------------|--|--------|----------------|---------------|-------|------------|---|
| | <p>In the late 1990s, the Springbokpan community began constructing a healthcare facility but was unable to complete it due to a lack of funding.</p> <p>In 2013, the community requested Sephaku to refurbish the structure as part of its SLP.</p> <p>The Department of Health committed to taking over the operation of the clinic once completed and would provide the necessary staffing.</p> | | | | | | <p>A resolution was signed by the Springbokpan community on 31 October 2024, requesting Sephaku to engage the DMRE to build the clinic as part of the SLP Generation 2 Financial Provision, as some of the previous projects could not be implemented.</p> <p>The procurement process has been completed, and the report has been submitted to the boards of Torosesha Non-Profit Company (NPC) and Sephaku for approval.</p> <p>Torosesha NPC is a company established by Sephaku Development, holding 15% shareholding for the benefit of the Verdwaal and Springbokpan communities.</p> <p>The project is scheduled to commence in April 2025 and is expected to be completed by December 2025.</p> <p>The estimated budget for the project is R11 million.</p> |

| Project Name | Summary Description/Background | Budget | Project Status | Beneficiaries | Spend | Challenges | Current Status and Future Plans |
|---|--|----------|---------------------|-----------------------|----------|--|--|
| Verdwaal Healthcare Infrastructure/Centre | <p>Like Springbokpan, there is no formal healthcare facility in Verdwaal, and the community relies on a mobile clinic for healthcare services.</p> <p>In 2015, the Verdwaal community requested Sephaku to provide healthcare infrastructure so they could access healthcare services daily.</p> <p>The resolution for the Verdwaal healthcare project was facilitated by the ward councillor, with the community insisting that it be included in the Social and Labour Plan (SLP).</p> | R900 000 | Completed - 2016 | Verdwaal community | R900 000 | <p>Sephaku engaged with the Department of Health, but they advised Sephaku not to proceed with building the clinic or healthcare centre, citing a lack of budget to provide staff for the centre.</p> <p>As a result, Sephaku built a community centre/hall, allowing the community to use it as a waiting area for the mobile clinic.</p> | <p>The need for a fully functional clinic remains the highest priority for the Verdwaal community, a need that has been confirmed by the Ditsobotla Local Municipality during the Integrated Development Plan consultation processes over the past few years.</p> <p>This need has become even more urgent since the closure of the Thusong Hospital, which had been in a dilapidated state.</p> <p>To further support the mobile healthcare service, Sephaku and Torosesha NPC built another community centre in 2024 at Verdwaal 2, with a budget of R2 million.</p> |

| Project Name | Summary Description/Background | Budget | Project Status | Beneficiaries | Spend | Challenges | Current Status and Future Plans |
|---|---|------------|-------------------|--------------------|--------------|--|---|
| Verdwaal Healthcare Infrastructure/Centre | | | | | | | <p>The completion of the project has been delayed due to community disruptions, with certain community members requesting sub-contracting opportunities despite the contractor being based in Itsoseng, approximately 10 km from Verdwaal.</p> <p>It is anticipated that the project will be completed 25% above budget, as the contractor has applied for a variation order to complete the project.</p> |
| Verdwaal Bakery | <p>This is a job creation project aimed at supporting local economic development in the area.</p> <p>Beneficiaries were trained by Sephaku Development as part of the New Venture Creation Learnership Programme.</p> | R1 176 682 | Completed - 2016 | Verdwaal Community | R1,6 million | The sustainability of the project remains a concern. Sephaku continues to fund water and electricity costs totalling R120,000 per annum. | <p>The project is operational and employs five permanent staff members from the Verdwaal community.</p> <p>The bakery supplies the Sephaku canteen with bread, rolls for breakfast, and other special events.</p> |

| Project Name | Summary Description/Background | Budget | Project Status | Beneficiaries | Spend | Challenges | Current Status and Future Plans |
|-----------------------------------|---|----------|-------------------|------------------------|--------------|---|--|
| Pallet Handling and Repair Centre | <p>This is a job creation project aimed at supporting local economic development in the area.</p> <p>The project is currently managed by MacDonalds, a non-local logistics company that assisted Sephaku in establishing the project.</p> <p>There are currently 12 local community members employed on the project</p> | R996 139 | Completed - 2016 | Ditsobotla Communities | R1,2 million | <p>The project currently only repairs Sephaku pallets that are used at the Dangote Cement SA-owned cement factory.</p> <p>Local SMMEs that were assessed did not have the capacity to manage the project since its completion in 2016.</p> <p>A local SMME identified for training to manage the project did not complete the training.</p> | A community member from Verdwaal, a MacDonalds supervisor at the project, is being trained to take over the project within the next 24 months (by 2027). A Training Development Programme has been signed with him |

SECTION F: FINANCIAL PLAN

Refer to attached budget and related documents.

SECTION G: GOVERNANCE MODEL

7. Introduction

This section provides an overview on the operational structure of the Ditsobotla Local Municipality towards meeting its constitutional mandate of providing services to its communities.

7.1. The Political Structure

The Ditsobotla Local Municipality is a collective executive committee system with the Mayor, Single Whip of Council and Speaker designated as fulltime Councillors. This system allows for the exercise of executive authority through an executive committee in which executive leadership is collectively vested.

7.1.1. Council

The Council consist of 39 elected councillors, of which 20 are ward councillors and 19 are proportional representation councillors. The role of Council, in line with the Local Government: Municipal Systems Act 32 of 2000 is to engage in meaningful discussion on matters related to the City's development. Council takes decisions concerning the exercise of all the powers and the performance of all the functions of the city. It does so by delegating such powers and functions to political structures, office bearers, councillors and staff, or the administration.

Council may not delegate functions such as the approval of municipal by-laws, the IDP, the budget and tariffs. Furthermore, Council, through its various committees, monitors and scrutinises delivery and outputs as carried out by the executive branch.

In relation to public participation, Council is responsible for facilitating stakeholder and community participation in the affairs of the city, as described by the Local Government: Municipal Structures Act 117 of 1998.

The table below reflects the names of Councillors:

Table: Ward and Proportional Representation Councillors

| # | Councillor | Ward/PR |
|----|--------------------------------|---------|
| 1 | MOTSEPO, Mmanti Jeanet | Ward 1 |
| 2 | DITHATO, Shomang Simon | Ward 2 |
| 3 | MERE, Tebogo Elvis | Ward 3 |
| 4 | SEHEMO, Thapelo Johannes | Ward 4 |
| 5 | RABENG, Koos Itumeleng | Ward 5 |
| 6 | PRETORIUS, Jan Wilhem | Ward 6 |
| 7 | SCHNEPEL, August Rudolph | Ward 7 |
| 8 | NKHUTHA, Bafana Stoffel | Ward 8 |
| 9 | NGAKE, Molale Dolf | Ward 9 |
| 10 | MODISAKENG, Jairous | Ward 10 |
| 11 | MOSETE, Moletsane Petrus | Ward 11 |
| 12 | KGALAPA, Motlagomang Virginia | Ward 12 |
| 13 | MAXONGO, Titus | Ward 13 |
| 14 | NTHAUDI, Joseph Thabo | Ward 14 |
| 15 | VAN TONDER, Jacobus Johannes | Ward 15 |
| 16 | THAMAGA, Sibusiso Isaac | Ward 16 |
| 17 | MOTLOUNG, Monnapula Aaron | Ward 17 |
| 18 | PLAATJIE, Mammereki Lisa | Ward 18 |
| 19 | MENOE, Kabelo Israel | Ward 19 |
| 20 | MORURI, Mazwi Daniel | Ward 20 |
| 21 | PHALE, Bhai Rodney | PR 1 |
| 22 | PHOKOMPE, Mosimanegape Phaniel | PR 2 |
| 23 | PHILLIPS, Esther | PR 3 |
| 24 | MOLEME, Kgowe Phillip | PR 4 |
| 25 | RAJANE, Kediitshoketse Annah | PR 5 |
| 26 | MTLHAMBE, Joseph Letsholo | PR 6 |
| 27 | BOGATSU, Emily Manana | PR 7 |
| 28 | VOGEL, Kathy | PR 8 |
| 29 | MOEKETSANE, Sameng Ellen | PR 9 |
| 30 | MOSIANE, Bernard Letlamoreng | PR 10 |
| 31 | MOKHUANE, Teko Brenda | PR 11 |
| 32 | SEBOPELO, Gabriel Gabi | PR 12 |
| 33 | TALI, Mphitizeli Alfred | PR 13 |
| 34 | MODISE, Ouseiker Eretea | PR 14 |
| 35 | NKASHE, Isaac Thabo | PR 15 |
| 36 | MATLHOLOA, Ronald Boitumelo | PR 16 |
| 37 | LETHOKO, Elizabeth Itumeleng | PR 17 |
| 38 | BONTES, Lindiwe Adelina | PR 18 |
| 39 | LAHER, Yusuf | PR 19 |

7.1.2. Section 79 Committees

Established in terms of section 79 of the Local Government: Municipal Structures Act (No.117 of 1998) these committees assist council in performing its oversight role. Ditsobotla Local Municipality has the following committees:

- Municipal Public Accounts Committee,
- Ethics/Disciplinary Committee; and
- Rules Committee.

7.1.3. The Executive Committee

The executive committee is elected from among the members of council and chaired by the mayor. It performs the powers and functions as determined in section 44 of the Local Government: Municipal Structures Act (No. 117 of 1998). The executive committee may, within council- approved system of delegations, delegate some of its powers and functions to the mayor or accounting officer. The mayor presides over the meetings of the executive committee and performs the ceremonial duties.

7.1.4. The section 80 Committees

The Portfolio Committees are established in terms of section 80 of the Local Government: Municipal Structures Act (No.117 of 1998) to assist the executive committee in the performance of its functions (exercising oversight over the administration). These committees are chaired by members of the executive committee. The following Portfolio Committees are established:

| # | Portfolio Committee | Chairperson |
|---|----------------------------|---------------------------|
| 1 | Finance | MOTLOUNG, Monnapula Aaron |
| 2 | Infrastructure | MERE, Tebogo Elvis |
| 3 | Community Services | MORURI, Mazwi Daniel |
| 4 | Planning and Development | BONTES, Lindiwe Adelina |
| 5 | Corporate Services | LAHER, Yusuf |
| 6 | Local Economic Development | BOGATSU, Emily Manana |

7.1.5. Ward Committees

Section 72 – 78 of the Local Government: Municipal Systems Act (Act No.32 of 2000) requires the establishment of ward committees as a means of complementing representative governance with participatory democracy. In response to this requirement and the underpinning notion of making developmental government work through meaningful participation of the diverse municipal constituencies, the Ditsobotla Local Municipality has established 20 (twenty) ward committees. These committees serve as an important link between Council and the community on matters such as municipal budgeting, integrated development planning, consideration of policies and by-laws and other matters directly affecting communities.

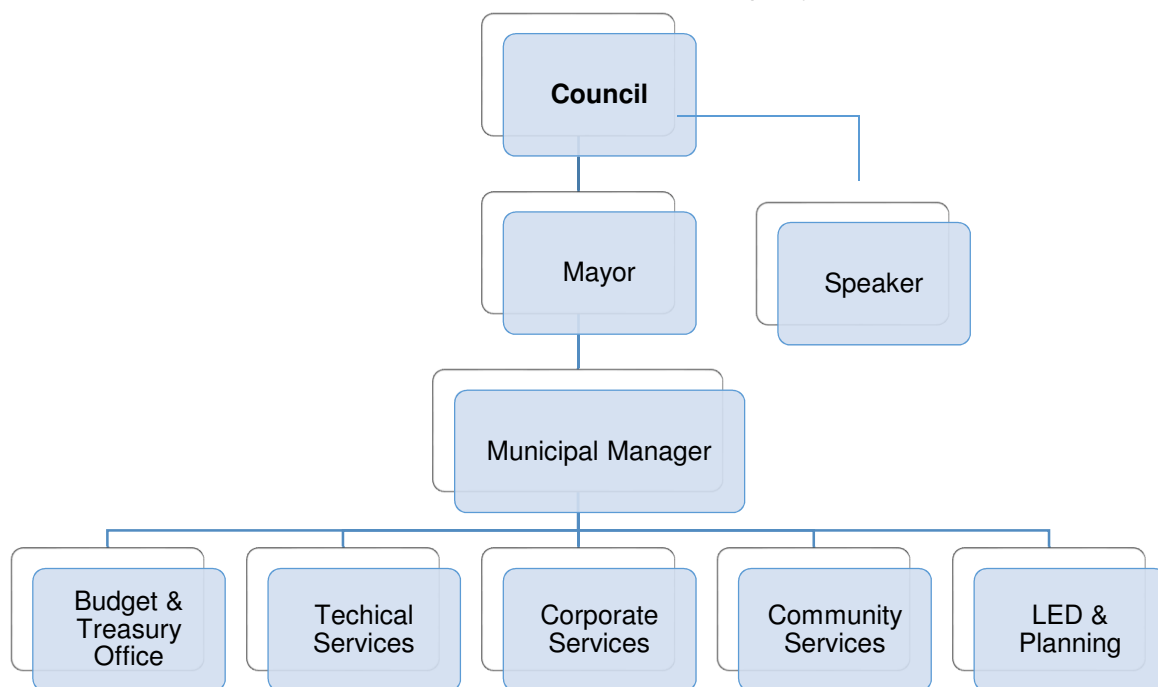
Community Development Workers complement the work of ward committees and through their unique skills base communicate and respond to challenges faced by vulnerable sectors of the municipal community such as the disabled, women and the aged.

7.1.6. The Ditsobotla Local Municipality's Administration

The Municipal Manager is the head of the administration and accounting officer in terms of the Municipal Structures Act 117 of 1998, and the Municipal Finance Management Act 56 of 2003 respectively. The responsibilities of the Municipal Manager include, among others, managing the financial affairs and service delivery of the municipality.

- Office of the Municipal Manager;
- The Budget and Treasury Office (BTO);
- Directorate: Corporate Services;
- Directorate: Technical services;
- Directorate: Local Economic Development & Planning; and
- Directorate: Community Services.

Graph: Macro Structure of the Ditsobotla Local Municipality



The position of Municipal Manager and all the senior managers (critical positions) are vacant. There is a need to review the organisational structure of the municipality to be responsive to the needs of the community in line with the Financial Recovery Plan Diagnostic Report. The organisational design must be implemented in line with the Municipal Staff Regulations that came into effect on the 1 July 2022.

SECTION H: PERFORMANCE MANAGEMENT

8. Purpose of a Performance Management System

Performance management in local government is legislated and regulated in terms of the Local Government: Municipal Systems Act (Act No.32 of 2000) as amended through the Systems Amendment Act (Act No.7 of 2011); the Local Government: Municipal Finance Management Act (Act No.56 of 2003) and related regulations.

Chapter 3(7) of the Municipal Planning and Performance Management Regulations (2001) define a Performance Management System as **‘a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.’**

A performance management system is crucial in ensuring that the municipality meets its service delivery targets and general constitutional mandate. The purpose of PMS can be summarised as:

- € Tracking and measuring the performance of an organisation against pre-determined objectives;
- € Identifying performance failures and applying corrective measures or interventions on a timely basis;
- € Management of change and improvement of organisational performance; and
- € Aligning individual efforts towards organisational objectives and priorities.

8.1. Legal Framework for Performance Management

Various pieces of legislation inform the performance management system of municipalities. This includes the following legislations:

- € The Constitution of the Republic of South Africa, 1996 (section 152);
- € The White Paper on Local Government (1998);
- € The Local Government: Municipal Systems Act (Act No.32 of 2000);
- € Municipal Planning and Performance Management Regulations 2001 (24 August 2001);
- € Regulations for Municipal Managers and Managers reporting directly to Municipal Managers (1 August 2006);
- € The Local Government: Municipal Structures Act (Act No.117 of 1998); and
- € The Local Government: Municipal Finance Management Act (Act No.56 of 2003).

The Ditsobotla Local Municipality is yet to develop a Performance Management System to manage organisational performance in line with relevant legislation.

8.2. The Local Government: Municipal Systems Act (Act No.32 of 2000)

Sections 38 – 40 of the Act require a municipality to establish a performance management system and establish mechanisms for its monitoring and review.

Section 41 deals with the core components of a performance management system which must include:

- (a) Appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- (b) Measurable performance targets with regard to each of those development priorities and objectives;
- (c) Performance monitoring and review at least once per year;
- (d) Steps to improve performance with regard to those development priorities and objectives where performance targets were not met;
- (e) A process of regular reporting to the council, other political structures, political office bearers and staff of the municipality; and the public and appropriate organs of state.

8.3. Municipal Planning and Performance Management Regulations (2001)

Section 43 of the regulations prescribes general key performance indicators which each municipality must plan for and report against. They are:

- (a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.
- (b) The percentage of households earning less than **R1100** per month with access to free basic services.
- (c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.
- (d) The number of jobs created through municipality's local economic development initiatives including capital projects.
- (e) The number 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.
- (f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan.
- (g) Financial viability with respect to debt coverage, outstanding debtors in relation to revenue; and cost coverage.

8.4. The Local Government: Municipal Finance Management Act

The Act contains some provisions related to performance management in a municipal context. Section 21 of the Act requires the integrated development

planning and budget processes to be mutually consistent and credible. It further requires a municipality to develop a Service Delivery and Budget Implementation Plan within 28 days after adoption of the Budget and IDP.

The Services Delivery and Budget and Implementation Plan interprets the five-year Integrated Development Plan and three-year Budget into a twelve-month contract between the administration, council, and community thereby expressing the goals and objectives set by the council as quantifiable outcomes to be implemented by the administration. The SDBIP is an expression of the objectives of the municipality, in quantifiable outcomes that will be implemented by the administration for a specific financial year.

The service delivery targets in the SDBIP form the basis for the performance plans of senior managers (Accounting Officer and Directors). It enables the Municipal Manager to monitor the performance of senior managers, the Mayor to monitor the performance of the Accounting Officer and for the community to monitor the performance of the municipality as each activity contains outputs, outcomes and timeframes.

The SDBIP is compiled on an annual basis and includes a 3-year capital budget programme. The SDBIP is yet another step forward to increase the principle of democratic and accountable local government as enshrined in Section 152(a) of the Constitution.

The SDBIP is in essence the management and implementation tool which sets in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality. It further indicates the responsibilities and outputs for each of the senior managers and the top management team, the resources to be used and the deadlines set for the relevant activities.

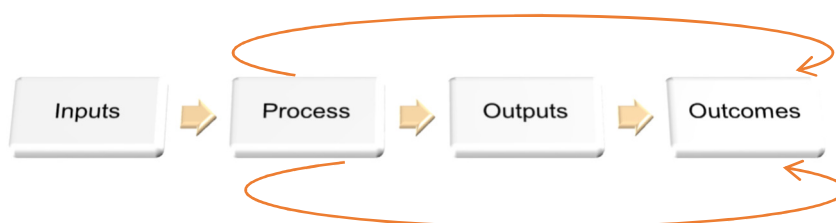
8.5. The Municipal Performance Model

The Ditsobotla Local Municipality does not have a Performance Management System. Ideally, the municipal will develop a model based on the following:

8.5.1. Managing Organisational Performance

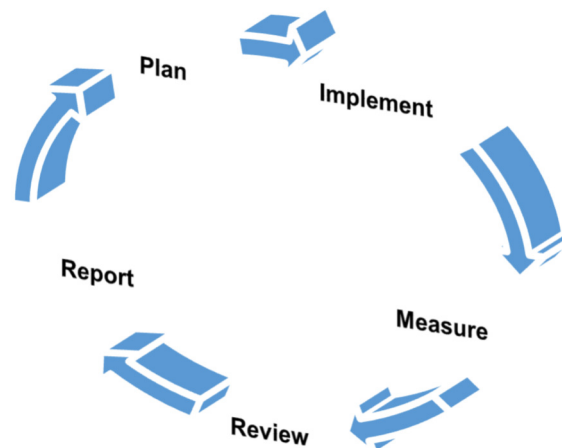
The management of performance is based on a cause-and-effect relationship as per figure below.

Graph: Cause-effect Relationship



The performance management cycle typically entail the steps illustrated below:

Graph: Performance Management Cycle



8.5.2. The Organisational Scorecard

The organisational scorecard is designed around the five key performance areas as identified by the Department of Cooperative Government and Traditional Affairs. The five KPAs are:

- € Municipal Transformation and Organisational Development;
- € Service Delivery and Infrastructure Development;
- € Local Economic Development;
- € Financial Viability and Management; and
- € Good Governance and Public Participation.

For each key performance area, the council set objectives to be met within the period of the Integrated Development Plan with the key objectives describing the main tasks to be performed. The objective set in terms of the key performance areas need to be outcome and impact focused.

8.5.3. The Service Delivery and Budget Implementation Plan

As outlined above, the Service Delivery and Budget Implementation Plan is management and implementation tool which sets in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality.

Each senior manager's performance is based on the targets outlined in the Service Delivery and Budget Implementation Plan which forms part of the performance contract.

8.5.4. Performance Contracts

All senior managers enter into a performance contract with the municipality. The essence of contracting performance is to specify objectives and targets that must be met by an employee and serve to communicate the expectations of the employer.

The performance of all senior managers is assessed on a quarterly basis. Performance contracts are required to be subjected to public scrutiny in terms of legislation.

8.5.5. Auditing and Quality Control

All performance audits will occur within the framework of the Municipal Planning and Performance Management Regulations, 2001. The Internal Audit function and the External Audit will continuously audit the performance reports and produce a quarterly and annual audit report respectively.

8.5.6. Schedule for Performance Reviews

Performance Reviews occurs quarterly as follows:

| | |
|-----------------------|--------------------|
| First Quarter | July – September |
| Second Quarter | October – December |
| Third Quarter | January – March |
| Fourth Quarter | April – June |