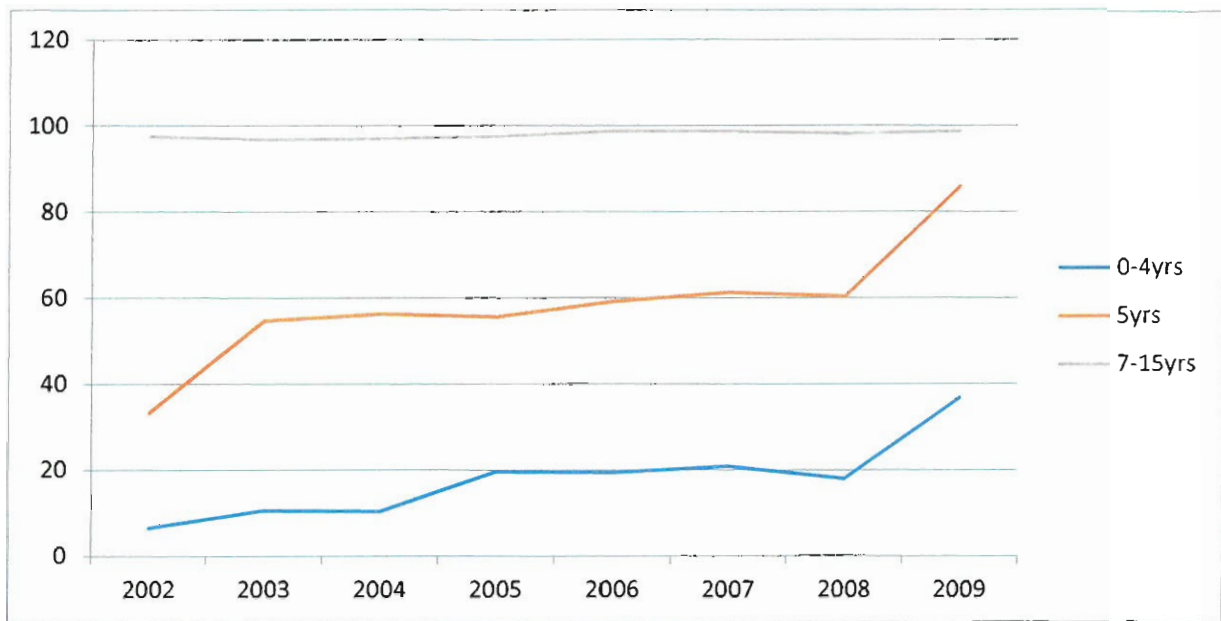


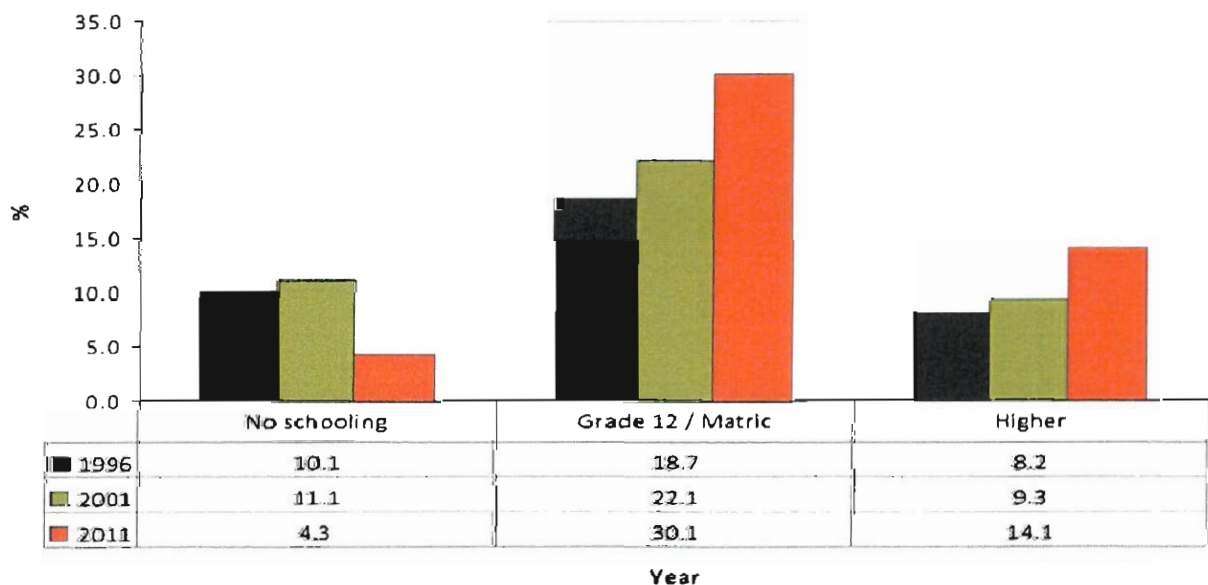
**Figure 2.4: Enrolment Rates for children aged 0-15 in Free State, 2002-2009**



Source: Department of Basic Education (2011)

Number of residents with no schooling has declined from 10, 1% in 1996 to 4,6 % in 2011 whilst as demonstrated above and in the graph below, access to primary, secondary and tertiary education is on the rise. Whilst this is a good development it provides immediate challenge to the municipality and Government generally to expedite interventions aimed at absorbing and retaining the skill that is provided by this development.

**Figure 2.5: Percentage distribution of population aged 20+ by highest level of education, Mangaung 1996 – 2011**



Source: Stats SA: 2011

As the MMM positive strides are made to reduce illiteracy and increase ability of its citizens to read and write, People with no schooling have decreased from 10, 1% in 1996 to 4, 3% in 2011, People with matric have increased from 18, 7% to 30.1% in 2011 and those with higher education from 8.2% in 2001 to 14, 1% in 2011.

Whilst these are positive developments they also mean that we should increase our economic development and job creation efforts to be able to meet the demands of the growing skills pool. The MMM also has a lot of academic institutions that makes it possible to produce a lot of skill for the Metro

### 2.1.7 Economic analysis

The economy of the City is strongly driven by community services, trade, finance and transport.

#### 2.1.7.1 Relative importance of MMM economy

Mangaung is the largest contributor to the GDP of the province and is regarded as one of the most diverse economies in nature. There is however a disturbing downturn in the Gross Value Added by the region when one looks at the broad economic sectors for both the municipality and the province. The relative contribution per sector for Mangaung is indicated in table 2.2

**Table 2.1: Relative importance of MMM economy in terms of SA and the FS, 2001, 2004, 2010 and 2012**

<b>Sector</b>	<b>% of RSA</b>					<b>% of Free State</b>				
	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>	<b>2012</b>	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>	<b>2012</b>
<i>Agriculture</i>	1.5	1.4	1.1	1.3	1.3	12.1	12.1	12.0	12.0	12.3
<i>Mining</i>	0.1	0.1	0.1	0.2	0.1	0.5	0.8	0.9	2.1	1.1
<i>Manufacturing</i>	0.7	0.5	0.3	0.3	0.3	12.8	12.2	7.8	6.9	7.7
<i>Electricity</i>	1.6	1.4	0.9	0.8	0.6	19.0	18.0	13.5	12.2	10.4
<i>Construction</i>	1.7	1.2	1.1	1.4	1.0	38.3	42.3	38.4	37.4	34.6
<i>Trade</i>	1.9	1.9	2.1	2.0	1.9	41.3	46.2	44.1	43.5	41.2
<i>Transport</i>	2.0	1.9	2.2	2.0	1.8	44.4	50.7	48.4	45.2	42.2
<i>Finance</i>	1.5	1.3	2.1	1.8	1.5	44.5	49.8	45.0	44.7	37.3
<i>Community Services</i>	2.7	2.6	3.0	2.8	2.7	41.4	43.0	43.2	43.4	43.6
<b>Total</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>25.5</b>	<b>32.6</b>	<b>31.5</b>	<b>30.7</b>	<b>29.8</b>

The following reflections need to be made in respect of the table above:

- The share of the total economic contribution for South Africa has fluctuated between 1.5% and 1.7% over the period 2001 and 2012. In the case of the Free State MMM increased its share of

the Free State's economy from 25.5% in 2001 to 32.6% in 2004 but have fallen since to 29.8% in 2012. Concerning the population share that MMM nationally has of 1.4% (based on Census 2011), it should be mentioned that the 1.5% economic contribution is slightly larger than the population share. The economic contribution of 29.8% in the Free State in 2012 is also larger than its share of provincial population of approximately 27.2%.

- Agriculture decreased its share of the national agricultural economic output from 1.5% in 2001 to 1.1% in 2007 before increasing to 1.3% in 2010 and 2012. Provincially the percentage remained stable (at around 12%).
- Virtually no changes are visible nationally in respect of Mining. There has however been variable growth in the provincial share, increasing from 0.5% in 2001 to 2.1% in 2010, before dropping back to 1.0% in 2012.
- In terms of Manufacturing, there was a decrease in the national contribution (from 0.7% to 0.5% to 0.3%), and while the share of the Free State remained steady between 2001 and 2004 it fell sharply from 12.8% in 2001 to 6.9% in 2010 before recovering slightly to 7.5% in 2012.
- Concerning Electricity, while there were only minor decrease between 2001 and 2004 there have been strong decreases of both the national (from 1.4% to 0.9%) and provincial share (from 18% to 13.5%) towards 2007. This was followed by further minor decreases towards 2010 (0.8% nationally and 12.2% provincially) and 2012 (0.7% nationally and 11.4% provincially).
- The contribution of Construction towards national GVA declined steadily between 2001 and 2012 (from 1.7% to 1.0%), with only a minor variation in the 2010 (up slightly to 1.4%) data. The contribution to provincial GVA initially increased between 2001 and 2004 (from 38.3% to 42.3%), but has since declined steadily to well below the 2001 contribution (to 34.6%).
- Trade remained similar at the national level between 2001 and 2012. At the provincial level some of the initially strong growth between 2001 and 2004 were lost, falling to around the 2001 contribution.
- Nationally, Transport's contribution showed some fluctuations. Provincially the strong growth between 2001 and 2004 (from 44% - 50.7%) was reversed by a drop of 8.7 percentage points between 2004 and 2012. By 2012 Transport had lost the position as the sector in which MMM had the highest percentage share in the Free State.
- In Finance, the national contribution showed significant fluctuations ranging from 1.3% in 2004 to 2.1% in 2007. Provincially an increase of 5.3 percentage points was recorded between 2001 and 2004, however all of this has since been eroded and finance is now below the 2001 contribution.
- Community services has more or less retained its proportional share nationally between 2001 and 2012. However, at district level there has been slow but steady growth between 2001 and 2012.

Overall, the above picture portrays a situation in which MMM's contribution to the national economy has remained about the same as in 2001, but in terms of the Free State itself, the contribution increased considerably between 2001 and 2004 before showing steady decline towards 2012.

### **2.1.7.2 An analysis of detailed economic sectors in the MMM**

#### **AGRICULTURE**

Agriculture contributed 1.5% of the MMM economy in 2012. In respect of the sub-sectors, Agriculture and hunting are the main sub-sector contributing nearly 99.8% of the GVA contributions in Agriculture, around 0.2% comes from Forestry and logging. The dominance of Agriculture and hunting is expected to continue. It should be noted that the contribution of both Agriculture and Forestry and logging seemed to be in decline between 2001 and 2007. However, since then there appears to have been steady growth. Though Agriculture and hunting has been growing at 6.18% per annum between 2007 and 2010 and 4.10% between 2010 and 2012 the net effect between 2001 and 2012 was still an annual decline of 0.71%. The small scale of Forestry and logging means that the initial decline and subsequent growth, though proportionally larger, are of lesser importance.

#### **MINING**

Historically, Mining has played a small role in the economy of MMM. Currently, Mining contributes only 0.4% of the GVA in MMM. The biggest proportional contribution in Mining still comes from Other mining and quarrying (76.0%), while Mining of metal ores have significantly increased its contribution (from 18% in 2010 to 24.0% in 2012) (Figure 5). The downward trend in respect of metal ores and other mining between 2001 and 2004 have It should also be noted that the sub-sector contribution of Collection, purification and distribution of water declined from 8% in 2001 to 4.6% in 2007 before almost tripling in five years to current levels reversed since 2004, with strong growth in both sub-sectors. Mining of metal ores has shown strong growth since the initial contraction between 2001 and 2004. Most recently, between 2010 and 2012, Mining of metal ores grew at 14.32% p.a. between 2010 and 2012, averaging 12.12% p.a. between 2001 and 2012. Other mining and quarrying activities contracted between 2001 and 2004 and again between 2010 and 2012 (most recently contracting 12.50% p.a.), though still averaging growth of 7.63% p.a. between 2001 and 2012 due to strong growth between 2004 and 2010.

#### **MANUFACTURING**

Manufacturing is currently contributing about 2.4% of GVA in MMM a significant reduction from 3.5% of 2007 and a massive reduction from 6.5% in 2004.

In this regard the following issues are critical:

- The sub-sector with the largest GVA contribution is in Food, beverages and tobacco products, contributing 29.2% of the Manufacturing output in MMM. This is larger than the 27.6% of 2007, however, is still less than the 31% in 2001.

- Furniture and other items make up 16.5% of GVA, after initially increasing its proportional share between 2001 and 2007, followed by Fuel, chemicals and rubber products (14.4%). Fuel, chemicals and rubber remained largely the same since 2001.
- The following sub-sectors contribute between 5%-10%: Transport equipment, Textiles, Wood, Metal products and Electrical machinery.
- The two sub-sectors with the lowest proportional contribution are Electronics and Other non-metallic minerals (with 1.2% and 1.9% respectively of Manufacturing GVA).
- The continued and growing dominance of Food, beverages and tobacco products largely confirms a Manufacturing industry geared to local need. However, and more importantly, some of the changes in the sub-sectors should be considered.

## **ELECTRICITY, WATER AND GAS**

This sector is subdivided into two sub-sectors, namely Collection, purification and distribution of water, as well as Electricity, gas, steam and hot water supply. The former sub-sector contributes 14.7% of the total GVA in this sector. The remainder of the output is made up of Electricity, gas, steam and hot water supply, it's important to note the following:

- Electricity, gas steam and hot water supply have exhibited a steady decline that averages 5.83% p.a. between 2001 and 2012.
- In the case of Collection, purification and distribution of water the decline has been more considerable (-21.16% per annum) between 2004 and 2007, though this has been ameliorated to a significant extent by growth of 18.24% p.a. between 2007 and 2010 and growth of 25.56% p.a. between 2010 and 2012.

## **TRADE**

The largest percentage is captured in Retail Trade and repairs of goods (57.8%) followed by Wholesale and commission trade (24.6%), Sale and repairs of motor vehicles and sale of fuels (13.2%) while Hotels and restaurants contribute 4.4%. These proportional contributions have stabilized after it changed considerably between 2001 and 2004, with Retail trade and repairs of goods contributing 30%, Wholesale and commission trade 46%, Sale and repairs of motor vehicles and sale of fuels 16%, and Hotels and restaurants contributing 8% in 2001.

Major tourist events, such as the Mangaung African Cultural Festival (MACUFE), also contribute to the Trade sector. A 2009 study found that the total expenditure of attendees was calculated as R38 977 754.413 (R48 277 393.16 in 2012 prices). Of this R20 510 239.27 (R25 403 743.75 in 2012 prices) was spent by MMM residents and R18 467 515.12 (R22 873 649.38 in 2012 prices) was spent by visitors.

## **TRANSPORT**

Post and telecommunication contributes over half (54.2%) of the GVA in this sector ahead of Land and water transport (39.8%). Air transport and transport supporting services contribute 6.0%. While there was a brief increase in the relative contribution of Land and water transport in 2004, with a concurrent decrease in Post and telecommunication, Land and water transport has been steadily ceding to Post and telecommunication. This trend is driven by continued contraction (between 2007 and 2012) in the Land and water transport sector. Since 2007, Air transport and transport supporting activities have also steadily increased its relative contribution due to relatively stronger growth.

## **FINANCE**

The Finance sector in MMM is increasingly dominated by Finance and insurance (68.5%) Real estate activities (15.2%) surpassed Other business activities (16.3%) trails in proportional share, occasionally switching places, Finance and insurance as a sub-sector experience the largest growth per annum during the 2001 - 2004 period and, to an greater extent, the 2004 - 2007 period. The growth for other business activities was 4.1% per annum for the 2001 – 2004 period and 23.1% per annum for the 2004-2007 period. While the Real estate sub-sector had only grown at 1.1% per annum between 2001 and 2004, increasing to 14.2% between 2004 and 2007, it has shown significant growth since 2007 (26.5%). This brings Real estate activities to the highest average per annum growth rate between 2001 and 2010. Botshabelo seemed to be experiencing contraction in all three sub-sectors of Finance between 2004 and 2007 after initial contraction in Real estate activities were already evident since 2001. However, this trend has recently reversed with Botshabelo again showing growth in all three sub-sectors

## **COMMUNITY SERVICES**

The largest contribution within Community services originated from Public administration and defence activities (34% in 2004 and 38% in 2007/2010). Health and social work, in second with a 24% contribution, has surpassed Education (22%). Other service activities contribute 16% of the total GVA for Community services in MMM. Due to the relative consistency of government spending in these sectors Public administration and defence activities, Education, and Health and social work have shown consistent and occasional high growth. Education and Health and social work experienced its slowest growth between 2001 and 2004 (both at just over 1% growth p.a.) but have seen growth rates in excess of 4% p.a. since then. Other service activities, which is more exposed to the vagaries of the business cycle, have seen relative stagnation between 2001 and 2007 (averaging between 0.13% and 0.36% p.a. growth), sharp growth of 12.70% p.a. between 2007 and 2010, but have retracted (-4.27% p.a.) between 2010 and 2012.

### **2.1.7.3 Informal sector contribution in Mangaung Metropolitan Municipality**

A study has revealed that provision of basics such as bread, paraffin, candles etc. at prices perceived to be reasonable at times, through negotiated or arranged terms of payments is a necessary economic

intervention in South Africa, In 2002/03 the informal retail business was found to have contributed an estimated 28.4% of South Africa's GDP In 2002, South Africa's informal outlets contributed an estimated 10% of the potential retail trade (amounting to approximately R32 billion) of this, the share of spaza shops amounted to approximately 2.7% of the retail trade with a total sales volume of just more than R8 billion It is estimated that in 2006, the informal retail industry (spaza shops) contributed about 320 000 job opportunities. Below see 7 most prominent products found in Spaza shops in Mangaung

**Table 2.2 : Seven prominent products found in spaza shops**

Item	% of households purchasing this product	Average amount spent in rand	Market value of the product	% of total spaza shop market	% of Mangaung Market
Bread	69,6	87,26	65,634,823,61	15.0	76.1
Airtime	56,2	107,56	65,232,509.95	14.9	65.2
Alcohol	15,0	235.00	38,091,399.66	8.7	62.7
Paraffin	34,4	91,55	34,013,989.88	7.8	54.1
milk	37,1	56,71	22,722,252,95	5.2	58.8
cigarette	24,1	74,12	19,303,697.81	4.4	70.1
cool drinks	37,4	39,68	16,043,299.83	3.7	66.2

University of the Free State: 2012

Evidence from quantitative data suggests that basic business skills especially amongst South African entrepreneurs are often lacking. Despite its lack of recognition by most governments in developing countries (South Africa included), informal retail sector continues to thrive as a potential source of local economic development and thus, a source of employment. Mangaung situation further demonstrates that a thriving informal retail business sector, like elsewhere in other developing countries could be attributed to social networks and social capital amongst these informal traders. The City needs to develop appropriate by-laws for regulating the informal sector and creating conducive environment for its growth.

#### **2.1.7.4 Employment**

Net job creation has varied significantly between 2001 and 2012, with 14 531 net jobs added to the Mangaung economy. This represents a 9.7% increase over 11 years. The largest loss was between 2004 and 2007 (when 9 168 jobs or 5.9% of jobs were lost) and the largest gain was over the following period, 2007 to 2010 (when 15 868 jobs or 10.8% of jobs were added).

Community services created a net gain of 18 640 job opportunities between 2001 and 2012. This is especially large when considering that MMM only gained 14 531 net jobs over the same period, indicating that it was compensating for significant losses in other sectors. However, the sector also had

the largest single absolute loss (5 794 jobs between 2004 and 2007) and gives an indication of the danger of depending too heavily on a single employer (the state). The sector that lost the largest proportional share of its jobs was Mining, which shed 37.9% of its jobs between 2001 and 2012, followed by Agriculture, which shed 21.8% of its jobs during the same period, and Electricity, which shed 20.3% of its jobs.

The largest proportional gain in employment was in Services, which increased its employment by 35.7% between 2001 and 2012 followed by Construction at 23.1%. The labour absorption rates of Construction – especially in respect of low-skilled people - should be noted.

Finance has been slow in terms of job creation and quick to shed jobs in times of contraction. During peak growth of 23.54% p.a. between 2004 and 2007 Finance shed 1.5% of its jobs, though this was followed by 18.5% job creation between 2004 and 2007. During contraction of 3.98% p.a. between 2010 and 2012 Finance shed 11.7% of its jobs. Despite this, Finance placed third in terms of proportional growth between 2001 and 2012, adding 575 jobs.

#### 2.1.7.4 Income levels

<b>Income category</b>	<b>1996</b>	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>	<b>2012</b>
0-2400	1.8	1.7	1.3	0.5	0.1	0.0
2400-6000	5.2	6.9	5.5	3.0	1.1	0.0
6000-12000	18.4	15.1	12.3	8.9	5.7	4.4
12000- 18000	14.1	13.2	12.0	10.6	8.0	6.6
<b>CATEGORY 1</b>	39.5	36.9	31.0	23.0	14.9	11.1
18000 -30000	19.3	17.4	16.0	14.1	12.4	11.4
30000-42000	12.5	11.3	11.3	11.9	12.4	14.2
42000 -54000	6.4	6.7	7.5	8.7	9.7	10.6
<b>CATEGORY 2</b>	38.1	35.4	34.8	34.7	34.5	36.2
54000-72000	4.8	6.3	7.3	8.7	9.8	10.0
72000-96000	4.8	4.7	5.6	6.8	8.1	8.4
96000-132000	5.6	4.7	5.2	6.3	7.8	8.1
132000-192000	4.2	4.7	5.3	6.3	7.3	7.2
<b>CATEGORY 3</b>	19.5	20.4	23.4	28.0	33.0	33.7
192000 – 360000	2.2	4.9	6.6	8.3	9.6	10.0
360000+	0.7	2.4	4.1	6.0	8.0	9.0
<b>CATEGORY 4</b>	2.9	7.4	10.7	14.3	17.6	19.1
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0

#### 2.1.8 Basic service delivery- infrastructure analysis

##### 2.1.8.1 Housing

South Africa has been experiencing rapid urbanization for decades, and this will continue to happen particularly in metropolitan areas and major towns. Combined with increasing urban poverty, chronic shortages of serviced land and adequate housing and inadequate urban policies and planning approaches, large numbers of urban dwellers have had few other options than to settle in life and at



times health threatening conditions. This situation is posing a significant threat to the social, economic, and environmental sustainability of cities.

The significant increase of the city's urban population leads to a crisis of unprecedented magnitude in urban shelter provision. All these new urban citizens need to be provided with adequate shelter, employment and with urban basic services. The limited capacity of most urban economies (in cities) is unable to meet all these needs; which range from tenure security, serviced stands/land availability, provision of infrastructure services, socio-economic facilities, availability of appropriate construction materials and building technologies, poverty, high unemployment, and vulnerability.

The City of Mangaung is not immune to all these challenges. It has a huge housing backlog compared to other municipalities in the Free State. 90.6 % of the population lives in the urban area; 6.9% in rural or traditional areas and 2.5% of the population lives on farms

	<b><i>Formal dwelling</i></b>	<b><i>Informal dwelling</i></b>	<b><i>Traditional dwelling</i></b>	<b><i>Other</i></b>	<b><i>total</i></b>
<i>Formal residential</i>	172028	14132	1789	1206	189155
<i>Informal residential</i>	5732	13818	206	511	20267
<i>Traditional residential</i>	2885	225	887	61	4058
<i>Farms</i>	4851	353	48	92	5345
<i>Parks and recreation</i>	273	23	3	1	300
<i>Collective living quarters</i>	2912	56	10	16	2994
<i>Industrial</i>	421	192	1	13	627
<i>Small holdings</i>	2307	165	34	35	2542
<i>Vacant</i>	669	3378	56	26	4529
<i>Commercial</i>	2049	5	15	35	2104
<i>Grand total</i>	194127	32747	3054	1996	231921

**Figure 2.6 below provides the percentage distribution of households by type of main dwelling in the City.**

The City has experienced an increase in the provision of formal housing; from 83.7% (200 655 formal dwellings) in 2011 to 87, 1% (230 263 formal dwellings) in 2016.

An internal investigation by the Municipality during 2010 revealed that the current housing backlog stands at approximately 53,820 houses in Mangaung, the bulk of which are residing in the Mangaung Township. This figure has increased to 58 820 during 2011.

In addition to the existing municipal rental stock that consists of 361 units excluding plot houses, the City is implementing the following Social Housing and Community Residential Units (CRU) Projects that are geared towards the refurbishment and construction.

## Social Housing

Project	Units	Status
Brandwag	1051	Phase1 – 402 completed and occupied. Phase 2 - 341 completed and 300 occupied. Phase 3 – 154 under construction.
Hillside View	1802	Phase 1 – 402 under construction.

## Community Residential Units – CRU

Project	Units	Status
Dark and Silver City	811	under construction
White City	40	Under construction

***These projects provide affordable shelter to communities in the area closer to work opportunities.***

### 2.1.8.2 Electricity

Centlec, a Municipal utility, is responsible for providing electricity in Mangaung. When a development within the urban area occurs it is necessary to do electrical design in such a manner that will make provision for electrical supply capacity for a number of years to come. The ongoing growth due to the new developments over the years results in electrical load growth as well. Centlec is faced with the following challenges concerning the lack of investment in respect of electrical infrastructure:

- Accelerating the provision of household electricity connections;
- Fast-tracking the completion of Fichardtpark, Cecilia Park Distribution Centre and Northern Ring from Noordstad to Harvard Distribution Centres and Airport Development Node sub-station;
- Recruiting additional staff;
- Fast-tracking supply chain management processes; and
- Enhancing debt collection strategies on the electricity services arrears debt.

The city is providing electricity services to 253 515 households.

### **2.1.8.3 Solid waste**

208 294 households throughout the municipality receive kerb-side waste removal services while for the period ending December 2015 and thus exceeded the set annual target by 29 927 households.

Most Municipal areas have access to waste services, whilst rural areas, farms, small holdings and some informal areas do not have access to the service due to, amongst other, accessibility and distance. Low availability of fleet and equipment and lack of skilled personnel exacerbates the situation.

The currently utilised landfills are permitted but are not being operated in accordance with the permit requirements and are therefore non-compliant. Land filling operations are being improved to ensure operational Compliance.

### **2.1.8.4 Current level of services, demands and backlogs**

The current level of internal services infrastructure is indicated in detail per service type in **Annexure D**, whilst the backlogs are summarised below.

#### **a) Water**

The city provide water services to 260 726 households and there is backlog of 3 587 households

#### **b) Sanitation**

The city provide sanitation services to 192 624 households and there is a backlog of 71 689 households, the city has embarked on a 6 year programme of upgrading VIP and bucket into a decent sanitation.

#### **c) Roads**

40.04km of roads in the city are all weather roads and there is a backlog of 2246km.

#### **d) Storm water**

MMM's bulk stormwater consists of approximately 56 km of major stormwater canals. The capacity of the major systems varies from a 10-25 year storm frequency depending on the area to be served. In general there are no major capacity constrain in the major systems, however some portions of the major systems need serious rehabilitation regarding vegetation and structural collapses. MMM is making use of a Stormwater Management System (SMS) to determine the flows and capacities of the stormwater conduits. There are contractors appointed on a 3 year contract to do rehabilitation work on the major stormwater systems, but more funding will be needed to cater for the total rehabilitation need.

**e) Solid waste**

The following projects and initiatives are being implemented;

- Rehabilitation and official closure of Thaba Nchu landfill site;
- Upgrading of all the three permitted landfill sites ;
- Establishment of a waste transfer station in Thaba Nchu;

***The following additional projects will be funded by the Department of Tourism and Environmental Affairs (DTEA);***

- Establishment of 5 drop –off/recycling facilities in Mangaung.
- Establishment of a waste transfer station in Thaba Nchu (in Mangaung current budget but also additional funding from DEA).

**f) Roads and Storm water**

The Table below shows the fair (Current) value of the MMM roads and storm water assets. It shows that Mangaung Metro Municipality must annually invest a minimum of **R93.4 million** on roads and storm water to ensure that these services do not exceed its optimistic remaining useful lives. The table also indicates the optimistic remaining useful life, the annual replacement cost and the subsequent shortfall.

Service	Fair Current Value	Remaining Useful Life (Optimistic)	Annual Replacement Cost	Provided on Annual Capital Budget	Annual Shortfall
Roads and storm water	R3,019,800,000 R 702,000,000	25 70	R 120,792,000 R 10,028,571	R 32,850,000 R 4,500,000	R87,942,000 R 5,528,571
total	R 3721,800,000		R 130,820,672	R 37,350,000	R 3,470,571

## PART B: DEVELOPMENT STRATEGIES

### CHAPTER 3: DEVELOPMENT STRATEGIES

#### 3.1. VISION

On 30 September 2011, the Executive Mayor of Mangaung Metropolitan Municipality, Cllr TM Manyoni, during his inauguration, envisioned that the municipality will be striving to be a progressive municipality that is '**... globally safe and attractive to live, work and invest in**'.

In line with the vision of our metro as a "globally safe and attractive municipality to work, invest and live in" the following elements are part of this vision:

- A democratic municipality, rooted in the Constitution, working with all sectors of the society to improve the quality of life of the people of Mangaung;
- A municipality whose community is united in diversity, recognising our common interests and greater equality of women;
- A municipality that provides high quality of service delivery and is constantly striving to ensure value for money;
- Create an ideal environment for our people to be able to work and have access to jobs and ensure that workers' rights are protected and the workforce skilled;
- Build a municipality that ensures that business is afforded an environment to invest and profit while promoting the common interests of the community, including descent work;
- An efficient municipality that protects local citizens, provides quality services and infrastructure as well as providing leadership for local development;
- Ensure that individual and communities embrace mutual respect and human solidarity
- A municipality that works closely with other spheres of government, business and civil society to build a better metro, province and country.
- A municipality that is vigorously driving the pro-poor agenda and intervening strategically and programmatically in breaking the cycle of poverty;
- The municipality that is alive to and recognises its operational context of the municipality, the city region, the province and being part of the country

#### 3.2 IDP OBJECTIVES

The Consolidated 2016/17 IDP objectives are:

##### 3.2.1 Economic Development

The objective aims to grow and develop the economy through working programmatically with a wide range of stakeholders (*other spheres of government, academic institutions, medical associations,*

*business and civil society*) and exploiting the full strength inherent in our economy. The municipality will be placing specific emphasis on the following:

- Attracting both local and international investors
- Building partnerships for improving skills and capacity building
- Broadening partnership in economic development
- Promote competitiveness in the local market.
- Facilitate Industrial Development and Integrated Human Settlement Development towards the east of the City, especially along the vicinities of N8 Development zone.

Deliberate efforts will be expended to ensure that the development benefit the poor and ensure that we de-racialise the built environment to be accessible to the poor for eking out a living and deal with inherited and distorted spatial patterns.

We need to work in ensuring that ***the economy is growing in a complex and sustained way***, forge links with other cities on Human Development Strategy, skills, health and security. These interventions should be highlighted in the IDP and should articulate how as the City we are intervening on economic growth and what has been the effect.

A process of identifying and agreeing on what is a ***comparative and competitive edge*** of the municipality in relation to other municipalities and cities should be unfolded, primarily within the ambit of the City's growth and development strategy to inform future development trajectories of the City. We need to tease out locational advantage of Mangaung within the national and international space and harnessing opportunities such as Business Process Outsourcing and Out-shoring (BPO & O). We need to determine which sectors of the economy and corresponding projects will be anchoring economic development.

### **3.2.2 Built Environment**

This objectives aims to deal with distortions of the municipality's spatial configuration as it relates to housing, transport, economic development and community infrastructure. This matter should be progressively dealt with as it is critical to the economy of the city and its long-term financial viability.

The municipality will be striving towards the rejuvenation of the Central Business Districts (CBDs) of Bloemfontein, Botshabelo and Thaba Nchu to transform these into vibrant and integrated centres for our people, providing basic services, 24-hours centres of interaction, with active investment by both the private and public sectors. The municipality will explore using a bridge as an instrument to link city spaces where possible. Using some of the land *parcels particularly VISTA area for dealing with inherited spatial distortions. Develop and implement a clear initiative at Botshabelo and Thaba Nchu and determine what type of industries should be attracted;*

Furthermore, the municipality will strive to ensure that its future built environment must at least provide for:

- Development of suitably located and affordable housing (shelter) and decent human settlements;
- Transforming our CBD, including the CBDs of Botshabelo and Thaba Nchu as indicated (*moving towards efficiency, inclusion and sustainability*)
- Building equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion).
- De-racialising the built environment through the accelerated release of land and the development of the seven land parcels of Cecilia, Brandkop, Pellisier, Vista Park and Hillside View, to bring integration and create economic opportunities.

The reviewed spatial development framework, will not only provide normative guidelines on future land projections, but will also direct new developments eastward so as to integrate both Botshabelo and Thaba Nchu in the realisation of the N8 Corridor Development. ***N8 Corridor Development will be implemented*** with clear and time bound three / four projects. Need to tease out what impact will N8 Development yield on other parts of the City and CBDs.

The City has embarked on a comprehensive built programme to install bulk and reticulation infrastructure related to water and sanitation services. The City will be dealing with a challenges on ensuring reliability of water supply from the source and hence will be implementing Gariep Water Pipeline project.

***Land development*** should be approached in a strategic and holistic manner; a single project approach was endorsed. An astute and visionary political leadership is imperative in relation to land development and inherent interest. Identify and develop ready to use land (that is serviced and planned). ***Conceptualise and implement a flagship projects with mixed land use and housing typologies.*** We need to establish a planning forum in the City that includes the participation of the province. We need to be the active players in planning the development trajectories of the City space. We need to immediately develop intelligence around why houses were not developed (incomplete), what is the magnitude of the problem, to enable us to engage with other sectors from the position of strength.

The municipality is conscious of a number of factors that inhibits speedy allocation of land for local economic development, for example, illegal occupations and land under the control of tribal authorities. However, we are in the process of finalising title deeds discrepancies with tribal authorities (Department of Land Affairs).

The municipality will be interacting periodically with the provincial and national departments who are involved in land development value chain to expedite and finalise township registers, and we will identify land and allocate sites where professionals (*such as nurses, police, teachers, etc*) can access land to build houses.

There is a need of dealing with ***inherited spatial distortion***; we need to use space for visualising and representing what Mangaung City is all about.

### **3.2.3. Public Transport**

This objective is geared towards reviving the public transportation system in the city and the upgrading and development of attendant infrastructure.

The municipality will take advantage of infrastructure and economic legacy of the 2010 Soccer World Cup, wherein the government developed Integrated Rapid Public Transport Network (IRPTNs) to ensure safe, efficient and affordable public transport, towards reshaping of public transport in South Africa and ultimately introducing priority rail corridors and Bus Rapid Transit (BRT) systems in cities. In this regard, the plan to begin with the construction of the IRPTN was halted and Mangaung is now committed to reviving our efforts on IRPTN so that our people and elsewhere coming to our metropolis have accessible, reliable and safe public transport.

Progressively develop and ensure certainty of the ***public transport system*** and proactively engage the Department of Transport to determine that other grants are available and would be accessed by the City.

The City has since leveraged resources from the Public Transport Infrastructure Grant (PTIG) to develop an Integrated Public Transport Network (IPTN).

### **3.2.4. Rural Development**

The municipality will strive towards facilitating rural development to militate against rampant poverty afflicting citizens inhabiting rural areas, provide basic services and implement local economic development projects. The municipality will adopt and implement an extensive integrated and sustainable rural development strategy, to capitalise on potential synergies among the various government programmes in order to promote and support more rapid and equitable rural development.

The Metro will also be looking at piloting an Agri park in Thaba Nchu during the financial year 2015/16. An Agri – park is a combination of a working farm and a municipal park that is located at the urban edge. The Concept of Agri Park involves the broader agricultural value chain in a typical rural setting,



whereby completely processed products are sold to the immediate market or the nearby markets. The park serves as transition or buffer zones between urban and agricultural uses and as a Metro we shall be using the Agri Park in Thaba Nchu to kick start the economy of the fairly rural node.

### 3.2.5. Provision of effective and reliable services

Harness opportunities for "**bulk infrastructure**" by proactively and systematically engaging sector departments and build a strong business case for leveraging additional resources. Capital outlay needed to deal with infrastructure backlog estimated at R2 billion seem prohibitively high, but if these is dealt with within the MTREF period it seem doable. Infrastructure development is a primary instrument to support economic growth and development. We need to ensure that all developers contribute to bulk and we need to make retrospective claim against past development to developers. A comprehensive bulk Infrastructure Master Plan should be developed and this should provide guidance on futuristic development charges. We need to exploit the existing "bulk infrastructure" capacity in the North and facilitate land development thereon.

The primary task of a municipality beyond and above its developmental mandate is the provision of basic services to its intended clients being households, business and service providers, the MMM in context with the backlogs that it has in housing it must therefore develop intervention strategies to curb this further backlash, it is however known and appreciated that this kind of backlog can never be absolutely demolished because of in migration, fertility and other economic activities, the MMM as a lodestar of the province is prone to these developments.

Further it is encouraging that a very few households mostly informal are without electricity and all efforts are being carried out to ensure that all households have access to clean water by 2020.

### 3.2.6 Water Services development

*We need to ensure that there is **reliable water supply service** and explore means of meeting future water demands of the City as **BloemWater** does not provide adequately for future development priorities of the City.*

*A **comprehensive water demand management programme** should be implemented as expeditiously as possible to reduce the water line losses (that include civic education programme, community plumber's programme and replacement of ageing infrastructure). We need to recognise that South Africa is a water-scarce country and issues such as rain water harvesting should be explored.*

*Adopt a **balanced development to infrastructure develop** and ensure that extending infrastructure development to areas with no or minimal services will not have an unanticipated consequences of ageing the infrastructure in the well developed and serviced area of the City.*

### 3.2.7 Integrated Waste Management

Waste Management planning should be contextualised within the framework of national government, provincial government, district municipality and local municipality legal regulatory and policy framework. Development in Mangaung can be described from a waste management perspective as follows:

- Bloemfontein incorporates integrated residential, commercial and industrial development. This area has well developed infrastructure with substantial road networks and good access to all points of waste generations
- Botshabelo was established in 1978 as apartheid engineered town for displaced people in the Free State, Development is substantially formal with a substantial internal road network providing access to most households.
- Thaba –Nchu has been a home of Tswana people in the Free State for more than 180 years. Thaba-Nchu consists of urban area with private land ownership and rural area of both private communal land people living in 37 scattered villages. Development is fairly formal with an internal road network providing access to most households
- 23% of MMM area is farm land with a further 2% covered in small holdings and as such presents a new challenge to the expanded municipality, the area has basic road infrastructure

### 3.2.8. Revenue Enhancement

This objective aims at restoring and stabilising the financial position of the City and achieving net-gains in revenue enhancement to ensure maintenance of existing assets, services, extension of services to underserved areas and investing in infrastructure for growth and exploring new avenues for revenue.

***Revenue enhancement plan should be implemented expeditiously*** - commence with the process of reducing the salary bill, and lodge claim retrospectively with Citizens that have been receiving services from the City but were never billed to date. This should be preceded by a comprehensive diagnosis of the state of the municipal finance to inform our "Clean Audit 2014" initiative and the revenue enhancement plan.

### 3.2.9. Mainstreaming of Poverty Reduction

This objective at facilitating intervention programmes in partnership with critical stakeholders to have a positive knock on effect on poverty reduction in the city.

**Mainstreaming of poverty reduction** across programmes of the City to deal with rampant poverty and contribute towards food security as poverty is localised in our townships and Thaba Nchu and Botshabelo being the most affected. We need to determine what impact will be yielded by these programmes.

We need to intervene strategically and ensure that the creation of a sub-node in Botshabelo will have a bearing on poverty alleviation, but we need to ensure **that a pro-poor approach is a common thread** that runs through the way we do business as a municipality.

### **3.2.10 Youth and Gender development**

As discussed in the analysis MMM population is fairly young and is mostly female, it is important that development objectives and strategies of the municipality culminated through its projects reflect the youthfulness of the city. There is still a large imbalance in our society with black women still at the bottom of the beneficiation chain, black male are second to women at just above 25% unemployment rate.

Young people and children between the ages 0 -14 are the most in MMM thus properly the municipality to enhance its efforts on early childhood development, youth programmes and projects aimed at supporting women development

### **3.2.11 Spatial Planning**

The challenge our country sits with including the Mangaung Metropolitan is the skewed spatial patterns that were designed under the apartheid regime, The MMM should in its attempt to develop its communities deal with this matter of skewed spatial patterns that exist, in line with this challenge sits the problem of pockets in most Mangaung townships which limits economic activity in most cases which are far from economic areas.

Poor people particularly black travel far to access services, economic and employment centres, this not only hampers deeply on the already strained resources of these people but also represent a single most difficult challenge of defeating poverty and unemployment.

The spatial development framework of the municipality must embrace the concept of integrated human settlements; its intention should embrace environmental management and assist communities to access economic activities

## **3.3 DEVELOPMENT CHALLENGES AND PRIORITIES**

The city has facilitated a series of public engagement and meetings with critical stakeholders to solicit input on the IDP so that the consolidated IDP for 2016/2017 financial year would be developed. These

engagements and meetings with stakeholders assumed public consultative meetings format to solicit development priorities of all wards in the City.

A tabular representation of these challenges, development priorities and corresponding opportunities is hereto attached.

**Table: 3.1 An overview of challenges, development priorities and opportunities (Key Focus Area)**

	<b>Challenges</b>	<b>Priorities</b>	<b>Opportunities</b>	<b>Threats</b>
<b>Municipal Transformation and Institutional Development</b>	<p>Shortage of personnel in critical division – infrastructure departments,</p> <p>Quality of reporting and performance information</p>	<p>Strengthening of critical service delivery division</p> <p>Improving quality of performance information (setting of KPIs by departments)</p>	<p>Assigned metropolitan status provide an opportunities for embarking on an extensive organizational review in the medium to long term</p> <p>Strong and credible monitoring and evaluation</p> <p>Attainment of clean audit</p> <p>Enabling policy and legislative frameworks on staff establishments</p>	<p>Capacity to deliver on assigned developmental mandate</p>
<b>Service Delivery</b>	<p>Housing backlogs and incomplete housing projects;</p> <ul style="list-style-type: none"> <li>• Illegal settlements and land invasions in areas/lands planned for different development</li> </ul>	<ul style="list-style-type: none"> <li>• Building of mixed housing (BNG, Gap Market and Bonded Houses);</li> <li>• Attainment of Level 2 accreditation for Housing Delivery;</li> </ul>	<ul style="list-style-type: none"> <li>• BNG, Gap Market and Bonded Houses);</li> <li>• Level 2 accreditation for Housing Delivery;</li> <li>• Accelerating development of seven (7) land parcels ;</li> </ul>	<p>Social protest – communities demanding housing</p>

	Challenges	Priorities	Opportunities	Threats
	other than residential;			
	<ul style="list-style-type: none"> <li>• Massive service delivery and infrastructure backlogs in the townships and rural areas – roads and storm-water</li> <li>• Inadequate funding for key service delivery projects and programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate the programme of upgrading roads and storm-water in township;</li> <li>• Development and implementation of a comprehensive storm-water master-plan</li> <li>• Increase pace of eradicating sanitation backlogs</li> </ul>	<p>Replication of Township Revitalization Programme that borne result at Batho Location;</p> <p>Availability of City Support Programme that will be providing resources for Township Revitalization</p> <p>Expanded bulk services to support eradication of backlogs</p>	<p>People houses being flooded during inclement weather</p> <p>Rising claims lodged against the municipality <i>Limited resources at the disposal of the City</i></p> <p>water scarcity</p>
	Ineffective service delivery – refuse and waste collection	<ul style="list-style-type: none"> <li>• Implementation of Integrated Waste Management Plan and purchasing of compaction trucks for waste removal services.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular waste removal services and building of transfer stations at strategically located sites</li> <li>• Promotion of green environment.</li> <li>• Regular and reliable water supply</li> </ul>	<p>Degradation of the environment; Community protests</p> <p>Illegal dumping may threaten the health and safety of citizens</p>
<b>Service Delivery...</b>	Ageing service delivery infrastructure (including electricity and water line	Implementation of Water Conservation and Demand management Programmes.	Adequate budgeting for implementation to Water Demand Management;	Wastage and losing of monies as result of water loss;

	<b>Challenges</b>	<b>Priorities</b>	<b>Opportunities</b>	<b>Threats</b>
	losses) and utilities (fleet);  Unavailability of water at source and declining dam levels	Development of electricity business strategy that also deal with green energy and future development outlook  Implementation of bulk water augmentation programme	Partnering with government to embark on a project to ensure reliable water supply – explore a pipeline <b>sourcing water from Gariep Dam</b>  Water Conservation and harvesting of water  Civic education on the use of water	Unreliable water supply due to demand exceeding the supply. Water usage by citizens – gardening, car washes
	Maintenance of service delivery infrastructure and utilities (including fleet)	Implementation of Refurbishment and Rehabilitation programmes Multiyear capital program to ensure assets are indeed replaced at the end of their economic life Reviewing turn-around time of servicing service delivery utilities/vehicles	Making adequate provision for rehabilitation of infrastructure	Correct use of infrastructure by communities
	Poor performance in capital programmes;	Implementation of Capital Infrastructure Procurement Plan  Spending of grant funding ahead of own funds to meet spending norms	Enhancing future planning and contract management  Fast-track delivery of programmes and project.	Loss of capital grants and community dissatisfaction about service delivery
<b>Key Focus Area</b>	<b>Challenges</b>	<b>Priorities</b>	<b>Opportunities</b>	<b>Threats</b>

	Challenges	Priorities	Opportunities	Threats
<b>Local Economic Development</b>  <b>Drought</b>  <b>Slow delivery of rural development initiatives</b>	<ul style="list-style-type: none"> <li>• Provision of land to accommodate emerging township small farmers</li> <li>• Availability of economic marketing strategy and investment attraction strategy</li> <li>• Availability of reliable public transport</li> </ul>	<ul style="list-style-type: none"> <li>• Providing commonages in partnership with the Department of Agriculture to accommodate farming activity and grazing of animals</li> <li>• <i>Implementation of BRT system</i></li> </ul>	<ul style="list-style-type: none"> <li>• Providing commonages in partnership with the Department of Agriculture to accommodate farming activity and grazing of animals</li> <li>• Roll out of IPTN</li> <li>• R600 million budget allocation.</li> <li>• Agri Park development</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of land</li> <li>• Food security</li> <li>• Worsen poverty</li> <li>• Structural layout of city road infrastructure</li> <li>• Availability of adequate funding</li> </ul>
<b>Financial Viability and Sustainability</b>	<ul style="list-style-type: none"> <li>• Negative audit opinion should be dealt with through assembling a team to deal with issues raised by the Auditor – General in a systematic and programmatic manner</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and Implementation of Audit Action Plan</li> <li>• Implementation of Revenue Enhancement Strategy</li> <li>• Revenue protection and prudent cash flow management</li> <li>• Proper management and accounting of municipal infrastructural assets</li> </ul>	<ul style="list-style-type: none"> <li>• Committed management and staff</li> <li>• Stable and supportive political leadership</li> <li>• Implementation of new valuation roll and data purification</li> <li>• Rebate incentive Scheme</li> </ul>	<p>Non-compliance to internal control procedures and legislation</p> <p>Non-payment for municipal services compounded by high unemployment rate</p>

### 3.4 IDP Alignment

#### 3.4.1 IDP Alignment – Government Targets 2014 – 2019 (medium term strategic framework 2014 -2019)

Whilst all outcomes affect all spheres of government, the municipalities can only implement the government targets in line with their devolved mandate. The Metro has aligned its work with the targets with which it has direct control or devolved powers over. The same approach was also utilised in the alignment with the National Development Plan.

**Table 3.2: IDP Alignment – Government Targets 2014-2019**

National Targets 2019	Metropolitan IDP Response
<b>Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life</b>	
<ul style="list-style-type: none"> <li>▪ Adequate housing and improved quality living environments, with 1.495 million more households living in new or improved housing conditions by 2019</li> <li>▪ A functional and equitable residential property market with a target of 110 000 new housing units delivered in the affordable gap market by 2019</li> <li>▪ Enhanced institutional capabilities for effective coordination of spatial investment decisions, with a target of 49 municipalities assigned or accredited with the housing function</li> <li>▪ The title deeds for all 563 000 new subsidy units as well the backlog of 900 000 title deeds in the integrated residential housing programme will be transferred over the next five years</li> <li>▪ Informal settlement upgrading will be expanded to cover 750 000 households, ensuring basic services and infrastructure in some 2 200 informal settlements.</li> </ul>	<b>Human Settlement:</b> <ul style="list-style-type: none"> <li>• Address housing backlog</li> <li>• Provide housing opportunities</li> <li>• Upgrade informal settlements</li> <li>• Acquire land to promote sustainable human settlements (public and private)</li> </ul>
<b>Outcome 9: A responsive, accountable, effective and efficient local government system</b>	
<ul style="list-style-type: none"> <li>▪ Increase in the percentage of households with access to a functional water service from 85% in 2013 to 90% by 2019.</li> </ul>	<b>Eradication of bucket system and VIP toilets, improve and maintain infrastructure</b> <ul style="list-style-type: none"> <li>• Address roads conditions</li> </ul>



National Targets 2019	Metropolitan IDP Response
<ul style="list-style-type: none"> <li>▪ Increase in the percentage of households with access to a functional sanitation service from 84% in 2013 to 90% by 2019, including elimination of bucket sanitation in the formal areas.</li> <li>▪ 1.4 million additional households to be connected to the grid between 2014 and 2019, and 105 000 additional non-grid connections.</li> <li>▪ Income support to the unemployed through expansion of the Community Work Programme to reach 1 million participants in 2019.</li> <li>▪ An increase in the level of public trust and confidence in local government from 51% in 2012 to 65% in 2019, as measured by the IPSOS survey.</li> <li>▪ An improvement in overall municipal audit outcomes, with at least 75% of municipalities receiving unqualified audits by 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Eradicate water backlog</li> <li>• Eradication of bucket system and VIP toilets</li> <li>• Accelerate waste removal</li> <li>• City Rejuvenation</li> <li>• Address electricity backlog</li> </ul> <p><b>Financial sustainability</b></p> <ul style="list-style-type: none"> <li>• Improve customer satisfaction</li> <li>• Prudent fiscal management</li> <li>• Revenue Enhancement</li> <li>• Develop an effective asset management programme</li> <li>• Reduction of overtime in compliance to legislation</li> </ul> <p><b>Good Governance</b></p> <ul style="list-style-type: none"> <li>• Provide strategic leadership and planning with well-defined targets aligned to the budget</li> <li>• Strengthen performance management system</li> <li>• Reliable performance, operational and financial information,</li> <li>• Fraud, corruption and maladministration prevention</li> </ul>
<b>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</b>	
<ul style="list-style-type: none"> <li>▪ Stabilisation and reduction of CO2 (a 34% reduction in emissions of CO2 from “business as usual” by 2020 (42% by 2025)</li> <li>▪ Implementation of climate change responses in five critical sectors</li> <li>▪ Increasing the percentage of the coastline with at least partial protection from 22.5% in 2013 to 27% in 2019</li> <li>▪ Increasing the compliance of mines with the National Water Act from 35% in 2013 to 60% in 2019.</li> </ul>	<p><b>Environmental Management and Climate change</b></p> <ul style="list-style-type: none"> <li>• Environmental sustainability</li> <li>• Increase the environmental literacy level of stakeholders</li> <li>• Reduce the major sources of greenhouse gas emissions and catalysing the large-scale supply of clean energy</li> <li>• Energy saving</li> </ul>

#### 3.4.4 IDP Alignment - National Development Plan (Vision 2030)

IDP Alignment - National Development Plan (Vision 2030)	Metropolitan IDP Response
<b>Expand infrastructure</b>	<b>Public transport</b> <ul style="list-style-type: none"> <li>• To improve public transport system and services</li> <li>• Improve transport service delivery by grouping transport functions into a single, well-managed and focused institutional structure</li> </ul> <b>Eradication of bucket system and VIP toilets, improve and maintain infrastructure:</b> <ul style="list-style-type: none"> <li>• Address roads conditions</li> <li>• Eradicate water backlog</li> <li>• Eradication of buck system and VIP toilets</li> <li>• Accelerate waste removal</li> <li>• City Rejuvenation</li> <li>• Address electricity backlog</li> </ul>
<b>Create 11 million jobs by 2030:</b> <ul style="list-style-type: none"> <li>• Expand the public works programme</li> </ul>	<b>Poverty eradication, rural and economic development and job creation:</b> <ul style="list-style-type: none"> <li>• Economic development</li> <li>• Jobs creation</li> <li>• Rural Development</li> <li>• Poverty Reduction</li> </ul>
<b>Transition to a low-carbon economy:</b> <ul style="list-style-type: none"> <li>• Speed up and expand renewable energy, waste recycling, ensure buildings meet energy efficient standards</li> <li>• Set a target of 5 m solar water heaters by 2029</li> </ul>	<b>Environmental Management and Climate change</b> <ul style="list-style-type: none"> <li>• Environmental sustainability</li> <li>• Increase the environmental literacy level of stakeholders</li> <li>• Reduce the major sources of greenhouse gas emissions and catalysing the large-scale supply of clean energy</li> <li>• Energy saving</li> </ul>
<b>Transform urban and rural spaces:</b> <ul style="list-style-type: none"> <li>• Stop building houses on poorly located land and shift more resources to upgrading informal settlements, provided that they are in areas close to jobs</li> </ul>	<b>Human Settlement:</b> <ul style="list-style-type: none"> <li>• Address housing backlog</li> <li>• Provide housing opportunities</li> <li>• Upgrade informal settlements</li> <li>• Acquire land to promote sustainable human settlements (public and private)</li> </ul> <b>Public transport</b>

<b>IDP Alignment - National Development Plan (Vision 2030)</b>	<b>Metropolitan IDP Response</b>
<ul style="list-style-type: none"> <li>Fix the gap in the housing market by combining what banks have to offer with subsidies and employer housing schemes</li> </ul>	<ul style="list-style-type: none"> <li>To improve public transport system and services</li> <li>Improve transport service delivery by grouping transport functions into a single, well-managed and focused institutional structure</li> </ul>
<b>Provide quality healthcare:</b>	
<b>Build a capable state:</b> <ul style="list-style-type: none"> <li>Fix the relationships between political parties and government officials</li> <li>Improve relations between National, Provincial and Local Government</li> </ul>	<ul style="list-style-type: none"> <li>Good Governance</li> </ul>
<b>Fight corruption:</b> <ul style="list-style-type: none"> <li>Make it illegal for civil servants to run or benefit directly from certain types of business activities</li> </ul>	<ul style="list-style-type: none"> <li>Good Governance</li> </ul>
<b>Transformation and unity:</b> <ul style="list-style-type: none"> <li>Employment equity and other redress measures should continue and be made more effective</li> </ul>	<ul style="list-style-type: none"> <li>Poverty eradication, rural and economic development and job creation</li> </ul>

### 3.4.5 Free State Growth and Development Strategy

<b>FSGDS</b>	<b>Metropolitan IDP Response</b>
<b>Inclusive economic growth and sustainable job creation</b>	<b>Poverty eradication, rural and economic development and job creation:</b> <ul style="list-style-type: none"> <li>Economic development</li> <li>Jobs creation</li> <li>Rural Development</li> <li>Poverty Reduction</li> </ul> <b>Spatial development and the built environment</b> <ul style="list-style-type: none"> <li>Spatial integration</li> </ul>
<b>Improved quality of life</b>	<b>Service Excellence:</b> <ul style="list-style-type: none"> <li>Address roads conditions</li> <li>Eradicate water backlog</li> </ul>

FSGDS	Metropolitan IDP Response
	<ul style="list-style-type: none"> <li>• Eradication of buck system and VIP toilets</li> <li>• Accelerate waste removal</li> <li>• City Rejuvenation</li> <li>• Address electricity backlog</li> </ul> <p><b>Human Settlement:</b></p> <ul style="list-style-type: none"> <li>• Address housing backlog</li> <li>• Provide housing opportunities</li> <li>• Upgrade informal settlements</li> <li>• Acquire land to promote sustainable human settlements (public and private)</li> </ul> <p><b>Public transport</b></p> <ul style="list-style-type: none"> <li>• To improve public transport system and services</li> <li>• Improve transport service delivery by grouping transport functions into a single, well-managed and focused institutional structure</li> </ul>
Sustainable rural development	<p><b>Poverty eradication, rural and economic development and job creation:</b></p> <ul style="list-style-type: none"> <li>• Economic development</li> <li>• Jobs creation</li> <li>• Rural Development</li> <li>• Poverty Reduction</li> </ul> <p><b>Environmental Management and Climate change</b></p> <ul style="list-style-type: none"> <li>• Environmental sustainability</li> <li>• Increase the environmental literacy level of stakeholders</li> <li>• Reduce the major sources of greenhouse gas emissions and catalysing the large-scale supply of clean energy</li> <li>• Energy saving</li> </ul>
Build social cohesion	Social and community services
Good Governance	<p><b>Financial sustainability</b></p> <ul style="list-style-type: none"> <li>• Improve customer satisfaction</li> <li>• Prudent fiscal management</li> <li>• Revenue Enhancement</li> </ul>

<b>FSGDS</b>	<b>Metropolitan IDP Response</b>
	<ul style="list-style-type: none"> <li>• Develop an effective asset management programme</li> <li>• Reduction of overtime in compliance to legislation</li> </ul>

#### Aligning Mangaung Metro with the back to Basic approach

<b>Back to Basic</b>	<b>Metropolitan IDP Response</b>
<p><b><i>Basic Services – creating decent living conditions</i></b></p> <ul style="list-style-type: none"> <li>▪ Develop fundable consolidated infrastructure plans;</li> <li>▪ Ensure infrastructure maintenance and repairs to reduce losses in respect to: <ul style="list-style-type: none"> <li>▪ Water and sanitation;</li> <li>▪ Human Settlement;</li> <li>▪ Electricity;</li> <li>▪ Waste Management;</li> <li>▪ Roads; and</li> <li>▪ Public Transportation</li> </ul> </li> <li>▪ Ensure the provision of Free Basic Services and the maintenance of Indigent Register</li> </ul>	<p><b>Service Excellence:</b></p> <ul style="list-style-type: none"> <li>• Address roads conditions</li> <li>• Eradicate water backlog</li> <li>• Eradication of bucket system and VIP toilets</li> <li>• Accelerate waste removal</li> <li>• City Rejuvenation</li> <li>• Address electricity backlog</li> </ul>
<p><b><i>Good governance</i></b></p> <ul style="list-style-type: none"> <li>▪ The existence and efficiency of Anti-Corruption measures;</li> <li>▪ Ensure compliance with legislation and enforcement of by-laws;</li> <li>▪ Ensure the functionality</li> </ul>	<p><b>Good Governance</b></p> <ul style="list-style-type: none"> <li>▪ Internal Audit Intervention</li> <li>▪ Strong Section 79 and 80 committees;</li> <li>▪ Anti –Fraud and Anti-Corruption;</li> <li>▪ Public Participation</li> </ul>
<p><b><i>6. Public Participation</i></b></p> <ul style="list-style-type: none"> <li>▪ Ensure the functionality of ward committees;</li> <li>▪ Conduct community satisfaction surveys periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Public Participation Platforms Created by the Metro</li> </ul>
<p><b><i>Financial Management</i></b></p> <ul style="list-style-type: none"> <li>▪ Improve audit opinion;</li> <li>▪ Implementation of revenue enhancement strategy</li> </ul>	<p><b>Financial sustainability</b></p> <ul style="list-style-type: none"> <li>• Prudent fiscal management</li> <li>• Revenue Enhancement</li> </ul>

Back to Basic	Metropolitan IDP Response
	<ul style="list-style-type: none"> <li>• Develop an effective asset management programme</li> </ul> <p>Reduction of overtime in compliance to legislation</p>
<p><b><i>Institutional Capacity</i></b></p> <ul style="list-style-type: none"> <li>▪ Ensuring that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons.</li> <li>▪ That the municipal organograms are realistic, underpinned by a service delivery model and affordable.</li> <li>▪ That there are implementable human resources development and management programmes.</li> <li>▪ There are sustained platforms to engage organised labour to minimise disputes and disruptions.</li> <li>▪ Importance of establishing resilient systems such as billing.</li> <li>▪ Maintaining adequate levels of experience and institutional memory.</li> </ul>	<p><b><i>Good Governance</i></b></p> <ul style="list-style-type: none"> <li>• Provide strategic leadership and planning with well-defined targets aligned to the budget</li> <li>• Strengthen performance management system</li> <li>• Reliable performance, operational and financial information,</li> </ul> <p>Fraud, corruption and maladministration prevention</p>

### 3.5 KEY DEVELOPMENTAL CONSIDERATIONS

Key consideration to inform and influence the developmental agenda in the municipality in the medium to long term includes:

- Facilitate the development of N8 Corridor Development;
- Identify and harness the opportunity of creating a new "City" - that spatially assist in integrating the City;
- Activation of a second developmental node at Botshabelo;
- Achieve unqualified audit opinion with no matters 2015/16
- Dealing with the fiscal gap by dealing with these critical issues viz
  1. billing completeness and accuracy, collections efficiency,
  2. debtors minimisation and management,

3. tax and tariff increases for existing revenue sources and expenditure efficiencies.

- There is an urgent need of concluding the bulk contribution policy and ensure its expeditious implementation.
- Dealing immediately with the estimated 7000 properties that are not metered for varied services that the City is providing and these are in the Northern suburbs.
- A turn-around action plan informed by the 80:20 principles will be developed and implemented with time-bound milestone set for the immediate, medium to long-term;
- Deal with crises facing the city, lay the foundation for ushering the future;
- Ensure water service supply from source and sustainability and lobby the provincial and national government department to deal with service delivery challenges related to water;
- Mainstreaming of poverty reduction and thus incorporate in the IDP, CDS, directorates and individual performance scorecards;
- Development of Botshabelo and Thaba-Nchu to reduce transportation costs on the poor;
- Land development by accelerating Level 2 Housing Accreditation status and to obtain full assignment for housing function by 2016;
- Leveraging resources for a number of flagship project namely land development, Inner City Rejuvenation, Township Rehabilitation (including greening, open spaces and cemeteries)
- Confirmed Eight Development Priorities or Agenda of the City;
- Implementation of Integrated Public Transport Network (IPTN) that has a strong Non-Motorised component;
- Host 20 year celebration exhibition at Thaba Nchu
- Revitalization of Thaba Nchu Airport
- Installation of pre-paid water meters at section 21 schools as part of our Revenue Enhancement Programme
- Fast-track the implementation of eight land parcels (including Airport Development Node)
- Service Delivery programmes such as –***grass cutting, road markings, street and public lighting maintenance programmes to be intensified.***
- The Establishment of metro Police
- Management of overtime as the City seems not to be making a dent;
- Expend efforts and prioritising the environment (*greening and evolving a clean environment*);
- The City should develop and implement comprehensive policy measures to attract investment in our area. We need to attract investment in our industries and we should periodically look at our rates and their impact on our efforts of attracting investments.
- The City should look at Industrial Development Nodes and/or Strategic Development Zone (SDZ) and incentives that government (including the City is providing) to attract investment and facilitate industrial development; deeds
- The City should provide serviced site to middle class who are part of the City, three land parcels – *Vista Park, Brandkop 702 and Cecilia Park* provide an opportunity to do that;
- Strategic pronouncements should be made on the possibility of building a gas plant and we need to engage with SASOL

- The City need to work with institutions(the municipal architectural division, Central University of Technology (CUT) and University of the Free State(UOVS);
- Ramp up the eradication of Ventilated Improved Pit-latrines (VIP) and Bucket toilets at *Botshabelo and Thaba Nchu*
- Ensuring reliable water supply from the source, building the pipeline- to initiate the process and find a way of working with Bluewater in building the pipeline. We need a concrete proposal that factors in the budget cycle;
- Provision of reliable water supply to Thaba Nchu;
- Prioritize Economic and Youth Development.
- An intervention / monitoring team should be developed in the Office of the Executive Mayor that have the capacity to analysis figures, review performance of the city. Team member should be politically mature and administratively savvy;
- The City should be bold and “think outside the Box” and keep abreast with current debates on the urban management and management of urban space. Key interventions of urban management should be developed and should highlight concretely projected measurable achievements and thus lays a foundation for those succeeding (elected leaders). Tease out development trajectories related to future cities and explore the possibility of harvesting energy without using “coal”;
- Planned economic development of the City should accommodate Ikgomotseng (Soutpan) and Naledi Local Municipality area that will be amalgamated in the City post 2016 local government elections;
- Moving towards SMART – broadband, Free WIFI, libraries, schools, using technology to improve operatives and communications (Smart metering);
- Implement the Waai Hoek Precinct Development;
- Implement initiative on Energy; and
- Rural Development.



## **CHAPTER 4. PROGRAMME AND PROJECTS**

The Work of the Metro in the financial year 2016/17 shall continue to be influenced by the 8 development priorities as outlined in the introductory parts of this IDP. Significantly also, amidst the changing global economic climate and the sluggish economic growth of the City, the Metro decided to adopt six catalytic projects which are deemed to be game changers for the economic growth of the city. These are:

- (a) Airport Development Node;
- (b) Botshabelo / Thaba Nchu Development Node
- (c) Waterborne sanitation & Water Demand Management
- (d) Enabling Bulk Infrastructure Support
- (e) Inner City Rejuvenation;
- (f) Industrial Development

These catalytic projects, cut across the entire work of the metro and will indeed help stimulate growth in the Metro and also support the 8 development priorities.

The Metro is also in the process of adopting its own Growth and Development Strategy which will underpin the broader growth of the city's sectors. Central to the Metro's GDS are sectors that are critical in the potential growth of the Metro including transport Networks, key economic growth sectors, tourism and environment. The detail of this will be outlined in the GDS once adopted.

### **4.1 PROGRAMMES AND PROJECTS**

#### **4.1.1 Poverty eradication, rural and economic development and job creation**

##### **4.1.1.1 Situation analysis**

Poverty is a key development challenge in social, economic and political terms. Eradication of poverty remains an ongoing concern for the government. This was acknowledged in the National Development Plan. The guiding objectives of the NDP is the elimination of poverty and the reduction in inequality and all the elements of the plan must demonstrate their effect on these two objectives.

The Municipality has embarked on a programme to utilise the services of SMME's to assist with the removal of domestic waste and to assist with the cleaning of the CBD. Furthermore, the City projects of building hawking stalls had gained traction at Botshabelo

A trailblazing pavement rehabilitation programme has been implemented at the three CBDs using EPWP principles and thus created jobs, empowered Youth-led contractors and facilitated ease of movement of citizens of the City

The City has also identified land for a solar farm. The necessary land use approval has been obtained and an environmental assessment completed. City has issued an RFP to enlist a suitable developer and operator. This project will not only contribute to the reduction of the carbon footprint but will also create significant employment and cheaper energy for our people

#### **4.1.1.2 Development objectives**

The objective is to grow the economy of Mangaung in order to address high levels of unemployment and ultimately eradicate poverty in our municipal area

#### **4.1.1.3 Strategies**

The key strategies are:

KPA	Strategy	Poverty reduction, job creation, rural and economic development				
		KPI	TARGET		Project	
			5-Year Target	2016/17 Target		
Economic and tourism development	Rejuvenation of the CBDs within the municipality	Number of Hawking stalls developed within municipality	135 hawking stalls	45 hawking stalls developed within municipality	Hawking stalls	
	Soutpan development	Soutpan redevelopment master plan	100% implementation of the Soutpan redevelopment master plan	Completed Soutpan Redevelopment Master plan	Soutpan development	
	Waaihoek precinct redevelopment	100% implementation plan of the phase 1 ( <i>buitesig bridge</i> ) of <i>Waaihoek precinct redevelopment</i>	100% redevelopment of Waaihoek precinct	100% construction of buitessig bridge	Waaihoek precinct redevelopment	
	To enhance local and international tourism	Redeveloped Naval Hill A vibrant and viable regional recreational facility 100% implementation of Naval Redevelopment Master Plan 3: the Edge Restaurant, finicular, viewpoint, length of perimeter fencing and parking area	A vibrant and viable regional recreational facility redevelopment phase 3	100% completion of Naval Hill Redevelopment Phase 3	Redevelopment of Naval Hill	

KPA		Poverty reduction, job creation, rural and economic development				
Objective	Strategy	KPI	TARGET		2016/17 Target	Project
			5-Year Target			
Rural Development Poverty Reduction	Improve land development approval process and facilitate development	Number of land use applications processed in integration zone as a percentage of the total number of land use application submitted city wide	All applications processed within 90 days by municipal tribunal	All applications are processed within 60 days by the municipal tribunal	Incentives for property and business development	
		Number of job opportunities created city wide	16051 job opportunities	4000 job opportunities created	Capital infrastructure projects and EPWP learnership programme	
	Small scale agricultural enterprises	Number of small scale agricultural enterprises supported and empowered	100 active small scale farmers	50 active small scale farmers	Small scale agricultural enterprises	
	Facilitating rural development through agri-park	100% implementation of Thaba Nchu Agri- Park	100% implementation of phase 2 of Thaba Nchu Agri-park	100% implementation of phase 1 of Thaba Nchu Agri-park	Rural development	
	Household food security	Number of domestic household food gardens in Urban and rural areas	Food security for 5 000 households	500 households food gardens	Household food security	
		Number of broilers established	20 broilers	4 units of broilers established	Establish broilers in the trusts	

KPA	Objective	Strategy	Poverty reduction, job creation, rural and economic development				
			KPI	TARGET		2016/17 Target	Project
				5-Year Target			
			Number of egg layers established	20 egg layers		4 units egg layers established	Establish egg layers
			Number of piggeries established	20 piggeries		4 piggeries established	Establish 4 piggery units
			Number of commonages purchased	10 commonages established		2 commonage established	
			Number of Hydroponics projects established and supported	10 hydroponics projects established and supported		1 hydroponics plant in the Thaba Nchu area	Hydroponics plant in Thaba Nchu
			Number of Incubation farms established and supported	10 incubation farms established and supported		1 incubation farm established and supported	Incubation farms
			Municipal pound MMM	5 Municipal pounds for stray animals established across the MMM		1 municipal pound established in Botshabelo	Municipal pounds for stray animals established across the MMM
			Convene all # of local businesses	0		1	
			Convene all # of local businesses	1		0	
			To promote social and				
			To establish a local business chamber				
			To provide SMME Support				

KPA		Poverty reduction, job creation, rural and economic development				
Objective	Strategy	KPI	TARGET		Project	
			5-Year Target	2016/17 Target		
economic development	To ensure that all municipal commonages are fenced and repaired	Assist with the development of business plans	1	1		
	To ensure proper signage and branding in the municipality	Provide fencing and repair equipment for commonages	1	0		
Tourism Campaign in Naledi LM	To promote Tourism in Naledi LM	Provision of proper signage and branding for the municipality	1	0		
To promote social and economic development	To establish a local business chamber	Convene all # of local businesses	0	1		

## **4.1.2 Financial sustainability**

### **4.1.2.1 Situational analysis**

The municipality has steadily year on year managed to improve audit outcomes and for the past two financial years 2013/14 and 2014/2015 obtained an Unqualified Audit Outcome.

As indicated the city has succeeded in securing a loan facility of R 600 million from DBSA and Standard Bank. The Finance and Budgetary office have progressively build institutional capacity and key activities such as Budget and compilation of Annual Financial Statements are done in house.

The municipality's credit rating is stable and indicates the ability to meet its financial obligations in accordance with the terms of those obligations. There is improvement in cash flow management and repayment of unspent conditional grants and the latest capex performance of 2014/2015 financial year stood at 85.32%. All these are critical elements of financial stability of the Municipality and we can only improve on them. The key issue in this regard relates to mainly revenue collection by the Metro which poses major risks for the metro to achieve its objectives. To mitigate this, the Revenue Enhancement Strategy focus is on the following:

- Illegal connections
- Replacement of faulty meters
- Collection of arrears
- Metering of unmetered sites

Good Governance is not complete without effective oversight structures. To this end, the municipality has established the following oversight structures to enhance good governance;

- Municipal Public Accounts Committee
- Audit Committee
- Internal Audit Unit,
- Risk Management Unit;
- Risk Management Committee

The above structures are fully operational and report to Council on their operations regularly.

### **4.1.2.2 Development objective**

The overarching objective of the municipality with regard to financial sustainability is to enhance the billing system in order to improve revenue collection. Adequate financial control cannot be overemphasized.

#### **4.1.2.3 Strategies**

The key strategies are:



KPA	Financial sustainability				
	Objective	Strategy	KPI	Target	Project
				5-Year Target	
Improve customer satisfaction		Improve billing system	Percentage increase on number of customers receiving accurate bills	All customers receive accurate bills	Billing programme
				Reduce the interim meter readings to 10%	Replacement of faulty meters
				100% of consumer accounts are issued to correct addresses	Outsourced meter reading services
					Pilot Automated Meter Reading systems and conduct feasibility study
		Customer queries resolved within 7 days	98% of customers queries raised and resolved within 7 days	98% of queries resolved	Customer Care Charter Review
					Training of Customer Care personnel
					Effective utilization of technology
	Improve revenue collection		Collection rate to be improved from 93% -95%	95% collection	Payment awareness campaigns
					Full implementation of credit control and debt collection policy

KPA			Financial sustainability			
Objective	Strategy	KPI	Target		Project	
			5-Year Target	2016/17 Target		
					Write off of irrecoverable debt	
					Revamp and brand the rates hall	
					Provide for additional pay points in strategic locations	
					Full implementation of credit control and debt collection policy	
		Number of handed over accounts successfully collected	More than 66 000 handed over accounts successfully collected	21 000 projects established and supported	Full implementation of credit control and debt collection policy	
		Number of defaulting businesses litigated	More than 4 000 defaulting businesses litigated	1 500 defaulting businesses litigated	Full implementation of credit control and debt collection policy	
		Number of defaulting domestic customers garnished	More than 24 000 defaulting customers garnished	8 000 defaulting customers garnished	Full implementation of credit control and debt collection policy	
Prudent fiscal management	Quality and frequent financial reporting	% operation and capital expenditures against the budget (from 80% )	95%	95%	Implementation of procurement planning	

KPA	Financial sustainability					
Objective	Strategy	KPI	Target		2016/17 Target	Project
			5-Year Target			
Prudent fiscal management						Development of procedure manuals for SCM
	Implement clean audit initiatives	An improved audit outcome	Clean Audit Report	Clean Audit Report		Clean audit programme
						Review Internal Control Procedures
						GRAP compliant FS and timeous submission
	To ensure procurement processes which complies fully with the SCM policy	All risk of awarding tenders to employees of state is eliminated	100% compliance	100% compliance		Implementation of SCM Policy
		Total values of irregular, fruitless and wasteful expenditure identified by auditor general as a % operating budget.	0% Irregular Expenditure	0% Irregular Expenditure		Development of internal controls and procedure manuals
						Submission of quarterly reports to Council

KPA	Financial sustainability					
	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
	Prudent fiscal management	Cost Coverage (NKPI)	Month(s) Coverage	> 3 months	> 3 months	N/A
	Prudent fiscal management	Pay creditors on time as per MFMA	Number of days it takes to pay creditors	Creditors paid within 30 days of invoice	Creditors paid within 30 days of invoice	Implementation and monitoring of compliance to legislation  Daily Cash Flows
	Prudent fiscal management	Budget prepared and submitted in line with MFMA requirement	Number of budgets submitted to National Treasury	Credible and funded Draft, Revised and Final Budget submitted	Credible and funded Draft, Revised and Final Budget submitted	Implementation of SCOA  Budget Process Plan monitored
		Develop and review out-dated policies in the directorate	Number of reviewed policies approved by Council	Compliance with legislation	Number of reviewed policies approved by Council	Development and review of policies.
		Improved Credit Rating	Long term and short term credit rating	A1.za Credit Rating achieved	A2.za	

KPA	Strategy	KPI	Financial sustainability		
			Target		Project
			5-Year Target	2016/17 Target	
Prudent fiscal management	Develop and review internal controls in finance directorate	Strengthen internal control  Build human resource capacity	Effective internal controls  Efficient work force	100% compliance with internal control	Review of the internal controls  Continuous training
Revenue Enhancement	Collect all collectable revenue and Leverage alternative sources of funding	Amount of externally sourced funds  Increasing revenue base by accounting for unaccounted services	R 850 million	R 500 Million	Business tax investigations  Long term loans  Issuing of Municipal Bound Water loss reduction programs
Revenue Enhancement	Identification of additional revenue streams	100% implementation of revenue enhancement strategies	Implementation of the long term revenue enhancement strategies	100% implementation of long term enhanced revenue strategy	Revenue enhancement strategy
Revenue Enhancement		Number of Valuation roll compiled and	Appeals finalized and accounts adjusted accordingly	Number of appeals concluded by valuation appeal board	Development and updating of valuation roll

KPA	Financial sustainability				
	Objective	Strategy	KPI	Target	Project
				5-Year Target	
Develop new valuation roll based on the site and any improvements made			revisions made annually	Updated valuation roll	
			Number of Interim valuation roll prepared and implemented bi-annually	Interim valuation rolls implemented bi-annually	
			General Valuation Roll process initiated and valuer appointed	General Valuation Roll completed and implemented	
Develop an effective asset management programme	Develop a Fixed Asset Register which records all municipal Assets	Asset is compiled and updated monthly	Fixed Asset Register is compiled and updated monthly	All movable and immovable assets recorded as prescribed by the applicable accounting standards	Clean audit programme; Implementation of Audit Action plan  Fixed Asset Register program
	Develop an Asset Management Policy and	Asset Management procedure is compiled in line with	Asset Management is compiled in line with	Development, implementation and review of an asset	Reviewed Asset Management Policy and procedure manual  Review of policy and procedure manual

KPA	Financial sustainability					
	Objective	Strategy	KPI	Target	2016/17 Target	Project
				5-Year Target		
		Procedure Manual to cover the acquisition, maintenance and disposal of assets	legislation and council policy	management procedure manual		
		Periodic physical asset counts and impairment tests	Report on the annual asset count submitted to council	Complete asset count performed every semester	Complete count of all movable and immovable assets mid-year and at year-end.	Conducting assets count
		Review the Sale of Business Agreement (SOB) between the municipality and its entity (Centlec)	Signed and council endorsed Sale of Business Agreement	100% implementation of SOB	100% implementation of SOB	Effective monitoring and ensuring shareholder value

KPA	Financial sustainability					
Objective	Strategy	KPI	Target		2016/17 Target	Project
			5-Year Target			
Prudent fiscal management	To ensure procurement processes which complies fully with the SCM policy	All risks of awarding tenders to employees of state is eliminated	100% compliance		100% compliance	Transparent procurement procedures and systems
		All contracting is done in accordance to SCM policy	100% compliance		100% Compliance	
	Centlec salaries	Salaries budget as a % of operating expenditure	15%		14%	Effective management and financial accountability
	Over expenditure	Budget not overspent	Zero overspending of budget		Zero overspending of budget	Effective management and financial accountability
	Cash flow	Budgeted cash flow versus actual cash flow reports	80%		Positive cash flow monthly throughout the year	Effective management and financial accountability



### **4.1.3 Spatial development and the built environment**

#### **4.1.3.1 Situation analysis**

Inefficient apartheid spatial planning has proved difficult to address in the democratic era in South Africa. The post-apartheid state has met various challenges in trying to address this legacy which is critical in the quest to increase access to economic opportunities, especially for the poor. In order to address poverty and inequality, there is a need to address spatial inefficiencies informed by a deep understanding of the factors at play in the city. Communities are not yet fully integrated into the city's economic zones and opportunities. Many communities, especially poor communities continue to reside far from places of work, shopping and entertainment. Many informal settlements continue to mushroom, once again very far from essential services. Moreover, township communities continue to be characterised by poor levels of services, especially infrastructure services such as roads, storm-water and sanitation. For the above reasons, the Metropolitan Municipality has placed a high priority on addressing the disintegration in development planning and ensuring habitable built environment. The City will contribute towards building safer communities by developing the seven land parcels. Furthermore concerted efforts will be made towards consolidating the acquired Level 2 housing accreditation status. This will place the City in a better position to continue on the upgrading of informal settlements and building social housing.

**The City has achieved the following:**

- 100% Redevelopment of Hoffman Square;
- Phase 1 of the IPTN (upgrading of Maphisa Road) was at 46% completion rate as at end of December 2015

#### **4.1.3.2 Development objectives**

The key objective is to address the acute problem of housing backlog whilst simultaneously ensuring spatial integration.

KPA	Objective	Strategy	KPI	Spatial Development and the Built Environment			
				Target		Project	
				5-Year Target	2016/17 Target		
Spatial integration	Unlock N8 Nodal development	100% implementation of services at the airport development node phase 1	100% completion of bulk services at N8 development node	100% completion of bulk services at Airport Development Node Phase 1	N8 Development	To review and implement the IPTN	
				Functional integrated transport system	100% upgrading of Maphisa, and Fort Hare Roads as IPTN phase 2		

#### **4.1.4 Eradication of bucket system, VIP toilets in Botshabelo, Mangaung and Thaba Nchu, focus on the basics, building solar farming, power plant feasibility study, safety & security**

##### **4.1.4.1 Situational analysis**

One of the most significant success stories of the post-apartheid state is the provision of basic services to the populace. The city of Mangaung has also done its part in relation to this. Access to basic services such as water, sanitation, electricity and storm-water is very high. Access to water is at 90% as things stand now. However, backlogs are still being experienced, especially in informal settlements. This is fuelled largely by migration by people from rural areas of the Municipality, neighbouring municipalities and Lesotho.

The City has completed a forty five (45) mega-litres Long-ridge reservoir and the corresponding 11 kilometers (km) long steel pipeline (*of diameters 800mm to 550mm*) that will provide water services to 31 000 households at Grassland, Rockland, Caleb Motshabi (Liege Valley) and the new Vista Park Development.

A new Naval Hill Reservoir with 4 km water supply line has also been completed with the capacity of (35) thirty five mega-litres, representing the first phase of this seventy (70) mega-litre water reservoir capacity once complete. It will service the Airport development Node, the N8 Corridor Development as well as the Estoire area;

The City has completed 800 mm pipeline from Naval Hill reservoir to Long Street pipeline with a total investment of R30 million to facilitate the provision of potable water for the northern and eastern developments and it is benefiting approximately 25 000 households;

In Botshabelo Section F, a new eight (8) mega-litre reservoir with 2 km water supply and a pump station housing 2 x 65kw pumps are nearing completion to anchor the City's VIP and Bucket Eradication Programme

The upgrading of 4 Maselspoort Water Treatment Plant Pumps has been completed and this will ensure a reliable water supply to the City.

The commissioned feasibility study highlighting designs and cost implications on the development Gariep pipeline (to consist of a 180 km pipeline, pump station and water treatment plan) to ensure reliable water supply to the City is complete.

One million litres elevated tank and pumpstation were built in Section 5 in Bultfontein to alleviate constant pressure challenges encountered by communities.

Constructed a new bulk sanitation infrastructure project -North Eastern Waste Water Treatment Work that is a 15 million litres per day capacity works that will benefit an estimated 45 000 households.

In addition, the Sterkwater waste water treatment works has also undergone expansion in this regard and its capacity has been doubled, to enable the facility handle *twenty mega-litres a day*. This additional capacity will enable the city to extend sanitation services to an additional (26 500) twenty six thousand, five hundred low income households, mainly in the Hillside View and Vista Park developments. This has contributed towards the City's vision of providing decent sanitation services and decent and affordable housing opportunities to the Citizens of the City

The City has completed the refurbishment of Brandwag to Loch Logan bulk outfall sewer to cater for the densification of Brandwag suburb. The project entailed the constructed of 700 mm HDPE pipes next to the existing line to increase the capacity of the existing sewer system. The total length of pipes are approximately 2,3 km. The City has invested R19.4 million

The City is currently upgrading and extending the capacity of the Botshabelo WWTW from a 20 million litres per day works to a 40 million litres per day works. The construction has commenced on the 23 of September 2015 and it is projected that the project will be completed on the 27<sup>th</sup> of September 2018. The additional 20 million litres per day works will benefit additional 22 000 households

Furthermore, the City has been refurbishing a number of bulk sanitation infrastructure namely

*Bloemspruit WWTW is*

- Rehabilitation of access roads - *In Progress, Final slurry layer outstanding*
- Cleaning and refurbishment of digesters – *Existing Digesters cleaned, two new digesters in detail design stage.*
- Cleaning and repair of sludge drying beds as well access ramps – *2 out of 5 drying beds refurbished, access ramps construction in progress*

*Bainsvlei WWTW is*

- Rehabilitation of sludge ponds including outlet structures and access ramps - *Concrete lining of sludge ponds 90% completed, outlet structures as well as ramps to be constructed*

*Vista Park Bulk Sewer Outfall Pipeline*

- Phase 1: 1.9 km HDPE 700 mm dia. pipeline – *90% Completed*

- Phase 2: 5.3 km HDPE 500 mm dia. Pipeline – *In detailed design stage*

The City has provided a total of 32 947 ervens in the previously disadvantaged areas with waterborne sanitation in support of the Council decision to provide waterborne sanitation to all residents. 21 773 of these ervens were using bucket and VIP sanitation.

The city has been able to upgrade an aggregate of 47.78 kilometres of roads through upgrading, rehabilitation and heavy rehabilitation of roads. Key link roads such as Dr. Kenneth Kaunda, Raymond Mhlaba, Hanger/ Harvey, Church; St. Georges, Hokathovaphi/ Leepile, Bot roads, Tona, Khumalo, Lovedale, Sesing, Cooper Avenue as well as Zim, Dlabu and Makholoawe have undergone upgrading and heavy rehabilitation.

The City will continue implementing its strategic multi-year VIP and Bucket Eradication Programme.

#### 4.1.4.2 Development objective

The objective of this goal is to improve sanitation service in Mangaung by ensuring that the bucket system and VIP toilets are eradicated. *It will be imperative that the City build requisite water, sanitation and roads infrastructure at Dewetsdorp, Soutpan, Van Standerus and Wepener.* The maintenance of infrastructure is critical. Furthermore, the Council aims to address the question of access to energy by exploring all energy alternatives including solar energy.

#### 4.1.4.3 Strategies

The key strategies are:

KPA	Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security					
	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
Address roads conditions	Tar gravel roads		Km of 7m wide gravel roads tarred	40 km	8 km	Upgrading of Roads in Mangaung
		Morojaneng regravelling of 6.6km of roads	KM of roads regravelled	30 km of roads regravelled	6.6km of roads regravelled	
		Morojaneng paving of 400 m of roads	Length of roads paved	10 km of roads paved	400 m of roads paved	
		Wepener, Ebenhaezer Hoogte	KM of internal streets paved	10 km of internal streets paved	1.5 km of internal streets paved	
	Block paving of gravel roads		Km 7m wide gravel roads paved	15 km	3 km	Resealing and rehabilitation of roads in Mangaung
		Heavy rehabilitation of existing main tar roads	Km of 7m wide roads rehabilitated	94%	4km	
	Resurfaced (resealed) roads		Km of 7m wide roads resurfaced	100 km	15km	Upgrading of Storm -water canal and culverts in Mangaung
		Install storm-water drainage	Length (Km) of Storm-water drainage installed	55 km	7 km	

KPA	Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security					
	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
Eradicate water backlog		Resealing of streets	Km of street resealed	40km of street resealed	20km of roads to be resealed in Mangaung	Resealing and rehabilitation of roads in Mangaung
		Upgrading of cemetery road	Kilometres of South Park cemetery entrance roads graded	20km of roads rehabilitated at cemeteries	5km of roads rehabilitated	South park cemetery entrance road
		Formal domestic customers receiving water services	% of formal erven with access to functioning basic water supply	100% of formal erven with access to functioning basic water supply	95% of formal erven with access to functioning basic water supply	Provision of Basic Water and Sanitation Programme
		Ensure that there is reliable water supply from source	100% implementation of feasibility study on Gariep Dam to Bloemfontein pipeline	100% of project money leveraged	Intergovernmental agreement signed to implement the projects; 100% of project money leveraged	Provision of Basic Water
		Install 0.5ml (2.3 ml) elevated water tank and interlinking pipeline in Dewetsdorp	Construction of elevated tank and interlinking pipeline		2.3 ml) elevated water tank and interlinking pipeline	Elevated Water Tank

KPA	Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security					
	Objective	Strategy	KPI	Target 5-Year Target	2016/17 Target	Project
Bulk sanitation infrastructure		Phase 2			in Dewetsdorp constructed as part of Phase 2	
		Provision of an effective water services	Megalitre capacity of Water Treatment Work constructed at Wepener		Megalitre capacity of Water Treatment Work constructed at Wepener	Provision of an effective water services
		Reduction of non-revenue water	% reduction of non-revenue water	20% non-revenue water	35% non-revenue water	Implementation of Conservation and Water Demand Programme
		Maselspoort wtw refurbishment	100% refurbishment of Maselspoort wtw	100% refurbishment of Maselspoort	100% implementation of Phase 2 refurbishment of Maselspoort	Bulk Infrastructure Build Programme
		Maselspoort water recycling	100% implementation of phase 1 Maselspoort water recycling outfall pipeline	100% of water recycle scheme implemented	15km of outfall pipeline developed	



KPA	Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security					
	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
Eradication of bucket system and VIP toilets	Provide formal stands with waterborne sanitation to eradicate VIP and pit toilets	Backlog in the provision of basic sanitation services (above RDP standards)	Number of households with access to decent sanitation	56 000 households	4600 households with access to decent sanitation	Buckets and VIP eradication
		Provision of vacuum sewer system for 350 households in Van Stadensrus new	# of vacuum sewer system developed		105	Vacuum sewer system
		Wepener Water Treatment Works and associated Infrastructure	# of Water Treatment Work developed			Water Treatment Work
Provide formal stands with waterborne sanitation to	Addition to Sterkwater WWTW Phase 3	Percentage expansion of the capacity of WWTW	100% expansion of work done WWTW	100% implementation of Phase 3 of Sterkwater WWTW	Expand capacity bulk sanitation infrastructure	

KPA	Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security					
	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
Eradicate VIP and Pit toilets		North Eastern WWTW Phase 2	Percentage expansion of the capacity of WWTW	100% completion of NE WWTW	100% completion of phase 3 of the WWTW	
		Refurbishment of Bloemspuit wwtw	Percentage expansion of the capacity of wwtw	100% completion of the Bloemspuit WWTW	Refurbishment of Bloempruit WWTW	
		Extension Botshabelo WWTW	Percentage expansion of the capacity of WWTW	Extension of the Botshabelo WWTW completed	100% completion of Phase 1 of the extension of Botsh WWTW	
		Extension Thaba Nchu wwtw (selosesha)	Percentage expansion of the capacity of WWTW	Extension of the Thaba Nchu WWTW completed	Complete 100% of Phase 1 of the extension of Thaba Nchu WWTW	
Accelerate waste removal		Provide households with weekly kerb-side waste removal services in formal areas	No. of households with weekly kerb-side waste removal services in formal areas	165 households with weekly kerb-side waste removal	185 464 households with weekly kerb-side waste removal services in formal areas	Provision of refuse removal service in Mangaung

Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security						
KPA	Objective	Strategy	KPI	Target		Project
				5-Year Target	2016/17 Target	
				services in formal areas		
		Informal settlement dwellings with access to refuse removal	Number of informal settlements with access to refuse removal	80% of informal settlements have access to refuse removal	60% of informal settlements have access to refuse removal	Provision of refuse removal service in Mangaung
Licensing of landfill sites in Naledi LM, Dewetsdorp, Wepener and Van Stadensrus.		To ensure licensed and proper management of landfill site (Dewetsdorp)	Provision of proper management of landfill sites		Three landfill sites to be licensed	Management of landfill sites
Refurbishment of Landfill site in Naledi LM, Dewetsdorp		Refurbishment of Landfill site in Naledi LM, (Dewetsdorp)	# of landfill site refurbished.		1 landfill site refurbished.	Refurbishment of landfill sites

Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics, building solar farm, power plant feasibility study, safety and security						
KPA						
Objective	Strategy	KPI	Target	2016/17 Target	Project	
Improve waste management services that comply with national environmental legislations	Awareness campaigns	# awareness campaigns on waste related activities		4 awareness campaigns on waste related activities	Raising awareness on waste related activities	community
	Employee education on safety issues related to waste	Number of meetings conducted on safety issues		Two meetings conducted on safety issues		
To manage and prevent environmental harm and ensure its sustainability	# of strategies or plans developed to ensure environmental sustainability	# of strategies developed		2 strategies developed		Environmental sustainability