

LED01 of 2019

PROGRESS REPORT ON PANNEL OF SERVICE PROVIDERS FOR THE TRANSACTIONAL ADVISORY SERVICES TO MATJHABENG LOCAL MUNICIPLITY FOR A PERIOD OF THREE (3) YEARS

1. PURPOSE

Purpose of the item is to give a feedback on progress made to date in regard to Appointment of panel of Transactional Advisors for Matjhabeng Municipality.

2. BACKGROUND

Management consulting is the practice of offering business third party advice, expertise, and support with the aim of enhancing the business's performance resulting in an overall increase in the value of the business for its shareholders and other stakeholders.

The Matjhabeng Local Municipality seeks to need to re-organise business functions and to create and rejuvenate revenue streams and increases the pressure for supply chain to react to business need for management consultants speedily.

The Lejweleputswa District Municipality's vision is "to be a leader in sustainable development and service delivery by 2030". As part of Lejweleputswa District, the Matjhabeng Local Municipality seeks services of a transactional advisor to assist them in the planning, procurement and implementation of large – scale transactions for water, roads and electricity, transactional planning, feasibility analysis, procurement and contract management.

The panel will consist of specialised, highly experienced professionals and service providers with an international footprint, able to provide the local municipality with access to practical experienced consultants. The selected service providers shall consist of these categories:-

- Business management
- Finance consulting
- Supply chain consulting
- Capital project and real estate management
- Information, communication and technology consulting

3. PROGRESS TO DATE

Briefing session was held on the 2nd November 2018, and the closing date for the submission of documents was the 29th November 2018. Due to 3 weeks strike action, the date was extended to the 14th December 2018 at 12hrs, the bids documents were opened and recorded in the presence of some of the bidders in T.S Du Plessis Hall. The Evaluation and Adjudication processes expected to be concluded by 1st March 2019, the report will be presented in the next meeting.

4. FINANCIAL IMPLICATIONS

Rejuvenate revenue streams to the Municipality.

5. RECOMMENDATIONS

- That the Committee note the report.

LED02 of 2019

RURAL DEVELOPMENT TRAINING FOR MICRO LENDING SMMEs AND CO-OPERATIVE FINANCIAL INSTITUTIONS

1. PURPOSE

Purpose of the item is to give a progress report on financial training conducted in October 2018.

2. BACKGROUND

The SMME Division in partnership with Bankseta conducted the Financial Management training for 3 consecutive days from the 17th to 19th October 2018. The programme is a rural development project which targeted the SMMEs in the banking and microfinance sector. The objective is to make training accessible to microfinance institutions, credit cooperatives, debt counselors and mediators. It is mostly for organizations that deal with credit financing and who operates in outlying and rural areas of South Africa.

People operating stokvels, micro lenders and funeral parlors from all six units were selected to attend this three day training and +- 80 people responded. The training was held in 2 different venues, Ferdi Meyer hall and Thabong Community Centre respectively.

The participants were trained on the following topics amongst others:-

- How to keep records of financial expenses on a weekly basis for a small business and sustain the records,
- Advances accounting
- Understand financial compliance requirements for a small business.

This was an accredited training aimed at supporting transformation and people development through partnerships, to advance the national and global position of the banking and microfinance sector. The participants will receive their certificates at the breakfast ceremony planned for February 2019.

***** Find the ANNEXURES AND PHOTOS on Page 01 to Page 17 of the annexure.**

3. LEGAL IMPLICATIONS

- Municipal IDP
- Section 22 and 36 of Constitution
- Business Act
- Free State Growth Strategy
- SALGA Guidelines on Local Economic Development

4. FINANCIAL IMPLICATIONS

None

5. RECOMMENDATIONS

- That Committee note the report.

LED03 of 2019

AN APPLICATION FOR ESTABLISHMENT OF BERENG AGRO-PROCESING PLANT AND FRESH PRODUCE MARKET

1. PURPOSE

Purpose of the item is to seek Committee's approval and support of a 3 year lease agreement for use of land by Bereng Agro-processing plant.

2. BACKGROUND

Bereng Agro-processing Project submitted an application for the establishment of an Agro-processing plant in Matjhabeng. They are currently using a rented building at Edu College in Thabong, they have been supported with R100 000.00 worth of machinery by Department of Forestry and Fisheries (DAFF).

The release of land for the expansion plan of this project would yield positive economic spin-offs for the municipality ranging from job-creation, food accessibility and security to our people, and mostly the promotion of black industrialization as advancing the agricultural transformation agenda (Radical Socio-Economic Transformation). The number of jobs created currently are 18 of which 12 of those are permanent.

Obstacles hindering the expansion of the plant among others are:-

- The facilities are rented and private owned,
- There is no proper process flow of material into, within and out of the receiving area due to the size of the rented space,
- There is no proper demarcation of clean and dirt area, thus the potential of cross contamination is high,
- Lack of storage facility for packaging materials and cleaning chemicals

3. DISCUSSIONS

There has been already an interaction with DAFF to fund the expansion of plant, only if the municipality can provide the applicant with the piece of land for this purpose. An initial lease agreement for 3 years as stipulated in MFMA and renewable thereafter is therefore suggested with the projects owners.

Free State Department of Agriculture and Rural Development (FS DARD) through its Comprehensive Agricultural Support Programme (CASP), has already approved the release of funds to procure items identified in business plan, and to also address the identified non-conformance regarding agro-processing standards.

3. INPUTS FROM OTHER DEPARTMENTS

Development and Planning

- All the sites 10628 to 10638 zoned for business, special defined wholesale
- In terms of the Matjhabeng SDF the land is earmarked for business
- The sizes of the Erfs ranges between 2126m² to 3628m²
- The stands can be used for warehouse purposes and with special consent of the Council for any other use

Infrastructure

Water:

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- A 160 mm water line is available along Power road.
- It is however suggested that the applicant will be liable for water connection

Sewer:

- Sewer line is available at corner of Power road and Constantia Way, applicant also will be liable for sewer connection.

Roads:

- There is a road network next to the stand.

4. LEGAL IMPLICATIONS

- MFMA
- Land use Management System

5. FINANCIAL IMPLICATIONS

There will be a revenue income from monthly rentals to the Municipality.

6. RECOMMENDATIONS

1. That the section 80 recommends for the approval of a 3 year re-newable lease agreement with Bereng Agro-processing plant.
2. That the Council supports Bereng Agro-processing plant.as it will be an economic development tool to promote economic growth and export in the region, province and country,

LED04 of 2019

REPORT TITLE: FORMULATION OF MATJHABENG LED STRATEGY

1. PURPOSE OF REPORT

The purpose of the report is to report on the process of the Matjhabeng LED Strategy formulation.

2. BACKGROUND

Local Economic Development (LED) is a means of systematic identification, development and utilisation of economic opportunity. As the local economy grows, poverty is reduced and the public sector income increases. The context and the direction for the role of municipalities in economic development is provided in the White Paper on Local Government. It states that “Local government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities”. Its role is therefore to create a conducive environment for economic development and growth

A strategic plan is a document used to communicate with the organisation the organisations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise. An LED Strategy document needs to be developed in order for the municipality to align itself with long term goals. The purpose of this document is to collate all economic information and investigate the options available to broaden the economic base of the Matjhabeng Local Municipality. The project aims to have a meaningful impact on the local economy thereby addressing the challenges of economic growth, poverty alleviation and job creation.

It is in this light that the Matjhabeng Local Municipality approached the Harmony Mining Company as part of the Social Labour Plan (SLP) to fund the formulation of this document.

2.1 PROJECT NAME

Matjhabeng LED Strategy

2.2. PROJECT LOCATION

Matjhabeng

2.3. BENEFICIARIES AND WHAT THE PROJECT MUST ACHIEVE

- The goal of this document is to assist and support the Matjhabeng Local Municipality to identify LED opportunities and to develop a LED strategy for the Municipality.
- The LED strategy will identify and evaluate the most recent development changes in the local economy. It will also align the document with district, provincial and national initiatives.

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- The LED strategy aims to develop feasible implementation plans to thrust the economic development of the municipality forward onto additional paths of economic growth and expansion.
- The LED study forms part of the IDP process.
- The purpose of the LED is to assist the Matjhabeng Local Municipality in creating an enabling environment that allows for economic development to occur within sustainable parameters.

2.5 ACTION PLAN AND PROGRESS

- Four potential service providers were invited to make presentations at the Harmony Offices on the 23 November 2018.
- One company Urban-Econ has been identified as a service provider of choice in a meeting held on the 5 December 2018.

3. LEGAL IMPLICATIONS

The Local Government Transition (amendment act) Act of 1996
National Development Plan (NDP)
National Framework for LED in South Africa

4. RECOMMENDATIONS

1. That the report be noted

LED05 of 2019

CONSTRUCTION LEARNERSHIP – CONDUCTED BY NATIONAL AFRICAN FEDERATION FOR THE BUILDING INDUSTRY (NAFBI)

1. PURPOSE

Purpose of the item is to source support from the committee of an ongoing construction learnership / training programme in Virginia.

2. BACKGROUND

The learnership is designed to ensure that the rural youth "fish for themselves" by being absorbed into the mainstream of the country's economy through acquiring skills, this is in line with the "Socio-Economic Radical Transformation" agenda.

The learnership is a structured learning programme which includes theoretical and practical workplace experiential learning, which leads to an occupationally related qualification registered on the NQF, the focus is on unemployed youth for job training or apprenticeship. The training is conducted over a period of at least 3 to 12 months per learner, learners are also allocated a monthly stipend for the duration of the programme.

The programme is an occupational based, short term learning programme. When successfully completed by the learner, it constitutes credits towards a qualification registered on the NQF. The skills programmes comprises of a cluster of unit standards derived from the same qualification.

The aim of the programme is to help prepare the rural youngsters to become better persons and foot soldiers for their respective communities, it is designed to complement the Government's job creation model and mainly at creating employment but also at uplifting countryside with services and infrastructure. Due to drastically declining economy of Virginia town, through NAFBI the office facilitated the funding or implementation of the programme in Virginia and with the recommendations given the approval was granted.

3. STATUS QOU

All participants are from Meloding Township programme duration is over a period of 3 years.

3.1 Construction supervision

Participants	39 of which 35 are females
Duration	12 months since 1 st August 2018
PPE	Supplied by NAFBI
Stipend	R2500
Off-site	30% theoretical sessions
On-site	70% practical sessions
Unit stds	31 units stds
Facilitator	Mr Tatolo Seseoane from Odendaalsrus

3.2 Community House Building

Participants	20 of which 13 are females
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Duration	3 months
PPE	Supplied by NAFBI
Stipend	R1500
Unit stds	5 Unit stds ID : 14895 Set out, excavate, cast concrete, strip foundation & build foundation and walling ID: Applying health and safety in the workplace
Facilitator	Mr Retselisitsoe Ramolai from Rheederpark

4. CHALLENGES

Currently the students are being accommodated at Mrs Ndaba's garage (member of NAFBI) in Virginia town and they are overcrowded. A suitable space (hall) is secured at Merrispruit 3 hostel (Nkandla), challenge is the lack of furniture of which the processes of acquiring it are underway.

*** Attached from Page 18 to Page 25 of the ANNEXURES are NAFBI profile and photos of learners

4. LEGAL IMPLICATIONS

- Municipal IDP
- Section 22 and 36 of Constitution
- Business Act
- Free State Growth Strategy
- SALGA Guidelines on Local Economic Development

5. FINANCIAL IMPLICATIONS

Sourcing of furniture and the money to be sourced from the relevant vote number.

6. RECOMMENDATIONS

1. That the Committee support the programme
2. That the Committee grant the sourcing of furniture to be used for this purpose.

LED06 of 2019

REQUEST TO UTILIZE ERF 371 REITZPARK IN WARD 23 FOR RECYCLING PURPOSES (ED: LED, P & HS) (11/3)

PURPOSE

The purpose of this item is to submit to EXCO for consideration, an application by Phomolong Youth Foundation for utilization of Erf 371 Reitzpark for recycling purposes.

BACKGROUND

APPLICATION

The Phomolong Youth Foundation made a request to the Office of the Acting Director LED, Planning and Human Settlements. The Phomolong Youth Foundation comprises of a group of eleven (11) young people, who have applied to the municipality to use stand 371 Brebner Road, Rheederspark as a Recycling Waste Project.

It is important to indicate that Rheederspark is a small suburb with limited space to cater for all the needs of the residents living there. With the high level of unemployment, and slow economic growth, it is key to venture into other industries in order to make a living. The young people of this suburb have recited to a better alternative of job creation which is a recycling venture rather than involving themselves into criminal activities. Therefore, the site is also being used by the Phomolong Youth Foundation without permission from Council.

Due to the fact that there is little or no available land to run the recycling project, the youth is rather requesting the municipality to utilize a piece of land within the suburb which is earmarked as a “Public Open Space”. The stand has never been utilized for the use indicated for the past years and as such it has been identified as a potential site in order to be temporarily utilized as the afore-mentioned use.

The rapid growth in solid waste and the fact that there is a shortage of suitable land to dispose of waste means that South Africa is running out of space for waste disposal. In recent years much focus has been placed on recycling efforts as a way of reducing the damaging impact of waste on the environment. The National Environmental Management Act (NEMA) of 1998 states that waste is to be avoided, or where it cannot be altogether avoided, minimized and reused or recycled where possible or otherwise disposed of in a responsible manner. Taking this lead, the National Waste Management Strategy (NWMS) had set goals to divert 25% of recyclables from landfill sites for re-use, recycling or recovery; and for all metropolitan municipalities, secondary cities and large towns to have initiated separation at source programmes by 2016. The NWMS had also set a goal that 80% of municipalities should have been running local awareness programmes by 2016. In short, recycling aids in conserving energy, saves natural resources and reduces pollution.

PROPERTY LOCATION

*** The location of the target properties is depicted on the locality plan **attached on Page 26 to Page 27 of the Annexures.**

2.3 OWNERSHIP AND PROPERTY INFORMATION

The property information is as follows:

ERF	OWNERSHIP	AREA IN M ²	ZONING
1. 371	Municipality	3763	Public Open Space

LEGAL IMPLICATIONS

Sections 14 read with Section 90 of the Local Government: Municipal Finance Management Act No. 56 of 2003 (“the MFMA”) prescribes that:

14 Disposal of capital assets:

- (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-
 - (a) Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
 - (b) Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- (3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
- (4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2) (a) and (b) in respect of movable capital assets below a value determined by the council.
- (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

With regards to the above-mentioned information, the municipality can enter into a lease with the Phomolong Youth Foundation. The Land Administration and Legal Departments must be consulted in order to assist in drafting the lease.

FINANCIAL IMPLICATIONS

The Phomolong Youth Foundation will be liable for the development of the erf and incur costs for the project from start to finish. The municipality shall generate revenue through leasing of the land and also rates and taxes from municipal services offered.

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POLICY/LEGISLATIVE POSITION

- Spatial Planning and Land Use Management Act (Act No.16 of 2013);
- Matjhabeng Integrated Development Plan (IDP) 2015-2016
- Matjhabeng Spatial Development Framework (SDF) 2013
- Matjhabeng Municipal Land Use Planning By Law, 2015
- Welkom Town Planning Scheme No. 1 of 1980.
- National Environmental Management: Waste Act No. 59 of 2008
- Municipal Waste Management By-laws
- National Environmental Management Act No. 107 of 1998

RECOMMENDATIONS

1. That Management takes note of the request made by Phomolong Youth Foundation.
2. That sites for small businesses in the area be identified for informal trading and vendors be assisted accordingly.
3. That Management approves the use of the Public Open Space by Phomolong Youth Foundation temporarily until such time a formal demarcated area is developed for such use.
4. That the Phomolong Youth Foundation be invited to make a presentation to Management.

LED07 OF 2019

**PROGRESS REPORT ON FUNDED AGRICULTURAL PROJECTS IN
MATJHABENG LOCAL MUNICIPALITY**

PURPOSE

The purpose of the report serves to inform the Council about the agricultural projects that had received funding in Matjhabeng Local Municipality.

BACKGROUND

Agriculture in South Africa has a central role to play in contributing to the ailing economy; hence agriculture can contribute significantly to food security. It is against this background that the South African government had established a funding grant for the previously excluded communities in our country. There are various grants, funding, and incentives that have been made available by the government to assist new entrants and existing farmers in developing agriculture. Under the Matjhabeng Local Municipality, four projects received funding from the government which are discussed below:-Mohodung Corner Project

The Matjhabeng Local Municipality is the owner of Farm Gelukspan 394 RD, Remainder of portion 2 situated in the district of Virginia (Free State Province) measuring 257 hectares. Local Economic Development Directorate has allocated land to Ms. Ntswaki Jeannet Lenyehelo who is one of the emerging farmers. The intention for this initiative was to empower Ms. Ntswaki Jeannet Lenyehelo who is a young woman to produce and cultivate the land in question for her to be able to participate in the mainstream of our economy.

The Department of Agriculture and Rural Development (Free State Province) has identified and approved Mohodung Corner Project for assistance in the financial year 2018/19 under CASP conditional grant to the total of R730 000.00 under the following conditions:She is expected to enter into a Transfer Payment Agreement with the Department of Agriculture and Rural Development.

1. To sign a Service Level Agreement and utilize the funds received from the Department in accordance with the Project Plan approved by the Department and the scope of the Project.
2. To support the scope of the implementation of the Project with due skill, care and diligence.
3. To act in line with any requirements and specification of the Department.

Furthermore Department of Agriculture and Rural Development convened a meeting on the 1st of November 2018, at Glen IPJ Hall to ensure that all the beneficiaries understood the terms and conditions of the grant(CASP). About a 100 hectares of the farm was cultivated around January 2019 and harvesting is expected between May and June 2019.

2. Pepper's Primary Co-operative

Department of Rural Development Rural Enterprise and Industrial development Branch has supported the Pepper's Primary Co-operative with the following Items

- 100 Bosmara breed cows with calves
- 5 Bonsmara Bulls
- 2500 bales of Lucerne
- 65kw tractor
- 2m renovator
- 25kg Lucerne smuts finger grass

3. Dihoai Cooperative

Dihoai Farming is an agriculture business based in Welkom (Free State) and their primary products includes production of poultry feeds and broilers. Dihoai Farming is currently working with other small scale poultry producers to grow, process and distribute both fresh and frozen chicken in the local market, some retailers and mines.

Dihoai Farming is at the moment more involved with the production and processing of chickens on a small scale, the product is then sold in the local market either as live or frozen chicken. In addition to producing and supplying poultry feeds, they are also involved in assisting other small scale chicken producers in the local area by slaughtering of their live chickens at a reasonable fee.

Department of Agriculture and Rural Development has supported the Dihoai cooperative with the following items.

1. Building new abattoir which can slaughter 10 000 chickens per day
2. Pelletizer machine
3. Renovation of chicken houses
4. Upgrading of silos

5. Letlotlo cooperatives

Cooperative that consists of six members. It is a youth project that is situated in Odendaalsrus Letlotlo have lease agreement with the municipality in Kalkyl farm.

Department of Agriculture and Rural Development has supported the Letlotlo cooperative with the following items establishment of Layer chicken house for 1000 chicken capacity.

POLICY POSITION

None

LEGAL IMPLICATIONS

Lease Agreements entered into between the Municipality and Emerging Farmers

FINANCIAL IMPLICATIONS

None

RECOMMENDATION:

1. Submitted for noting

PROGRESS REPORT ON FUNDED AGRICULTURAL PROJECTS IN MATJHABENG LOCAL MUNICIPALITY

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POLICY POSITION

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LEGAL IMPLICATIONS

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FINANCIAL IMPLICATIONS

None

RECOMMENDATION:

1. Submitted for noting

