

SUMMARY OF DRAFT IDP 2021/2022



Summary of the 2021/2022 final IDP and budget

1. Purpose

Publish an executive summary of the draft IDP for 2021/2022 after approval of the strategic document in a council meeting held on the 31st of March 2021.

2. Background

The council of Matjhabeng Local Municipal Municipality has adopted its Integrated Development Plan and Budget for the year 2021/2022. These two strategic documents will have been subjected to intensive public consultation process to ensure that the final document is a product of a peoples centred planning process that addresses community needs as submitted. Below is a summary of projects approved

3. Summary of the projects and budget for 2020/2021

3.1. Budget Assumptions

Budget Assumptions

The following assumptions and parameters were considered in setting out the MTREF:

- Consumer Price Index (CPIX) of approximately 6%
- The CPIX inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band. (Source: Reserve Bank and National Treasury, MFMA Circular 107 & 108)6.9
- Increase in Sedibeng Water tariffs by 6%
- Electricity tariff draft tariff increase of % (as per the Draft Nersa Guidelines.)
- Eskom Tariff increase of 15.6%. (MFMA Circular 98 & 99)
- Salary increases of approximately 6% (Collective Agreement)
- National Treasury MFMA Budget Circular No. 98 & 99 (Guideline from NT)

These levels are within the South African Reserve bank inflation target range of 3% - 6%. The municipality should justify all increases in excess of the upper boundary of the South African Reserve Bank's inflation target.

3.2. Operating Revenue Framework

For the municipality to achieve the set targets in terms of service delivery it needs to generate sufficient revenue. The financial state of affairs of the municipality necessitates difficult decisions to be made in terms of tariff increases, cost containment measures and balancing expenditure against planned realistic revenues. Efficient and effective revenue management is thus crucial.

3.3. Revenue Raising Strategy – Funding of Budget Plan

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

- National Treasury's guidelines and macroeconomic policy;
- Growth and continued economic development;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of Matjhabeng Local Municipality.

4.2.1 Municipal Infrastructure Grant Funded Projects

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|-----------------------------|---|-------|-------------------|--|---------------|---------------|---------------|---------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| Cemeteries | | | | | | | | |
| 1.1 | Mmamahabane: Creation and Upgrading of Cemeteries | 1 | Construction | Establishing and providing infrastructure to cemeteries | 36 576 729,42 | 5 258 878,84 | - | - |
| 1.2 | Allanridge Cemetery: Sewer Facility Phase 1 | 19 | Construction | Establishing and providing infrastructure to cemeteries | 2 734 002,81 | 2 734 002,81 | - | - |
| 1.3 | Allanridge: Provision of water, sanitation and high mast lights at the cemetery phase 2 | 19 | Not registered | Establishing and providing infrastructure to cemeteries | 10 722 000.41 | - | - | 10 722 000.41 |
| Roads and Stormwater | | | | | | | | |
| 1.4 | Nyakallong: Construction of storm water system – phase 1 | 19 | Retention | Provision of storm water management | 19 420 692,83 | 849 397,73 | - | - |
| 1.5 | Meloding: Construction of roads, sidewalks & stormwater | 7 | Construction | Construction of internal paved roads, pedestrian walkways and storm water management | 28 391 726,20 | 15 137 440,32 | - | - |
| 1.6 | Meloding: Upgrading of 3km paved roads and storm water drainage (Ward 4 | 4 | Construction | Construction of internal roads | 27,781,860.71 | 24,937,866.47 | - | - |
| 1.7 | Thabong/Tandanani Ext 22: Construction of 3km paved roads and storm water | 25 | Design and Tender | Construction of internal paved roads, pedestrian walkways and storm water management | 27 343 073.43 | 8 209 223- | 16,591,174.65 | - |
| 1.8 | Nyakallong: Construction of 4.228km storm water system – Phase 2 | 19,36 | Design | Provision of storm water management | 24,900,836.36 | - | - | 24,900,836.36 |
| 1.9 | Upgrading of Old Thabong gravel roads to concrete paving blocks ward 26 | 26 | Not registered | Construction of internal paved roads, pedestrian walkways and storm water management | 25,000,000.00 | - | 5,000,000.00 | 10,000,000.00 |
| Sanitation | | | | | | | | |
| 1.11 | Whites: Septic Tank System | 3 | Not registered | Provision of a new sewer treatment system (Improved septic tank system) | 2 554 552.33 | - | 2 554 552.33 | - |
| 1.12 | Kutlwanoong: Upgrading of Outfall sewer | 18 | Construction | Construction of new outfall sewer and house connections to correct levels | 25,810,203.01 | 5,061,003.73 | - | - |

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|-------------------|--|-----------|-----------------|---|---------------|---------------|---------------|--------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| Sanitation | | | | | | | | |
| 1.13 | Upgrade and refurbish T8 pump station to address new developments. | 14 | Construction | Upgrading of current pump station to accommodate new developments and existing new serviced. (about 14500 stands) | 18,456,037.97 | 2,809,123.00 | - | - |
| 1.14 | Upgrade of Kutlwanong WASTEWATER TREATMENT WORKS Phase 2 to accommodate the new 3000 Stands | 18 | Construction | Upgrading of WASTEWATER TREATMENT WORKS to accommodate sewer volume from 3000 new stands | 73,252,538.93 | 21,068,017.19 | 45,874,003.21 | - |
| 1.15 | Thabong Ext 15 Bronville: Bucket Eradication 173 Stands (Vuk'uphile Learnership) | 23 | Design & Tender | Provision of waterborne sanitation including water and sewer network | 24,900,356.09 | 2,398,495.64 | 236,482.54 | 7,555,957.79 |
| 1.36 | Thabong Ext 26 Freedom Square: Bucket Eradication 391 Stands (Vuk'uphile Learnership) | 13 | Not registered | Provision of waterborne sanitation including water and sewer network | 14,000,000.00 | - | - | 1,000,000.00 |
| 1.37 | Kutlwanong K10 Bucket Eradication (Vuk'uphile Learnership) | 22 | Not registered | Provision of waterborne sanitation including water and sewer network | 16,000,000.00 | - | - | 3,241,204.39 |
| 1.16 | Phomolong Upgrading of WASTEWATER TREATMENT WORKS | 2,3 | Design & Tender | Upgrading of waste water treatment works | 16,970,376.35 | 5 901 145.75 | 11 069 230.60 | - |
| Water | | | | | | | | |
| 1.17 | Thabong: Installation of Zonal Water meters & Valves | Various | Construction | Provision of water meters and valves in Thabong and Welkom to implement water demand management effectively. | 8 100 273.46 | - | - | - |
| 1.18 | Allanridge replacement of old galvanized steel | 36 | Construction | Replacement of old worn-out dilapidated galvanized steel pipes | 7 690 399.77 | 2,277,539.57 | - | - |
| 1.19 | Thabong X20 (Hani Park): Extension of network, house connections and meters (180 stands) | 23 | Construction | Extension of water network and house connections to 150 stands | 4 202 064.08 | 2,875,865.48 | 538,982.19 | - |
| 1.20 | Kutlwanong X9, K2, Block 5 Water connections and meters (200 stands) | 18,20,21 | Design | Provision of water meters for 200 stands | 2 112 676.01 | 2 112 676.01 | - | - |
| 1.21 | Kutlwanong: Replacement of old galvanized water pipes with uPVC pipes | Various | Design | Replacement of asbestos pipes | 32 788 281,44 | 6 232 478.65 | 26,555,802.79 | - |
| 1.22 | Upgrade and Create New Sports and Recreational Facilities Phase 3 Thabong Stadium, Zuka Baloi Stadium & Kopano Indoor Centre | 16,26, 28 | Retention | Upgrading of sports facilities | 531,207.12 | - | - | - |

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|-----------------------------------|--|---------------------|-------------------|--|---------------|---------------|---------------|--------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| Water | | | | | | | | |
| 1.23 | Meloding: Upgrading of Indoor Sports Complex Phase 2 | 4 | Construction | Upgrading of sports complex | 47,177,415.76 | 16,880,284.81 | - | - |
| 1.35 | Refurbishment of Thabong Community Centre | 31 | Design and Tender | Upgrading and refurbishment of facilities. | 10,000,000.00 | - | - | 2,500,000.00 |
| 1.34 | Thabong Stadium Phase 3 | 28 | Not registered | Upgrading of sports facilities | 26,000,000.00 | | | 600,000.00 |
| Local Economic Development | | | | | | | | |
| 1.38 | Welkom Regional Taxi Centres | 32 | Design & Tender | Upgrading of taxi facilities in Welkom | 68 066 162,40 | 2,235,912.24 | 729,691.16 | - |
| Solid Waste Management | | | | | | | | |
| 1.39 | Upgrading of Welkom Landfill Site | 11 | Construction | Upgrading of landfill to accommodate waste volumes | 18,021,120.00 | 17,009,000.00 | - | - |
| 1.40 | Upgrading of Odendaalsrus Landfill site | 35,36 | Not registered | Upgrading of landfill to accommodate waste volumes | 33,361,700.95 | - | - | 4,820,204.99 |
| Electricity | | | | | | | | |
| 1.42 | Thabong: Twenty Ten Provision and Installation of 5 High Mast Lights | 25 | Construction | Provision and Installation of High Mast Lights | R3,024,941.00 | 1,895,626.72 | - | - |
| 1.43 | Thabong: Constantia and Mothusi Street Provision and Installation of Street lights | 12,13, 14,15, 30,31 | Not Registered | Provision and Installation of Street lights along Constantia way | R5,268,698.21 | | R5,268,698.21 | - |

4.2.2 Water Services Infrastructure Grant Funded Projects

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | | 2023/2024 |
|------------------|--|------|----------------|--|-----------------|------------|---------------|-----------|---------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 | |
| 1 | Refurbishment of Theronia Waste Water Treatment Works and Purified Effluent System | 33 | Construction | Refurbishment of the Water Treatment Works to a functional capacity of 15ML per day and the refurbishment of the purified effluent system for the purpose of irrigating schools, municipal parks, road medians, traffic circles, etc | R121 727 689.72 | 35 000 000 | 36 000 000.00 | | 36 000 000.00 |

4.2.3 Integrated National Electrification Programme Grant Funded Projects

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|------------------|--|-------|----------------|---|---------------|------------|------------|------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| 1 | Upgrading of Urania 132kV 20MVA Sub-Station | 11 | Planning | | 68 000 000 | 30 000 000 | 30 000 000 | 8 000000- |
| 2 | Rheederspark X2 (Phomolong Village): 12MVA Sub-station and Electrification of 869 households | 35 | Planning | | 27 000 000 | 10 000000 | 5000 000 | 8 000 000 |
| 3 | Bronville Ext 15 & 9 Electrification of 500 households | 11/12 | Planning | Electrical 132kv substation must be repaired for R68m before project can commence | 91 000 000 | 68 000 000 | 10 00 ,000 | 13 000 000 |

4.2.4 Own Funded Projects

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|------------------|---|------|----------------|---|---------------|------------|-------------|-------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| 1 | Thabong: Installation of bulk zonal water meters and valves | All | Design Stage | MIG Counter funding | 7 000 000 | 1 170 000 | | |
| 2 | Upgrading of the Klippan Pump station and Sandriver channel | 32 | Construction | Upgrading the capacity of the pumps for the management of the Witpan | 35 000 000 | 14 996 095 | 10 000 000 | |
| 3 | Refurbishment of Welkom Airport | 24 | Design Stage | Replacement of run-way lights and resealing and refurbish facilities. | 50 000 000 | | 12 000 000 | 12 000 000 |
| 4 | Refurbishment of Virginia Municipal Offices | 9 | Planning | Complete renovation of building as it has dilapidated | 4 000 000 | | | R4 000 000 |
| 5 | Refurbishment of the Kutlwanong Municipal Offices | 5 | Planning | Complete renovation of building as it has dilapidated | 3 000 000 | | 3 000 000 | - |
| 6 | Refurbishment of the Allanridge Municipal Offices | 36 | Planning | Complete renovation of building as it has dilapidated | 2 000 000 | | R 2 000 000 | - |
| 7 | Fencing of Main Municipal Offices in Welkom | 32 | Planning | | 2 000 000 | | - | R2 000 000- |
| 8 | Construction of new Municipal Cattle Pound | 32 | Planning | | 10 000 000 | R5 000 000 | R5 000 000 | - |

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|------------------|---|--------------|---------------------------------------|--|---------------|---------------|-------------|-------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| 9 | Extension of the main Municipal Building and construction of new Council chambers | 32 | Planning | Current chambers and offices does not address requirements of councilors and officials. | 50 000 000 | | R25 000 000 | R25 000 000 |
| 10 | Replacement of collapsed sewer line in Kutlwanong K5 2754 | | Construction | Replacement of a 40m long collapsed sewer line in Kutlwanong K5 | 400 000.00 | 400 000.00 | | |
| 11 | Replacement of collapsed sewer line in Odendaalsrus Frank Street | | Design | Sewer line replacement | 150 000.00 | 150 000.00 | | |
| 12 | Replacement of 500 m long collapsed Sewer line in De Mist and Somerset Street, Daagbreek | | Design | Sewer line replacement | 1 600 000.00 | | | |
| 13 | Replacement of 370 m long collapsed Sewer line (pipe jacking) in Buren Street, Flamingo Park | | Replacement of sewer | | 4 232 583 | 4 232 583 | | |
| 14 | Replacement of 790m long collapsed sewer using trenchless method in Koppie Allien Road between Stateway and Long Road | | Replacement of sewer line | | 12 610 042.85 | 12 610 042.85 | | |
| 15 | Replacement of 148m long collapsed sewer line in Nyala Street, Doorn | | Replacement of Sewer line | | 2 091 761.22 | 2 091 761.22 | | |
| 16 | Replace a collapsed sewer line and manholes in Van Der Vyfer Street, Odendaalsrus | | | | 1 347 099.00 | 1 347 099.00 | | |
| 17 | Replacement of the outfall sewer in Van Der Vyfer Street, Odendaalsrus | | | | 17 000 000.00 | 17 000 000.00 | | |
| 18 | Reinstatement of 6.5 KM Streetlight Koppie Alleen in the Welkom Unit | 32,28 and 27 | Contractor on site | Project is in the implementation phase | 16 000 000 | 16 000 000 | | |
| 19 | Allanridge phase1 | | Planning 482 stands to be electrified | Eskom intake point and NMD needs to be upgraded and increased medium voltage networks must be upgraded to incorporate the additional loads. | 57 172 000 | 35 000 000 | 12 172 000 | 10 000 000 |
| 20 | Allanridge phase 2 | | Planning 286 stands to be electrified | Eskom intake point and NMD needs to be upgraded and increased. medium voltage networks must be upgraded to incorporate the additional loads. | 13 156 000 | 10 000 000 | 3 156 000 | |

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|------------------|--|------|---------------------------------------|--|---------------|------------|------------|------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| 21 | Ventersburg Land Restitution Project X 6 | | Planning 62 Stands to be Electrified | Eskom NMD needs to be increased as well as the intake point needs to be upgrade electrical medium voltage networks must be upgraded to an estimated value of R5,3m | 8 152 000 | 5 000 000 | 2 852 000 | |
| 22 | Ventersburg Land Restitution Project X 5 | | Planning 37 Stands to be Electrified | | 1 702 000 | | 1 702 000 | |
| 23 | Hennenman Land Restitution Project | | Planning 361 Stands to be Electrified | Eskom intake point and NMD needs to be upgraded and increased. Electrical medium voltage networks must be upgraded to an estimated value of R7m | 23 606 000 | 7 000 000 | 6 606 000 | 10 000 000 |
| 24 | Virginia extension 10 kitty | | Planning 178 stands to be electrified | Eskom intake point and NMD needs to be upgraded and increased MV and LV infrastructure stolen | 43 188 000 | 35 000 000 | 8 188 000 | |
| 25 | Virginia extension 13 kitty | | Planning 237 stands to be electrified | MV and LV infrastructure stolen | 10 902 000 | | | 10 90 ,000 |
| 26 | Virginia Saaiplaas | | Planning 361 stands to be electrified | Eskom intake point and NMD needs to be upgraded and increased. MV and LV infrastructure stolen | 16 606 000 | | 10 000 000 | 6 606 000 |
| 27 | Welkom Naudeville Ext 2 | | Planning 318 Stands to be Electrified | Eskom intake point and NMD needs to be upgraded and increased. MV and LV infrastructure stolen and needs to be replaced at an estimated cost implication R5m | 19 628 000 | 5 000 000 | 10 000 000 | 4 628 000 |
| 28 | Welkom Flamingo (up market) | | Planning 351 Stands to be Electrified | Electrical intake substation will be required to be built for the proposed project to a estimated amount of r65m | 111 146 000 | 95 000 000 | 16 146 000 | |

| Reference Number | Project Name | Ward | Current Status | Comments | Project Value | Budget | | |
|------------------|--|------|---------------------------------------|---|---------------|------------|------------|------------|
| | | | | | | 2021/2022 | 2022/2023 | 2023/2024 |
| 29 | Welkom flaming park x5 | | Planning 14 stands to be electrified | Electrical intake substation will be required to be built for the proposed project to an estimated amount of R95m | 644 000 | 664 000 | | |
| 30 | Welkom flaming park x2 | | Planning 392 stands to be electrified | | 18 032 000 | | 18 032 000 | |
| 31 | Welkom flaming park x3 | | Planning 52 stands to be electrified | | 2 392 00 | | | 2 392000 |
| 32 | Welkom flaming park x4 | | Planning 42 stands to be electrified | | 1 932 000 | | 1 932 000 | |
| 33 | Riebeeckstad (Norman street) | | Planning 120 stands to be electrified | MV and LV infrastructure stolen | 17 520 000 | 12 000 000 | 5 520 000 | |
| 34 | Riebeeckstad (Lusette street) | | Planning 78 stands to be electrified | MV and LV infrastructure stolen | 3 588 000 | | | R3,588,000 |
| 35 | Riebeeckstad (Koppie Alleen School) | | 159 stands to be electrified | MV and LV infrastructure stolen | 7 314 000 | 7 314 000 | | |
| 36 | Bronville Ext 15 & 9 | | Planning 500 stands to be electrified | Electrical 132kv substation must be repaired for R68m before project can commence | 91 000 000 | 68 000 000 | 1,000 000 | 10 000 000 |
| 37 | Rheederspark Ext 2 | | Planning 714 stands to be electrified | Electrical intake substation will be required to be built for the proposed project to an estimated amount of R65m | 97 844 000 | 65 000 000 | 20 000 000 | 12 844 000 |
| 38 | Riebeeckstad 1st Phase Military Vetrens (28 Stands) | | Planning 28 Stands to be Electrified | Eskom intake point and NMD needs to be upgraded. MV and LV infrastructure stolen | 3 388 000 | 2 100 000 | 1 288 000 | |
| 39 | Rheederspark 2nd Phase Military Vetrens (25 Stands) | | Planning 25 Stands to be Electrified | Eskom intake point and NMD needs to be upgraded. MV and LV infrastructure stolen | 1 150 000 | 1 150 000 | | |
| 40 | Eldorie x13 | | Planning 356 stands to be electrified | Electrical medium voltage networks must be upgraded to an estimated value of R8m | 24 376 000 | 8 000 000 | 10 000 000 | 6 376 000 |

