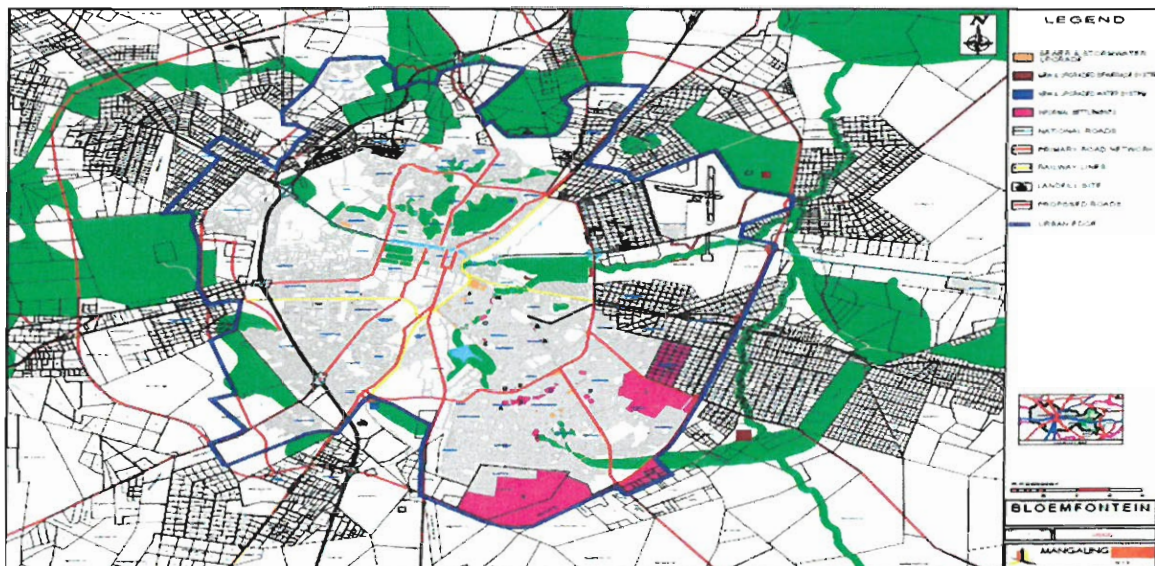


## INFORMAL SETTLEMENTS





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No	EXTRACT FROM SPLUMA	COMPLIANCE
12.1	The National and provincial spheres of government and each municipality must prepare spatial development frameworks that –	
(a)	Interpret and represent the spatial development vision of the responsible sphere of government and competent authority	Chapter iv of the IDP Spatial Vision
(b)	Are informed by a long term spatial development vision statement and plan;	Spatial Vision
(c)	Represent the integration and trade- off of all relevant sector policies and plans;	Chapter 1: Governance and Legislation
(d)	Guide planning and development decisions across all sectors of government ;	Chapter 1 : Governance and Legislation
(e)	Guide a provincial department or municipality in taking any decision or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems ;	Legal Status of the SDF
(f)	Contribute to a coherent , planned approach to spatial development in the national , provincial and municipal spheres;	Governance and Legislation

(g)	Provide clear and accessible information to the public and private sector and provide direction for investment purposes	Chapter iv Spatial Development Framework
(h)	Include previously disadvantaged areas , areas under traditional leadership , rural areas, informal settlements , slums , and land holdings of state owned enterprises and government agencies and address their inclusion and integration into the spatial , economic , social and environmental objectives of the relevant sphere;	Chapter iv Spatial Development Framework
(i)	Address historical spatial imbalances in development	See section 5.4
(j)	Identify the long term risks of particular spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;	See section 5.4
(k)	Provide direction for strategic developments, infrastructure investments, promote efficient , sustainable and planned investments by all sectors and indicate priority areas for investments in land development.	Chapter iv Spatial Development Framework See 5.4.5
(l)	Promote a rational and predictable land development environment to create trust and stimulate investment;	Chapter iv SDF
(m)	Take cognizance of any environmental management instrument adopted by the relevant environmental authority	See sections 5.6.3 and 5.7.1.4
(n)	Give effect to the national legislation and policies on mineral resources and sustainable utilization and protection of agricultural resources ; and	5.7.1.4 Districts – Agricultural
(o)	Consider and, where necessary, incorporate the outcomes of substantial public engagement, direct participation in the process through public meetings, public exhibitions, public debates and discourses in the media and any other forum or mechanisms that promote such direct involvement.	Section 1.5.3 and 1.5.4

No	EXTRACT FROM SPLUMA	COMPLIANCE
Section 12 (2) (a)	The national government, a provincial government and a municipality must participate in the spatial planning and land use management processes that impact on each other to ensure that the plans and programmes are coordinated, consistent and in harmony with each other.	1.5.2 IDP Governance and Legislation
(b)	A Spatial Development Framework developed in terms of this Act must guide and inform the exercise of any discretion or any decision taken in terms of this Act or any other law relating land use and development of land by that sphere of government	Chapter iv Spatial Development Framework section 5.7 SDF
(c)	The national spatial development framework adopted in terms of this Act must contribute and give spatial expression to national development policy and plans as well as integrate and give expression to national development policy and plans as well as integrate and give spatial expression to policies and plans emanating from the various sectors of national government, and may include any regional spatial development framework.	National Policy section 1.3.3
(d)	A provincial spatial development framework must contribute to and express provincial development policy as well as integrate	Provincial Policy Section 1.3.4

	and spatially express policies and plans emanating from the various sectors of the provincial and national spheres of government as they apply at the geographic scale of the province.	
(e)	Municipal spatial development framework must assist in integrating , coordinating , aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area	Chapter iv Spatial Development Framework
(f)	Spatial Development frameworks must outline specific arrangements for prioritizing , mobilizing , sequencing and implementing public and private infrastructural and land development investment in the Priority spatial structuring areas identified in spatial development frameworks.	Implementation Framework
21	A municipal spatial development framework must ;	
(a)	Give effect to the development principles and applicable norms and standards set out in Chapter 2;	section 5.3.1
(b)	Include a written and spatial representation of a five-year spatial development plan for the spatial form of the municipality ;	Chapter iv Spatial Development Framework
(c)	Include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years.	Chapter iv Section 5.4.3
(d)	Identify current and future significant structuring and restructuring elements of the spatial form of the municipality including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.	Chapter iv Section 5.6
(e)	Include population growth estimates for the next five years ;	Chapter iv Section 5.2.7
(f)	Include estimates of economic activity and employment trends and locations in the municipal area for the next five years	Chapter iv Section 5.2
(h)	Identify , quantify and provide location requirements of engineering infrastructure and services provision for existing and future development needs for the next five years ;	Infrastructure Master Plan – Sector Plan
(i)	Identify the designated areas where a national or provincial inclusionary housing policy may be applicable	Housing Policy – Sector Plan
(j)	Include a strategic assessment of the environmental pressures and opportunities within the municipal area , including the spatial location of environmental sensitivities , high potential agricultural land and coastal access strips , where applicable;	Open Space Policy – Sector Plan
(k)	Identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable ;	Batho / Bochabela / Phahameng / Grasslands / Thaba Nchu Botshabelo / Heidedal
(l)	Identify the designation of areas in which – (i) More detailed local plans must be developed ; and (ii) Shortened land use management procedures may be applicable and land use schemes may be so amended ;	Universitas / Brandwag/ Genl Dan Pienaar Drive / Parfitt

(m)	Provide the spatial expression of the coordination , alignment and integration of sectoral policies of all municipal departments	Chapter iv Section 5.3.3
(n)	Determine a capital expenditure framework for the municipalities development programmes , depicted spatially;	Chapter 9 IDP
(o)	Determine the purpose , desired impact and structure of the land use management scheme to apply in that municipal area; and	Chapter iv SDF section 5.7
(p)(i)	Include the implementation plan comprising of – sectoral requirements , including budgets and resources for implementation ;	Chapter 9 SDBIP
p (ii)	necessary amendments to a land use scheme	Scheme Amendments - Bloemfontein / Bainsvlei / Bloemspruit
p(iii)	Specifications of institutional arrangements necessary for implementation	Establish a Development Tribunal
P(iv)	Specification of implementation targets , including dates and monitoring indicators ;	Chapter 9 . Monitoring and Evaluation
p (v)	Specification, where necessary, of any arrangements for partnerships in the implementation process.	Vista Park 2 and 3 / Hillside View / Brandkop / Cecelia / Airport Node

## PART C: GOVERNANCE AND MANAGEMENT

### 6. INSTITUTIONAL OVERVIEW

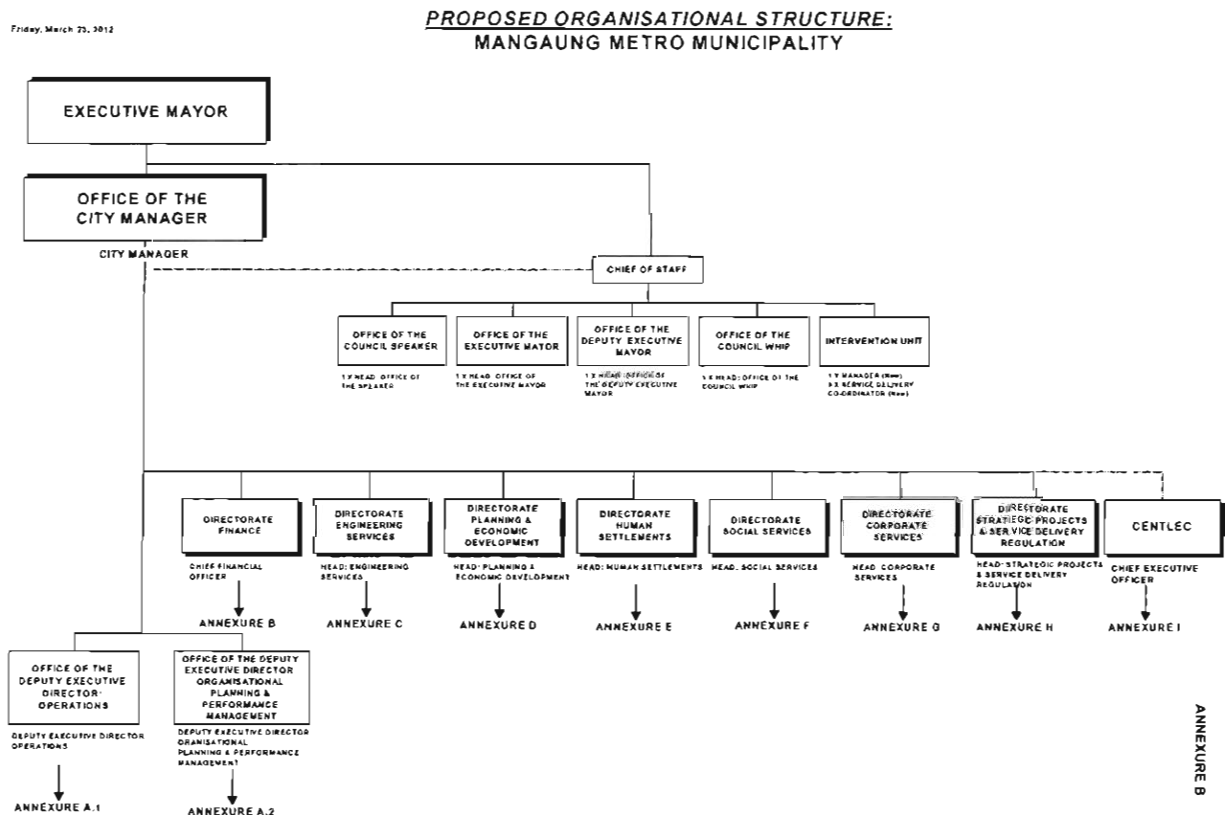
#### 6.1 MANAGEMENT STRUCTURE

The municipal administration is divided into many different directorates and sub-directorates, all of which deliver specific services. Some sub-directorates focus on service delivery, whilst others are more concerned with internal affairs, such as the Corporate Services. Broadly speaking, directorates are divided into two categories – those that are funded by *property rates* and those that are funded by income from tariffs.

The administration of the Municipality is based on nine departments, as well as an executive support which are vested in two Deputy Executive Directors in the Office of the City Manager, namely: Strategic Planning and Operations and Performance Monitoring and Evaluation.

These have been depicted on the figure below.

#### : Organisational Structure for Mangaung Metropolitan Municipality



The administration is headed by the City Manager as the Chief Accounting Officer. The day to day management of the municipality is carried out by staff under the direction of the City Manager and Heads of Departments. The City Manager and Heads of Departments have broad and general

management responsibilities such as making sure staff is kept abreast on council's direction and identifying gaps in service delivery. Together with council they must monitor progress on set goals and priorities.

## **6.2 TOP ADMINISTRATIVE STRUCTURE**

The administration is made up of the following Departments headed by members of the Executive Management Team:

- City Manager
- Head: Corporate Services
- Head: Finance
- Head: Engineering service
- Head: Strategic Services and Projects
- Head: Social Development
- Head: Planning
- CEO: Centlec (entity)
- Deputy Executive Director: Organisational Planning and Performance Management.

The above mentioned Executive Management team meets on weekly basis to deal with pertinent service delivery matters.

Two additional posts of Head: Rural Development & Planning and Head: Fleet & Waste Management were created as a measure to improve service delivery. These two posts will be filled in due course.

## **6.3 POLITICAL GOVERNANCE**

The Mangaung Metropolitan Municipality is governed by a council led by an Executive Mayor. All major policy and administrative decisions are presented, resolved and implemented after the approval of Council. The political system in the municipality is functioning well in that all major committees and participatory organs in the Metro are fully functional. The Municipality has a functional oversight committee that meets regularly to consider policy direction and track performance of the municipality, There is a functional audit committee that periodically provide advice to Council. There is a Municipal Public Accounts Committee (MPAC) that continues to interrogate municipal performance and thus assist the municipality to act in the manner that assist service delivery. The annual report is publicized for scrutiny and comment of the public as well. The Oversight Report on the Annual Report for the 2014/15 was recently noted without reservations in the recent Council meeting on 31 March 2016.

### **6.3.1 POLITICAL STRUCTURE OF MMM**

The political structure of the Municipality is composed of the following political principals

1. Executive Mayor:
2. Deputy Executive Mayor
3. Speaker: Councillor
4. Chief Whip: Councillor and 10 members of the Mayoral Committees responsible for the following Portfolios:
  - (1) Finance
  - (2) Corporate Governance and IDP
  - (3) Agriculture and Rural Development;
  - (4) Human Settlement;
  - (5) Environmental & Waste Management;
  - (6) Economic Development and Spatial Planning
  - (7) Health & Social Development;
  - (8) Infrastructure & Engineering Services;
  - (9) Community Safety, Emergency, Transport and Fleet Services and
  - (10) MPAC

The Mangaung Council is constituted by 97 elected public representatives of which 49 are ward representatives and 48 represent their political parties on a proportional basis.



## **CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM**

### **7.1 INTRODUCTION**

The Mangaung's Performance Management System (PMS) is the primary mechanism to monitor, review and improve the implementation of the IDP, and to gauge the progress made in achieving the objectives set out in the IDP. It links the municipality-wide to individual level of performance management. Furthermore, the IDP informs the development of key areas of performance and targets across all performance levels. This ensures the appropriate alignment between organisational and individual performance. Performance management forms part of a strategic management approach to ensure integration with the municipal strategy, planning and budgeting. This process enables the Municipality to improve planning and budgeting, effectively monitor and measure performance, and transparently and convincingly report on achievements.

Legislation that governs performance management in local government includes the Municipal Systems Act, 32 of 2000 (MSA); the Municipal Planning and Performance Management Regulations, 2001 (MPPMR); the Municipal Finance Management Act, 53 of 2003 (MFMA); the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.

#### **7.1.1 The Municipal Systems Act, (Act 32 of 2000)**

The Municipal Systems Act requires all municipalities to promote a culture of performance review through the establishment of a PMS. The PMS must set out key performance indicators (KPI) and targets, as well as monitor, review and report on municipal performance, based on indicators linked to the IDP, including the national indicators prescribed by the Minister responsible for Local Government.

#### **7.1.2 The Municipal Finance Management Act, (Act 53 of 2003)**

The MFMA requires the Mayor to ensure that the performance agreements of the section 56/57 employees comply with the requirements of the MSA to promote sound financial management and linked to measurable performance objectives approved with the budget and included in the SDBIP, which outlines the strategic scorecard of the municipality. Additionally, the Act sets out reporting obligations of the municipality on the budget and IDP implementation.

#### **7.1.3 The Municipal Planning and Performance Management Regulations, 2001.**

The Municipal Planning and Performance Management Regulations require that a municipality ensures that the PMS complies with the requirements of the MSA, demonstrates the operation and management of the PMS, clarifies roles and responsibilities, as well as ensures alignment of employee performance management and the IDP processes.

#### **7.1.4 The Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers, 2006.**

In August 2006, the Department of Corporate Governance and Traditional Authority (COGTA) promulgated regulations or Section 57 employees, setting out how the performance of municipal managers and their direct reports must be planned, reviewed, improved and rewarded. The regulations make provision for the conclusion of written employment contracts, performance agreements and personal development plans.

The Municipality's process of establishing and developing the PMS ensures integration between strategic planning and performance management, by linking the planned IDP priorities and objectives to the indicators and targets used to measure performance. In addition, the process promotes alignment between planned organizational performance, as reflected in the IDP and organisational scorecard and individual performance as contained in the individual performance agreements.

#### **7.2 IMPLEMENTATION OF THE PMS IN MANGAUNG**

The PMS in the Municipality is implemented in a manner that reflects the relationship of organisational to individual performance. At the municipal level, the PMS incorporates the IDP and Sector Plans, and these are translated into the SDBIP which is the municipal scorecard. In terms of legislative prescripts the City Manager is the custodian of the municipal scorecard and agrees with the Executive Mayor on the delivery aspects of the scorecard. The Audit Committee reviews the performance of the City Manager in implementing the organisational or City scorecard.

Organisational performance is monitored through assessment of progress on the implementation of the SDBIP (the municipal scorecard) and reported on SDBIP through quarterly reports. The quarterly SDBIP reports are consolidated to inform the municipality's annual performance report and ultimately the Annual Report for submission to the Auditor-General, the MEC for Local Government and other relevant stakeholders as legislated by the MSA. At the directorate level, all business plans serve as a linkage between organisational and individual performance. Effectively, the sector plans form the foundation for the development of business plans which in turn informs the development of the individual Head of Directorate's (Section 57 Employees') scorecards, which are an endorsement of the City Manager's scorecard. All the Section 57 employees sign performance agreements for the financial year as required by the MSA. The signing of performance agreements and the development of scorecards is an element of performance planning, which is part of the Municipality's PMS cycle that covers performance planning, coaching, reviewing and rewarding stages.

### **7.3 Managing PMS in Mangaung**

#### **7.3.1 Audit Committee**

The Mangaung Local Municipality has established an Audit Committee in terms of section 166 of the MFMA, which is made up of five members. The Audit Committee is an independent body that advises the Executive Mayor, other office bearers and the Municipal Manager. The Audit Committee through its chairperson reports to Council.

#### **7.3.2 Oversight Committee**

The Oversight Committee is elected from members of Council. It is composed proportionally out of members of the different political parties represented on Council and reports to Council through its chairperson. At the base of oversight and reporting arrangements for Mangaung, is the integrated IDP that outlines the short- to long-term, big and bold objectives and outcomes. The IDP contextually informs the planning approach, business plans, programmes and projects.

#### **7.3.3 Internal audit**

The Internal Audit plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. The internal audit role also involves assistance in validating the evidence provided by Heads of Directorates in support of their performance achievements.

#### **7.3.4 Executive Mayor and Mayoral Committee**

They manage the development of the municipal PMS and oversee the performance of the City Manager and Heads of Department.

#### **7.3.5 Performance Panel**

The City has approved a *Policy on Managing the Performance of Section 56 Managers* that provide for the establishment of a Performance panel that will assist the Executive Mayor in reviewing the reported performance of the City.

#### **7.3.6 Council and Section 79 Committees**

They play an oversight role and consider reports from the Mayoral Committee on its functions on different portfolios, and how this impacts on the overall objectives and performance of the Municipality.

### **7.3.7 Community**

Community members play a role in the PMS through the annual IDP consultation processes, which are managed by the Office of the Speaker, working in close conjunction with the IDP and Organisational Performance Unit. MMM also encourages communities to comment on draft Annual Reports.

## **7.4 CONCLUSION**

The Municipality will continuously review its PMS to keep with the evolving nature of performance management. The current performance management policy will as a result need to be updated to comply with legislative requirements and the alignment to the PMS across the entire Municipality.

## CHAPTER 8: MANGAUNG METROPOLITAN SECTOR STRATEGIES

Section 26 of the Local Government Municipal System Act on Core components of the Integrated Development Plan provides for the development of a suite of sectoral plan to enhance the IDP. At a minimum the municipality is expected to develop the following sectoral plans as core components of the IDP.

- Integrated Human Settlement Plan – an overview given and the revised document attached;
- Local Economic Development Strategy (previously approved by council);
- Integrated Waste Management Plan (previously approved by council)
- Water Services Development Plan (previously approved by council);
- Ten Year Water Conservation and Water Demand Management Strategy
- Disaster Management Plan;
- Spatial Development Plan as captured in Chapter Five
- Financial Plan as highlighted in Chapter Ten;
- Five Year Strategic Management Plan for the Reduction of Non-Revenue Water (previously approved by council).

This chapter only provides a snapshot of these sector plans (*detailed sector plans are hereto annexed*).

### 8.1 INTEGRATED HUMAN SETTLEMENT PLAN

#### 8.1.1 Background

The Constitution of the Republic of South Africa (Act 108 of 1996) has given municipalities developmental responsibilities. Sections 152 and 153 of the Constitution provides that local government is responsible for the provision of services to communities in a sustainable manner and must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community.

Chapter 5 of the Municipal Systems Act 32 of 2000 requires municipalities to develop and adopt an Integrated Development Plan (IDP) within its area of jurisdiction. Furthermore, Section 9 of the Housing Act 107 of 1997 states that “every municipality must as part of its integrated development planning processes take all reasonable steps within the national and provincial housing legislation and policy plan and promote an enabling environment for housing development within its area of jurisdiction”.



In line with the background provided above, the Municipality undertook a process to develop the Housing Sector Plan which was adopted by Council in 2004. The 2012/2012 – 2016/2017 Integrated Human Settlement Plan is actually a complete review of the current Housing Sector Plan of 2004 and takes into cognisance all the current legislative imperatives that are relevant in the sector. The main aim of the Mangaung Metropolitan Municipality (MMM) Integrated Human Settlement Plan (IHSP) is to provide a strategic direction for future human settlements developments within the municipal area of jurisdiction.

The plan should provide a strategic context in relation to the human settlements needs of the Mangaung citizens in line with the national and provincial legislation as well as all the national housing programmes.

### **8.1.2 Structure and content**

This plan is guided by the National Development Plan, 2011; the Comprehensive Plan for the Development of Integrated Human Settlements, 2004 and the Guidelines for the Housing Chapters of Integrated Residential Plans as presented in Part 2 of the National Housing Code 2009. In line with these guidelines, this plan will amongst others deal with:

- a) Vision and Mission of the Integrated Human Settlement Plan;
- b) Legislative Framework related to the mandate on Human Settlements Development;
- c) Alignment with National, Provincial and Local Plans and Strategies including:
  - The Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground);
  - National Development Plan
  - Outcome 8 Delivery Agreements;
  - Provincial Growth and Development Strategy;
  - MMM IDP and Spatial Development Framework (SDF);
  - Built Environment Performance Plan (BEPP).
- d) Situational analysis of Human Settlements in the MMM;
- e) Human Settlements Programmes and Projects envisaged and planned for the next 5 years.  
This will be with coupled with resources required to ensure that the citizens of Mangaung have access to adequate, affordable and efficient human settlements.

The Integrated Human Settlement Plan will be reviewed yearly in line with the Integrated Development Plan processes. This means that the Plan must be seen as a living document that will be tracking achievements on a continuous basis and also outlining challenges and future plans of human settlements during the implementation processes.

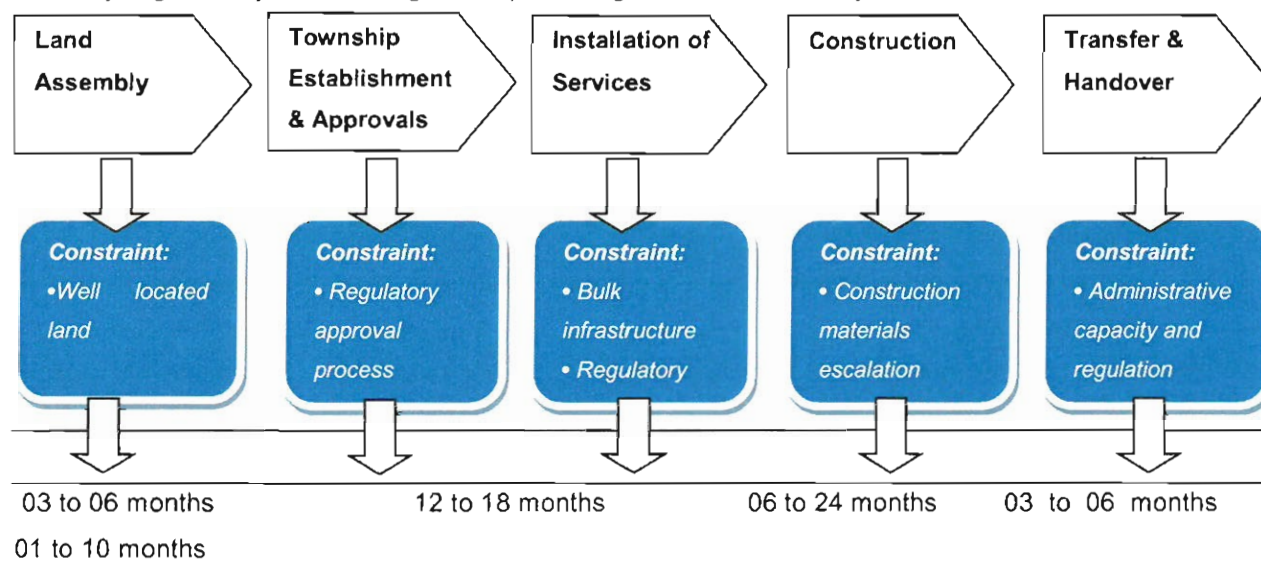
### 8.1.3 Objectives of Mangaung Metro Integrated Human Settlements Plan

The objectives of the Mangaung Metro Integrated Human Settlements Plan (IHSP) are as follows:

- To reverse the spatial effects of apartheid;
- To ensure the development of integrated human settlements and shorten travel distances;
- To redress land ownership disparities;
- To guide the prioritisation of human settlements projects;
- To ensure focus of human settlements in the Metro's Integrated Development Plan

### 8.1.4 Human Settlements Development Logic

The City is guided by the following development logic to achieve the objectives:



### 8.1.5 Vision and Mission

Apartheid left a terrible special legacy in the country. Since 1994, housing policies, in some instances have reinforced the spatial divide by placing low-income households on the periphery of the city, far from economic activities.

Reversing the country's spatial inheritance, even with sound and sensible policies is likely to take decades. It is for this and other reasons that Government has changed its strategy from the delivery of housing to the creation of sustainable human settlements. Human settlements means the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.

To realize this, it is imperative that the entire municipal machinery, including all key stakeholders become part of the delivery value chain to promote and create sustainable human settlements. The City undertakes to explore opportunities for major transit oriented development linked to economic and job

creation opportunities along the N8 Corridor and on public and private land that promotes integration. Settlement patterns in the City should meet the needs and preferences of the citizens and should take into account broader social, environmental and economic interests. Travel distances within the City need to be shorter, meaning that a larger portion of ordinary people within the City should live closer to their places of work, and in instances where public transport is used, it must be safe, reliable, affordable and energy efficient. This means that the City should embark on denser mixed developments. In rural areas, settlements patterns must balance the social, cultural and agricultural needs of those families.

### **Legislative and policy context**

#### **The Constitution of the Republic of South Africa (Act 108 of 1996)**

The Constitution of South Africa has given new Municipalities, established after December 2000, a number of developmental responsibilities. The Bill of Rights contained in the Constitution of the Republic of South Africa entrenches certain basic rights for all citizens of South Africa, including: 'The right to ... access to adequate housing' (Section 26). The Constitution broadly defines the role for each sphere of government as follows:

- a) National Government must establish and facilitate a sustainable housing development process for the entire country.
- b) Provincial Government must do everything in its power to create and promote an enabling environment for this process.
- c) Municipalities must pursue the delivery of housing (within the framework of national and provincial housing legislation and policy).

#### **The Housing Act, 107 of 1997**

The Housing Act supports the aims and goals of the Constitution. It sets out the general principles of housing development that the three spheres of government must adhere to, encourage and promote. The Act gives the City the primary development responsibility and advises on how to achieve sustainability, integration, consultation, good governance, empowerment, equity and the optimal use of resources. Section 9(1)(f) of the Act obliges the City to 'as part of the municipalities' process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.'

Part IV of the Act specifically requires municipalities to compile housing strategies and targets as part of their IDPs. To this end, the Act informs the compilation of the Integrated Human Settlements Plan (IHSP).

In line with section 156 of the Constitution of South Africa, section 10 of the Housing Act 107 of 1997 also states that any municipality can be accredited to administer the National Housing Programmes if

these functions can be delivered effectively within the particular municipality. The accreditation, and ultimately assignment, of municipalities to administer national housing programmes on behalf of provinces seeks to achieve two inter-linked objectives:

- Co-ordinated development (horizontal integration).
- Accelerated delivery (vertical integration).

### **The Municipal Systems Act 32 of 2000**

The Municipal Systems Act, 2000 (MSA) requires all municipalities to compile Integrated Development Plans (IDPs) that will guide all their planning, budgeting and management decisions. Apart from the legislative requirement to compile IDPs municipalities are also expected to compile Sector Plans such as the Human Settlements Plan, Infrastructure Plan, and all must be in line with the Spatial Development Framework of the municipality which should form part of the IDPs.

**The Municipal Integrated Development Planning** is the mainstream process by which South African municipalities plan their activities and allocate resources to their development priorities and strategies. The municipal IDP delineates how its budget will be spent over a specific financial year, on what and where. It is a collaborative and consultative plan, formed after a thorough process of public participation. It identifies strategic focus areas on which to concentrate its activities over the next five years, with the creation of integrated human settlements being one of these.

### **The National Housing Code, 2009**

The National Housing Code sets the underlying policy principles, guidelines, norms and standards which apply to Government's housing assistance programmes introduced since 1994. The City's human settlements strategies are guided by a policy framework that is contained in the National Housing Code. The Code is the government's overall vision for human settlements in South Africa and provides guidelines on how to achieve sustainable human settlements.

### **The Comprehensive Plan for the Development of Sustainable Human Settlements “Breaking New Grounds”**

The BNG specifies the role that South Africa's municipalities must play in the creation of sustainable human settlements. The City's IHSP is developed within the context of this plan. In the main, the plan envisages that the supply of State-assisted housing should respond to the demand for different housing typologies. Further, the plan provides that the City must ensure that new developments facilitate spatial restructuring in accordance with its Spatial Development Framework and that efforts are made to effect densification, integration and the development of social and economic infrastructure.

There are **other enacted laws** that impact on human settlements development; viz:

- The Municipal Finance Management Act, 2003
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998
- The Housing Consumers' Protection Measures Act, 1998
- The National Environmental Management Act, 2009
- Land Use Management Scheme (LUMS)

## 8.2 LOCAL ECONOMIC DEVELOPMENT STRATEGY

The purpose of this strategy is to investigate the options and opportunities available to broaden the local economic base of the Mangaung Metropolitan Municipality in order to promote the creation of employment opportunities and the resultant spin-off effects throughout the local economy.

This report forms part of the LED process and is one of the stepping-stones toward understanding economic development within Mangaung. It is important to understand that Mangaung hosts poverty-stricken communities that are currently experiencing high levels of unemployment. It is imperative to take action by promoting value-adding activities in the secondary and tertiary sectors.

An important developmental principle underlying economic development is the broadening of the local economic base. This includes the introduction of new activities to Mangaung (e.g. introducing new industrial activities), exploiting latent resources identified through beneficiation, and the consequent establishment of SMMEs.

Local Economic Development furthermore strives to enhance the multiplier or trickle-down effect that Mangaung stands to gain from the successful implementation of the strategic outcomes outlined in the presentation. Multipliers refer to the synergy impact, achieved by creating new jobs and businesses, as well as improving the quality of existing jobs and expanding existing businesses. The purpose of this strategy further is to provide an overview of the economic and socio economic indicators in Mangaung in relation with the Free State and South Africa. Critical areas of analysis include the manifestation of poverty in the area, the employment structure and analysis of the first and second economies with a perspective on what interventions are required to unlock economic potential in the Municipality.

This becomes the basis of identifying the blockages to and opportunities for development that need to be addressed in development strategies so that the appropriate development path can be determined. The Section will consist of a socio-economic profile and an economic profile.

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth



and employment generation to advance the economic identity, based on a local competitive and comparative economic profile.

Local economic development (LED) offers local government, the private sector, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance, translating into a range of sector investments.

The vision for LED in South Africa is that of robust and inclusive local economies which exploit local opportunities address local needs and contribute to national development objectives, such as economic growth and poverty eradication. These robust and inclusive local economies will show strength, inclusiveness and sustainability. They will support the growth and development of local employment, income and assets even in the face of harsh constraints and external competition and capitalise on opportunities.

### **8.3 INTEGRATED WASTE MANAGEMENT PLAN**

The City's Integrated Waste Management Plan is aligned to the National Environmental Management: Waste Act (Act no 59 of 2008) which compels all Municipalities to develop and Integrated Waste Management Plan. This plan therefore provides a framework within which local municipalities can deliver waste management service to all residents and businesses.

Mangaung Integrated Waste Management Plan, is constituted by the following:

- Demographic information of the city
- Assessment of waste generation, quantities and types
- Status quo of services for collection, minimisation, reuse, recovery, treatment and disposal of waste
- Determination of people not receiving waste collection services
- Identification of poor waste management and its negative health and environmental impacts
- Targets and initiatives for waste minimisation, re-use, recycling and recovery
- Incorporation of best environmental practices
- Identification of implementation measures
- New facilities for disposal and decommissioning of existing waste disposal facilities
- Indication of financial resources required to implement projects

## 8.4 WATER SERVICES DEVELOPMENT PLAN

The City's Water Services Development Plan is developed in line with the **Water Services Act, Act 108 of 1997**. Mangaung is a designated Water Service Authority in terms of and is compelled by the law to prepare a water services development plan (Section 12 of Water Services Act of 1997). The plan contains information in relation to:

- Physical Attributes of the Metro
- The size and distribution of the Metro's Population
- Clear time frames for implementation of targets
- Information relating to existing industrial water use in the Metro
- Existing water services in the Metro
- Information relating to future provision of water for industrial use and the disposal of industrial affluent
- Water services institutions that are assisting the Metro in the provision of water
- Operation, maintenance, repair and replacement of existing and future infrastructure

## 8.5 TEN YEAR WATER CONSERVATION AND WATER DEMAND MANAGEMENT STRATEGY

Mangaung Metropolitan Municipality (MMM) is one of the largest cities in South Africa. The water supplied to its communities during F2013/14 amount to about 237 Ml/d (86.6 million m<sup>3</sup>/a). Not only is this a significant amount of water that needs to be managed, but it is also a large business by any standard with direct water purchases of about R 340 million (Excl. VAT) and potential water sales of more than R 600 million (Excl. VAT).

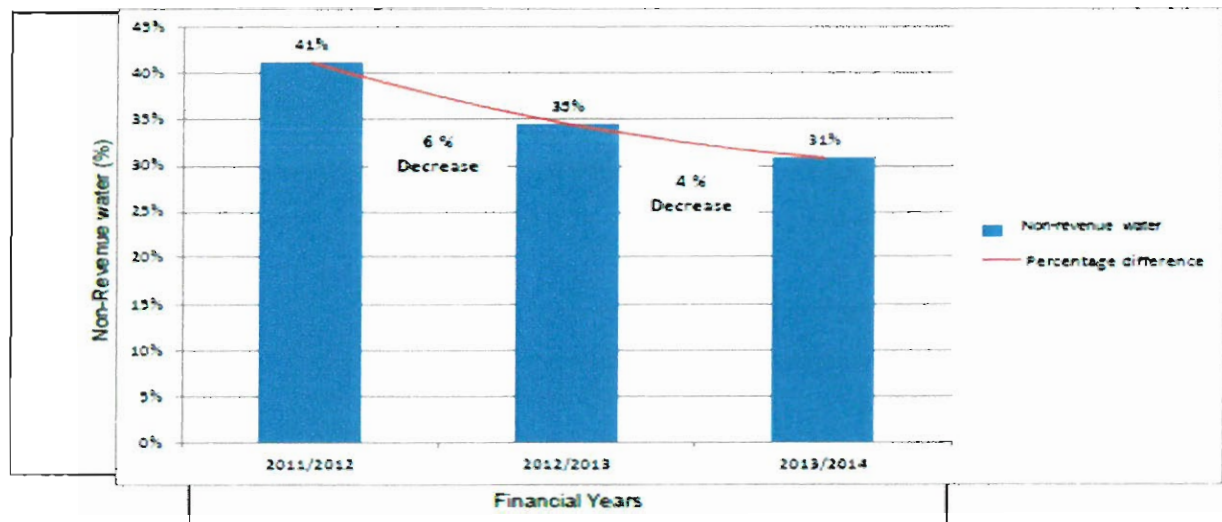
Unfortunately like many other cities in the world, old towns, such as Bloemfontein, also suffer from large losses and about R 132 million (or 26.7 million m<sup>3</sup>/a) is currently lost as non-revenue water *primarily due to ageing water supply network*

To aggravate matter even more a number of recent studies have shown that MMM system input volume will exceed the capacity of the bulk water systems within the next two years.

It is therefore essential that water conservation and water demand management (WCDM) initiatives be accelerated as a matter of urgency and that additional long term sources be identified in parallel to the WCDM initiatives.

The City has developed and implemented a five year Water Demand Management Programme that commenced in 2011 and will conclude in 2016. The net encouraging results have been the reduction

of non-revenue water year on year and for 2013/2014 financial the NRW percentage of 31% was achieved.



The City has since developed a Ten Year Water Conservation and Water Demand Management Strategy that comprises of the following critical elements:

***Real loss reduction***

- Leak detection and repair programme
- Pressure management
- Repair of visible and reported leaks
- Mains replacement/management program
- Reticulation/consumer connection replacement/management program
- Cathodic protection of pipelines

***Apparent loss reduction***

- Meter management program

***Water Re-use***

***Ground water harvesting***

***Development and implementation of a funding strategy that include the following:***

- **Tariff setting**
- **Metering, billing and cost recovery**
- **Short term annual operational budget**
- **Long term funding requirements and prioritisation of WCDM capital investment**

## ***Development and Implementation of Consumer Awareness Programme and Strategy***

### **8.6 DISASTER MANAGEMENT PLAN**

This Plan is developed in line with Section 53 of the Disaster Management Act, 2002 which compels each Municipality, including Mangaung Metro to prepare a Disaster Management Plan for its area, according to circumstances prevailing in the area. Disaster Management encompasses a continuous, integrated, multi-sectoral and multi-disciplinary process of planning and implementation measures incorporating strategies for pre disaster risk reduction as well as post disaster recovery, aimed at:

- preventing or reducing the risk of disasters
- mitigating the severity or consequences of disaster
- emergency preparedness
- rapid and effective response to disasters
- post disaster recovery and rehabilitation

The Mangaung Metropolitan Municipality's Disaster Management Plan serves to:

- establish a disaster management framework for the Municipality which is consistent with the provisions of the Disaster Management Act 2002
- define priority objectives which the municipality intends to achieve and is designed to:
  - anticipate the types of disasters that are likely to occur in Council's area and their possible effects, taking into account indigenous knowledge
  - identify individuals, households and communities in Council's area who are at risk to disasters
  - place emphasis on measures that will reduce the vulnerability of disaster prone areas, communities and households which includes:
    - preventing disasters from occurring or reducing the risk of disaster
    - mitigating the severity or consequences of those disasters which cannot be prevented
    - facilitating and implementing maximum emergency preparedness measures
    - ensuring a rapid and effective response to disasters and post disaster recovery and rehabilitation
    - ensuring that developments which are subject to high risk are avoided
- identify and address weaknesses in capacity to deal with disasters
- seek to develop a system of incentives that will promote disaster management in the Municipality
- set out the Municipality's corporate structure and institutional arrangements for disaster management purposes, including the establishment of the Disaster Management Centre (DMC)
- define roles and responsibilities of key personnel in the disaster management process

- Contain contingency plans and emergency procedures in the event of a disaster and/or major incident.
- set out the arrangements for stakeholder participation and external liaison
- establish communication mechanisms, both internally and externally
- set out the strategy for administrative and financial arrangements

## 8.7 INTEGRATED PUBLIC TRANSPORT NETWORK PLAN

The integrated Public Transport Network Plan Provides the Metro with a public transport system design pertaining to the proposed future status of the rapid and other transit component of the integrated public transport network.

The IPTN provides the following to the Metro:

- An overview of the existing Public Transport networks and services within the municipality.
- An overview of private and public passenger demand and travel behaviour within the metro.
- A concept of the IPTN corridor network based on full network design principles indicating first order implementation priorities, routes, modes etc.
- Identification of the phase 1 route extent, phasing and station locations.
- A land use transport integration assessment of the phase 1 corridor.
- Indicative costs associated with the implementation of the phased 1 corridor.
- First order business planning, financial modelling and operating entity design for the phase one corridor.

The IPTN first Order Operational Plan was developed on the back of other planning work as well as through the collection, observation, analysis and interpretation of primary data sources collected. The IPTN was developed in consultation with various internal as well as external stakeholders and it does indeed depict the situation of public transport in the metro and consequently also makes profound recommendations in relation to public transport in the city which responds to:

- Commuter Demand for Transport
- Current and future supply of transport options
- Land use zoning and frameworks (Existing and future)
- Infrastructure and physical constraints
- Movement and provision of non- motorised users
- First order costs

What is to be followed in taking the IPTN forward are:

- Economic Impacts assessments
- Social Impacts assessments



- Environmental Impacts Assessments
- Existing future provision of parking (including park and ride sites)
- Safety and security considerations (including risk appraisals and disaster management plans)
- Interfacing and inclusion of technology driven solutions (i.e. intelligent transport systems, Automatic fare collection, public transport management systems)

## PART D: FINANCIAL PLAN

### CHAPTER 9: MEDIUM TERM REVIEW FRAMEWORK

#### 9.1 CAPITAL BUDGET

The projected capital budget for the 2016/17 financial year is set at R 1,806 billion. The draft capital budget for the two outer years of the MTREF period has been set at R 1 594 billion and R 1,605 billion respectively. The capital budget injection in the Metro's economy over the MTREF period will thus be R 5,005 billion..

The budget will be funded out of Government Grants and subsidies, internally generated fund (own funding) and a basket of external loan funding sources.

#### FUNDING BY SOURCE

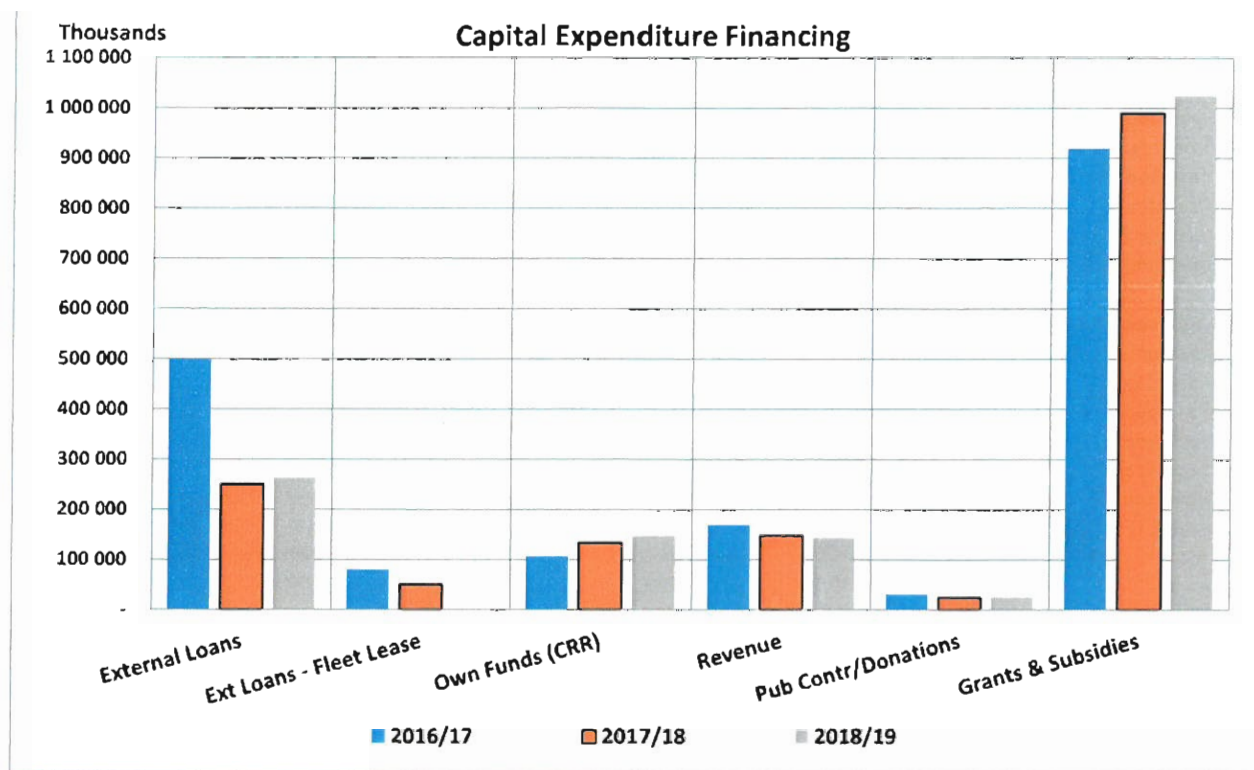
##### a) Summary

The draft capital budget of (R 1,806 billion), is to be funded from a variety of sources as per the table below:

FINANCING - MANGAUNG AND CENTLEC		Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
4300	External Loans	500 000 000	250 000 000	263 750 000
4300B	External Loans - Bonds	-	-	-
4300D	External Loans - DBSA	-	-	-
4300F	External Loans - Fleet Lease	79 849 000	50 000 000	-
4300S	External Loans - Standard Bank	-	-	-
4400	Own Funds (CRR)	107 016 528	133 275 983	147 663 308
4500	Revenue	169 098 290	147 680 548	143 585 425
4600	Public Contributions/Donations	30 744 351	24 109 010	25 555 551
4800	National Lottery	-	-	-
4801	District Municipality	-	-	-
4900	Other ad - hoc financial Sources	-	-	-
5000	Other not included in above	-	-	-

<b>Grants and Subsidies</b>		-	-	-
4700A	Municipal Infrastructure Grant (MIG)	-	-	-
4700B	Public Transport Infrastructure & Systems Grant	80 142 000	120 042 000	135 045 000
4700C	Department of Water Affairs	-	-	-
4700D	USDG Grant	717 503 000	759 324 000	797 613 000
4700F	Housing Accreditation Subsidy	-	-	-
4700J	Integrated City Development Grant	10 912 000	10 718 000	11 339 000
4700E	Municipal Systems Improvement Grant	-	-	-
4700K	Free State Province Development Grant	-	-	-
4700L	EPWP Incentive Grant	-	-	-
4700R	Department of Telecommunication and Postal Services	3 750 000	-	-
4700H	Provincial Grants and Subsidies Hlasela	-	-	-
4700I	National Electrification Programme	8 500 000	25 000 000	25 000 000
4700M	Demand Side Management Grant	-	-	-
4700N	Provincial Grant CCTV Cameras	-	-	-
4700P	Provincial Human Settlement Grant	-	-	-
4700Q	Neighbourhood Development Partnership Grant	98 579 000	74 543 000	55 492 000
		1	1	1
		<b>806 094 169</b>	<b>594 692 541</b>	<b>605 043 284</b>

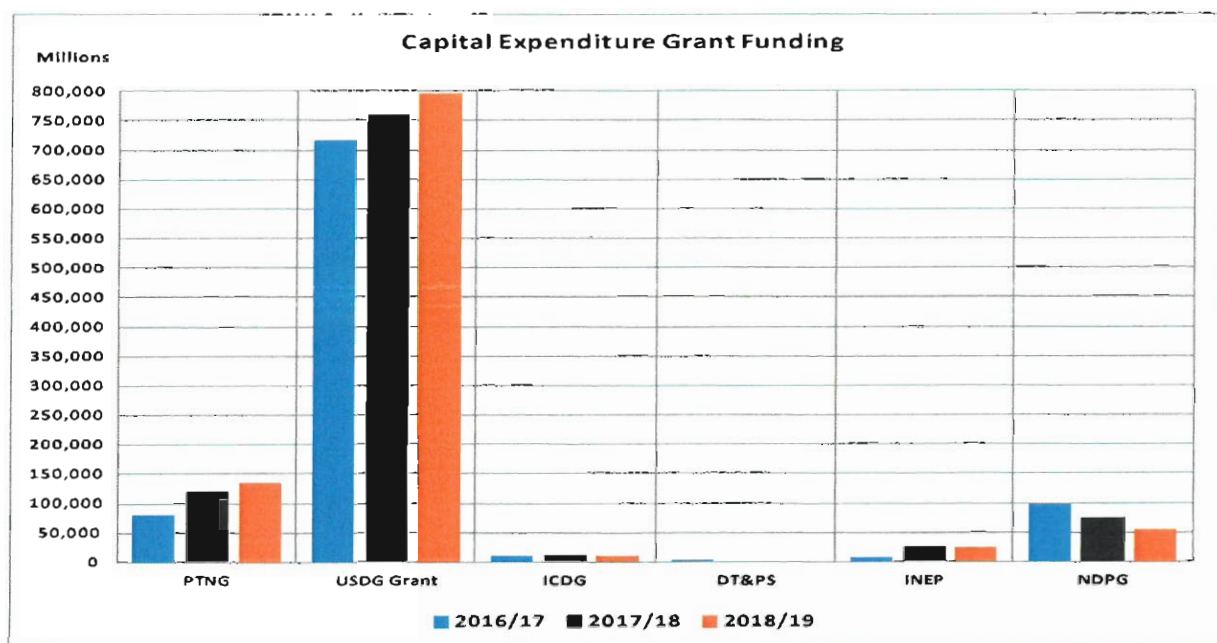
Details of projects to be funded from the capital budget will be in the budget pack.



#### Grand Funding

Government grants and subsidies make up 50.8% of the MTREF capital Budget. The Mayor contribution to the total budget of

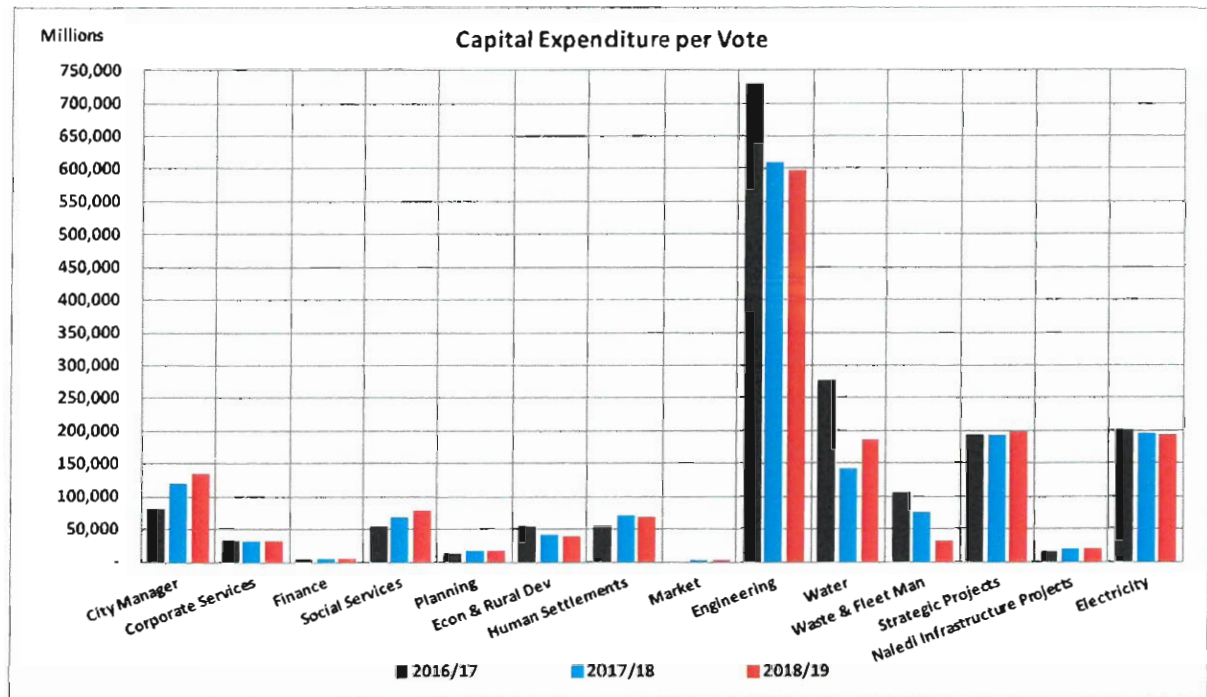
Grant Funding	2016/17 R	2017/18 R	2018/19 R
PTNG	80,142,000	120,042,000	135,045,000
USDG Grant	717,503,000	759,324,000	797,613,000
ICDG	10,912,000	10,718,000	11,339,000
DT&PS	3,750,000	-	-
INEP	8,500,000	25,000,000	25,000,000
NDPG	98,579,000	74,543,000	55,492,000
<b>TOTAL</b>	<b>919,386,001</b>	<b>989,627,000</b>	<b>1,024,489,000</b>



#### Capital Budget per Vote

EXPENDITURE PER VOTE	2016/17 R	2017/18 R	2018/19 R
City Manager	80,142,000	120,042,000	135,045,000
Corporate Services	32,159,070	31,600,000	30,955,000
Finance	3,162,300	5,096,458	5,685,240
Social Services	52,801,287	69,154,025	78,760,660
Planning	12,500,000	16,500,000	17,000,000
Econ & Rural Dev	54,282,105	42,218,000	39,339,000
Human Settlements	53,620,482	69,800,000	68,474,100
Market	-	2,409,000	2,400,000
Engineering	729,419,283	610,592,248	598,013,908
Water	275,689,001	141,220,777	185,388,938
Waste & Fleet Man	104,656,000	75,603,475	31,422,642
Strategic Projects	193,579,000	194,543,000	198,242,000
Naledi Infrastructure Projects	13,741,000	19,124,000	20,175,820
Electricity	200,342,641	196,789,558	194,140,976
	<b>1,806,094,169</b>	<b>1,594,692,541</b>	<b>1,605,043,284</b>





### A detailed list of Naledi Infrastructure Projects.

#### 9.2 Projects: Basic Service Delivery and Infrastructure

##### Infrastructure

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2014 / 2015	2015 / 2016	2016 / 2017	Internal	External (Identify)
Basic Service Delivery	1. To provide Basic Service Delivery to all	Development of Infrastructure Master Plan	I01/NLM/2015	R4 000 000	✓	✓	✓		MISA
	2. To make provision for transport mode to the	Yellow Fleet	I02/NLM/2015	R3 000 000	✓	✓	✓	NLM	
		Refurbishing of Municipal Stores	I03/NLM/2015	R300 000	✓	✓	✓	NLM	