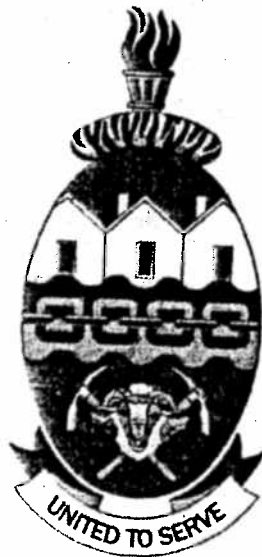


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**INXUBA**  
**YETHEMBA**  
**MUNICIPALITY**



**ANNUAL REPORT**

**2008/9**

**PART 1:**

**INTRODUCTION AND OVERVIEW**

In these the last 3 will continue to remain priorities whilst the first 2 require continuous implementation

### ***Municipal Financial Viability***

Among key priorities in this KPA have been:

- Preparation of valuation roll which has been completed in time for implementation in July 2009
- Timely budget completion and adoption which was done
- Financial statements submission in time where indications were that they would be ready by August 31 2009.
- Revenue generation which continues to be a challenge to be addressed on a continuous basis
- Compliant Asset register will also continue to be a challenge

### ***Good governance and community participation***

The following major priorities were addressed

- Institutional development and transformation which resulted in a clear chart of organogram and identified gaps in numerical goals in EE
- Employee relations dealt with gaps in the requisite structures and needs of employees as a continuous process
- Good Governance and public participation dealt with functionality of governance structures with shortcomings identified to continue to be focus areas for following years
- Council and Committee Administration which will continue to be improved in the coming financial year
- Human Resource Management as the core business in administration will receive priority

## **B. THE YEARLY PROGRAM PRIORITIES' STATEMENT BY THE MUNICIPAL MANAGER**

The financial year under review was a very busy one in particular as it was an election year, although these were taking place at National and Provincial level the pressure is always felt at the local level.

The program at local level is always guided by the 5 year Local Government Strategic Agenda which guide the Service Delivery and Budget Implementation Plan namely:

- Municipal Transformation and Institutional Development
- Basic Service Delivery and Infrastructure
- Local Economic Development
- Municipal Financial Viability
- Good Governance and Community Participation

Priority Areas were identified in accordance with the needs of the communities and ability of institution to implement them and most importantly covered the following.

### ***Municipal Transformation and Institutional Transformation***

- The completion of the current organogram and its schematic representation which has always been a challenge
- Future challenge/goal is to set numerical goals for our equity plan

### ***Basic Service Delivery and Infrastructure***

Two major priorities amongst others we had in this respect were:

- Roads and Infrastructure
  - We managed to achieve the targets we set for ourselves in this financial year within the limited MIG allocations
- Electrical Infrastructure
  - In electrical infrastructure we as well achieved our targets based on the allocations

Both these will continue to be our priorities as they contribute to social and economic wellbeing of the community

### ***Local Economic Development***

Areas of focus in this respect were which are reported to under the relevant sections are:

- LED strategy and incentive package development which have been completed
- Tourism Strategy Development which has also been completed
- SMME Support
- SPU support
- Agricultural Support

## C.OVERVIEW OF THE MUNICIPALITY

### 2.1 Municipal Area

Inxuba Yethemba Municipality is situated in the Chris Hani District Municipality in the Eastern Cape Province. It is approximately 240km north of Nelson Mandela Metro. It is comprised of the former Middelburg EC and Cradock Local and Rural councils with their urban centres situated 100km apart. Cradock consists of suburb of Cradock, Lingelihle and Michausdal communities, whilst Middelburg has the Middelburg suburb with Kwanonzame Lusaka, and Midros communities.

The two urban centres of Cradock and Middelburg are fairly similar with well developed CBD's and fair infrastructure whilst a lot still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in rural areas of Fish River Mortimer and Rosmead.

The N10 National Road which is the vital economic link between Port Elizabeth and the North runs through Cradock and skirts Middelburg. The economy of the area is largely based on agriculture and tourism with small and medium enterprises, formal sector like government departments and finance and commercial institutions.

### 2.2 Geographic profile

The municipal area stretches over a geographical area of 11594.65 square kilometers comprising of a potentially arable area with a slope ranging from 0° to 12°, with the rest of slope above 12° being mountainous area that is not arable.

The area is characterised by harsh climatic conditions with day temperatures averaging between 20°C and 40°C and night temperatures between - 5°C and 16°C. The average annual rainfall is between 200mm and 300mm with north westerly and westerly winds being more prevalent.

Most of the municipal area is covered with shrub land and low fynbos. The veld type is typical Karoo vegetation which is ideal for stock farming. Inxuba Yethemba falls within the Great Fish River drainage system and its many tributaries. Cradock receives its water from the Gariiep dam through a transfer scheme which is managed by the Department of Water Affairs and Forestry whilst Middelburg on the other hand

solely depends on its ground water. The present drought has thus a detrimental effect on water sources in Middelburg.

Inxuba Yethemba experienced extreme flood damage during the 70's and they still pose a potential danger. Veld fires are most common causing a threat to the agricultural sector. Drought is another major risk in the agricultural sector, which is important for the economy of the area.

### 2.3 Demographic profile

The demographic data used is derived from 2001 Census figures, the Demarcation Board and Community Survey 2007. It is worth noting that there exist huge discrepancies between this data and that from other sources including municipal records. It must as well be noted that for the 2006 local government elections the following ward boundaries have been altered, Wards 5, 6, 7, 8 and 9 hence this information might not exactly tally with current ward arrangement. Also ward 1 and 3 have exchanged numbers since the previous local government elections before 2006.

#### 2.3.1 Population Distribution

Table 2.1

Population Demographics								
		Race					Gender (%)	
Ward	Population	African	Coloured	Indian	White	Other	M	F
1	5858	77.5	17	0.0	5.4	0.1	46.6	53.4
2	8201	5.3	94.4	0.1	0.1	0.1	46.4	53.6
3	5688	56.7	9.5	0.1	33.5	0.2	49.2	50.8
4	8424	36.4	23.9	0.1	39.4	0.2	50.1	49.9
5	2427	99.0	0.7	0.0	0.0	0.3	46.5	53.5
6	5929	45.1	36.9	0.0	17.8	0.2	55.9	44.1
7	9611	96.7	3.2	0.0	0.1	0.1	45.6	54.4

8	8205	15.2	84.3	0.1	0.3	0.1	46.7	53.3
9	5954	93.6	6.2	0.0	0.0	0.2	46.6	53.4

Source: Census 2001

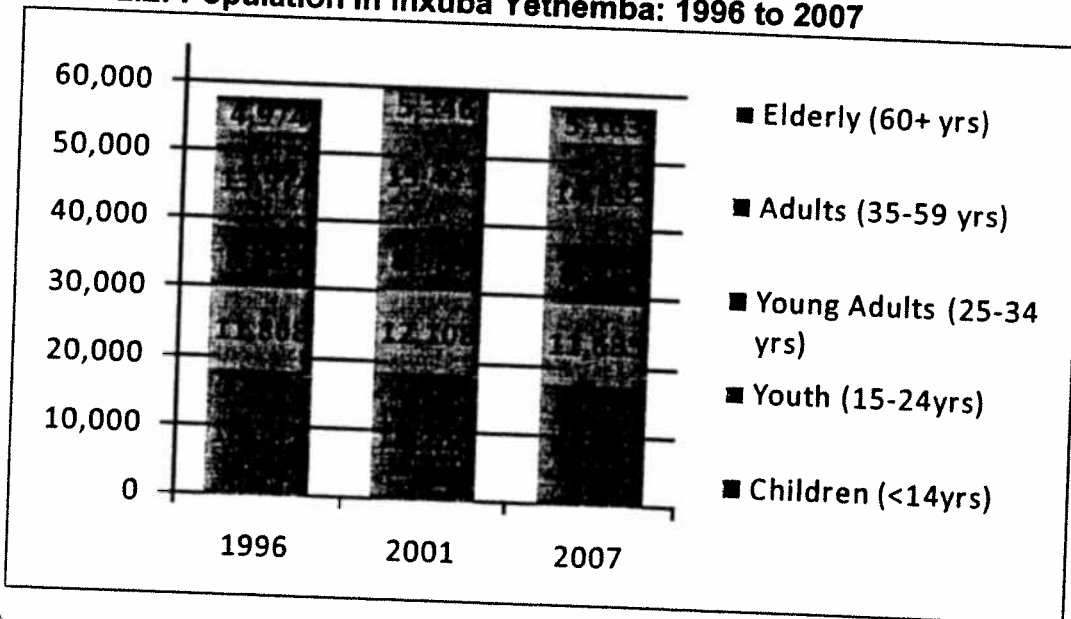
The 2001 Census statistics suggests a population of 60296 for the whole of Inxuba Yethemba. More than 80% of the population is concentrated in the towns of Cradock and Middelburg with the rest scattered throughout the rural area. As is comparable with National and Provincial Statistics women are in the majority at 51.8% compared to 48.2% of men.

### 2.3.2 Demographics trends and migration patterns

With the building of formal settlements and retrenchments in the farms there is a continuous influx of people into the urban centres from the rural area. Also worth noting is the ever increasing number of immigrants from the African continent.

### 2.3.3 Age Profile

Table 2.2: Population in Inxuba Yethemba: 1996 to 2007



Source: Quantec (2008)

- There are just more than 58,000 people living in IYM<sup>1</sup>, with Cradock being the largest urban area.
- More than 50% of the population is younger than 25 years of age

- There has been a decrease in the population between 2001 and 2007, with population growth at -0.6% p.a.
- Most residents in IYM live in Lingelihle, and Michausdal
- There has been a decrease of nearly 2,000 persons living on farms outside of the main towns in IYM between 1996 and 2007
- The population in Middelburg has increased by nearly 2,500 persons over the past 12 years

The population density is low at about 5 persons per km<sup>2</sup>

Statistics SA's 2007 Community Survey reports that the actual population in IYLM is about 48,400

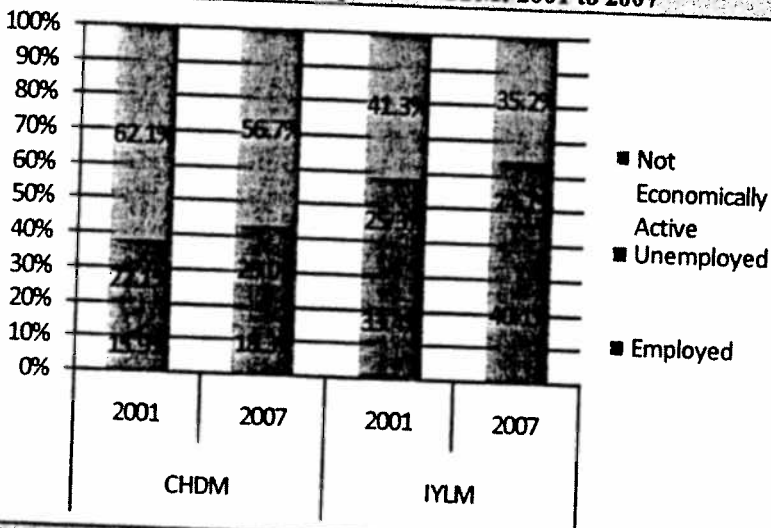
#### **2.4 Socio Economic profile**

Inxuba Yethemba forms part of the Karoo Midlands, which is predominantly an agricultural area. The tourism industry also contributes significantly to the economy of the area. Both these sectors remain not to reflect the demographics of the municipality in terms of their benefits as they continue to be monopolized by the previously advantaged members of our community.



# Labour Force Participation and Unemployment

**Table 2.18 Labour force participation in IYM: 2001 to 2007**

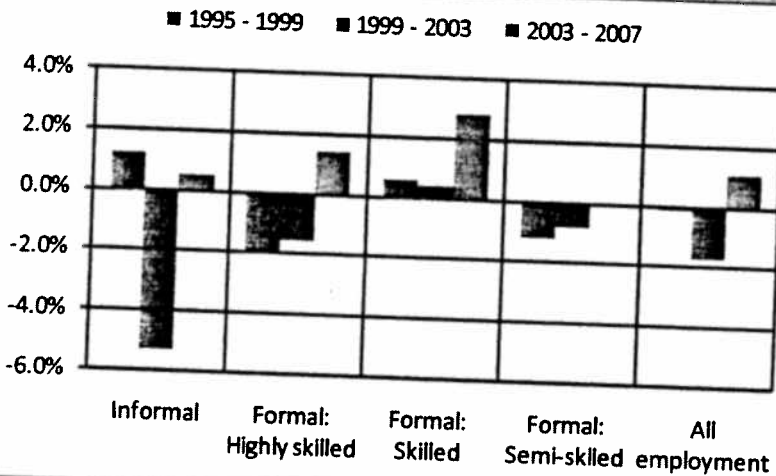


**Key Features:**

- A greater percentage of the labour force in IYM is employed in 2007 than was the case in 2001
- The actual unemployment rate in IYM has decreased from 43% to 38% between 2001 and 2007.
- The Not-Economically Active population in IYM has shrunk by 6% between 2001 and 2007
- Employment in IYM is significantly higher than in CHDM
- Employment declined by 1.7% p.a. between 1999 and 2003, but increased by 1.1% between 2003 and 2007
- Informal employment decreased significantly (5.2% p.a.) between 1999 and 2003.
- Skilled employment increased over all periods, but by nearly 3% p.a. between 2003 and 2007.

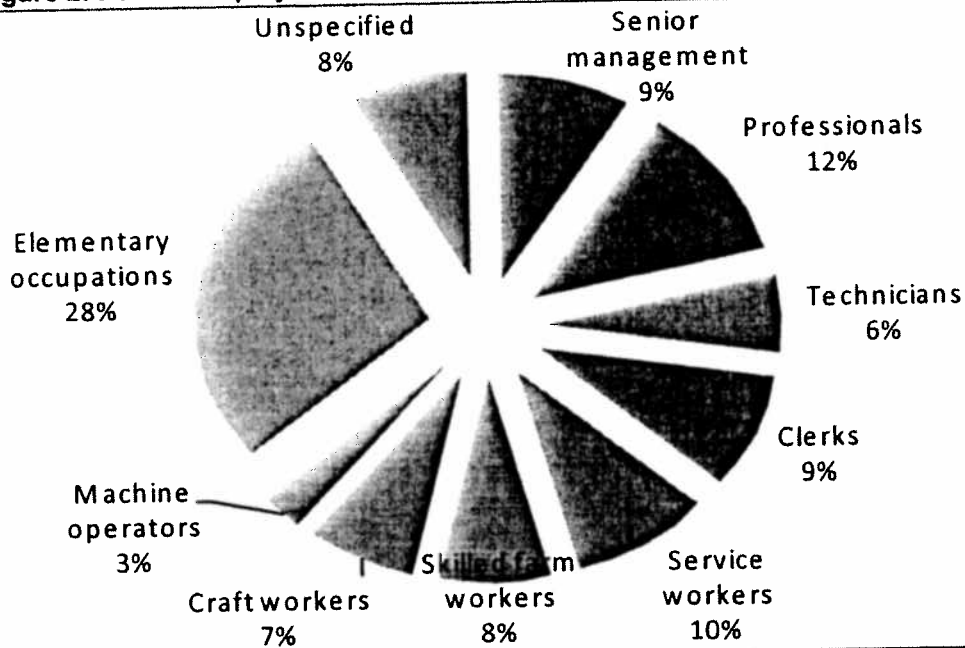
Source: Statistics SA (2001, 2007)

**Figure 1: Growth in employment type in IYM: 1995 to 2007**



Source: Quantec (2008)

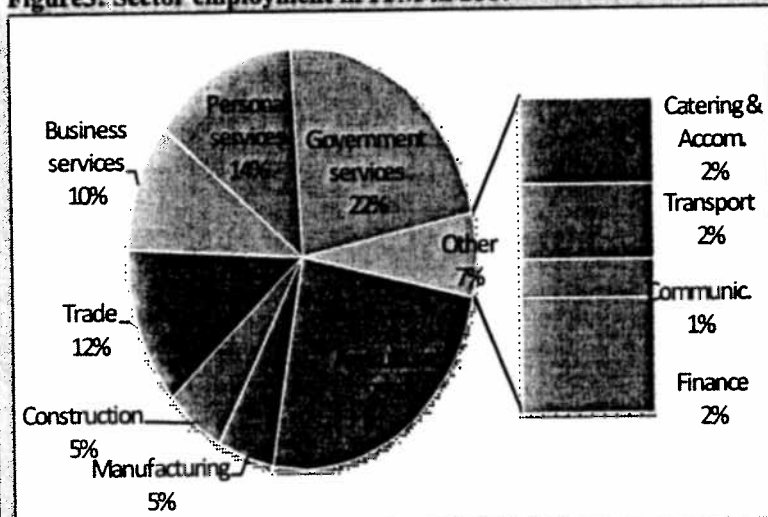
**Figure 2: Formal employment occupations in IYM: 2007**



Source: Statistics SA (2007)

- More than 25% of formal employment is in highly skilled jobs
- Nearly a third of formal employment is in unskilled or semi-skilled positions

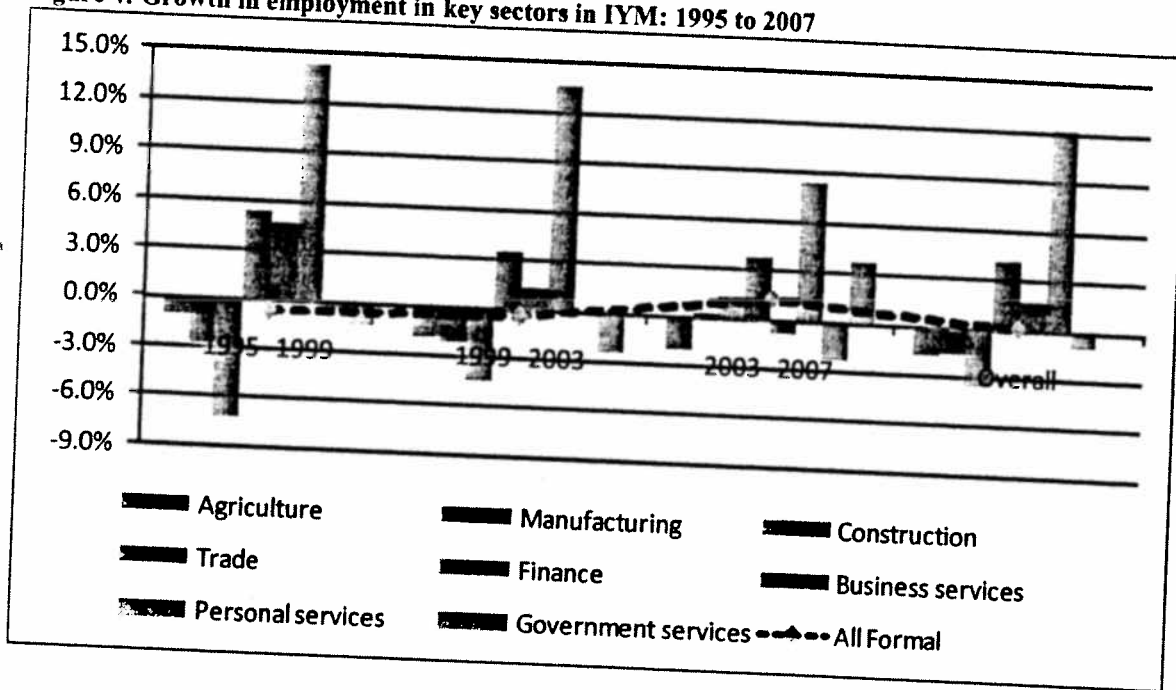
**Figure 3: Sector employment in IYM in 2007**



- The sectors providing the most formal jobs are Government and Agriculture
- Employment in Agriculture has decreased by nearly 2% p.a. between 1995 and 2007
- Formal employment has increased in Trade, Finance and Business Services
- There was very little growth in government employment between 1995 and 2007.

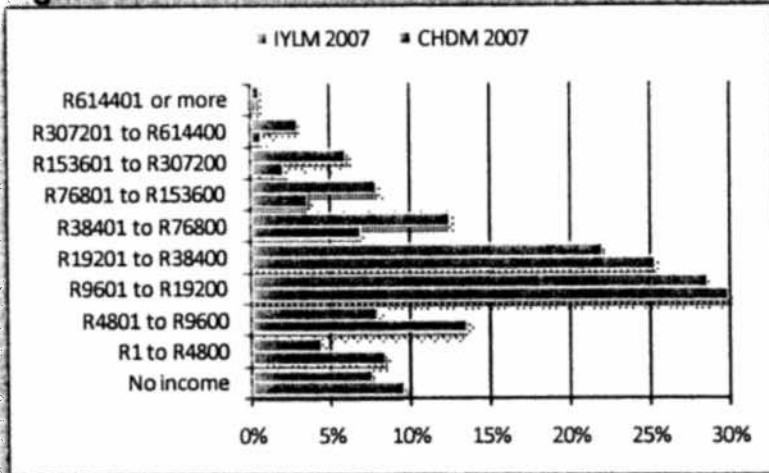
Source: Quantec Easydata (2008)

Figure 4: Growth in employment in key sectors in IYM: 1995 to 2007



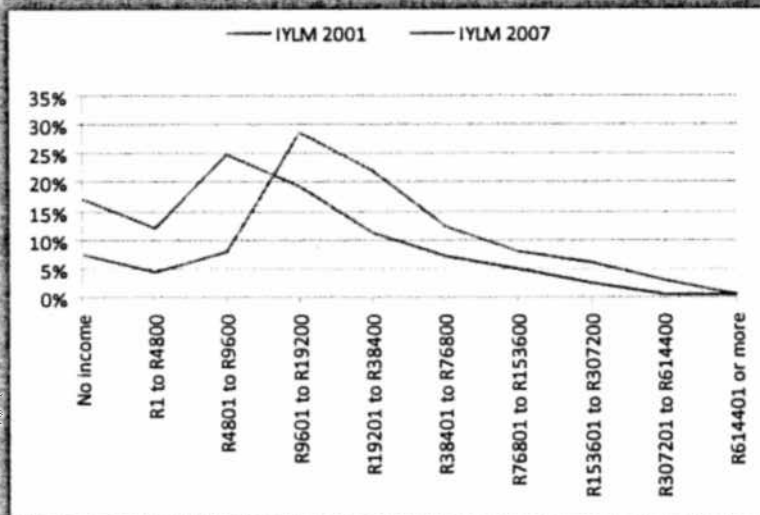
Source: Quantec Easydata (2008)

**Figure 5: Distribution of household income in 2007**



Source: Statistics SA (2007)

**Figure 6: Change in distribution of household income between 2001 and 2007**



Source: Statistics SA (2001, 2007)

**Key Features:**

- Households in IYM earn on average more than the average household in CHDM
- More than 7% of households in IYM has no income, significantly lower than in 2001
- About 50% of households in IYM had less than R19,200 income p.a.
- There has been a marked increase in household income between 2001 and 2007 in IYM. Only 20% of households in IYM had income of less than R9,600 p.a. in 2007, compared to 54% in 2001
- About 4% of households in IYM earn above more than R307,200 p.a.

The major event which has affected the municipality in the financial year has been the National and Provincial Elections. Council activities had to be scaled down to a large extent during the period prior to the elections, as the politicians had to be given time to carry out their political responsibilities to prepare their constituencies for voting.

**PART 2:**

**KPA ACHIEVEMENT REPORT**

# CHAPTER 1

## HUMAN RESOURCE AND OTHER

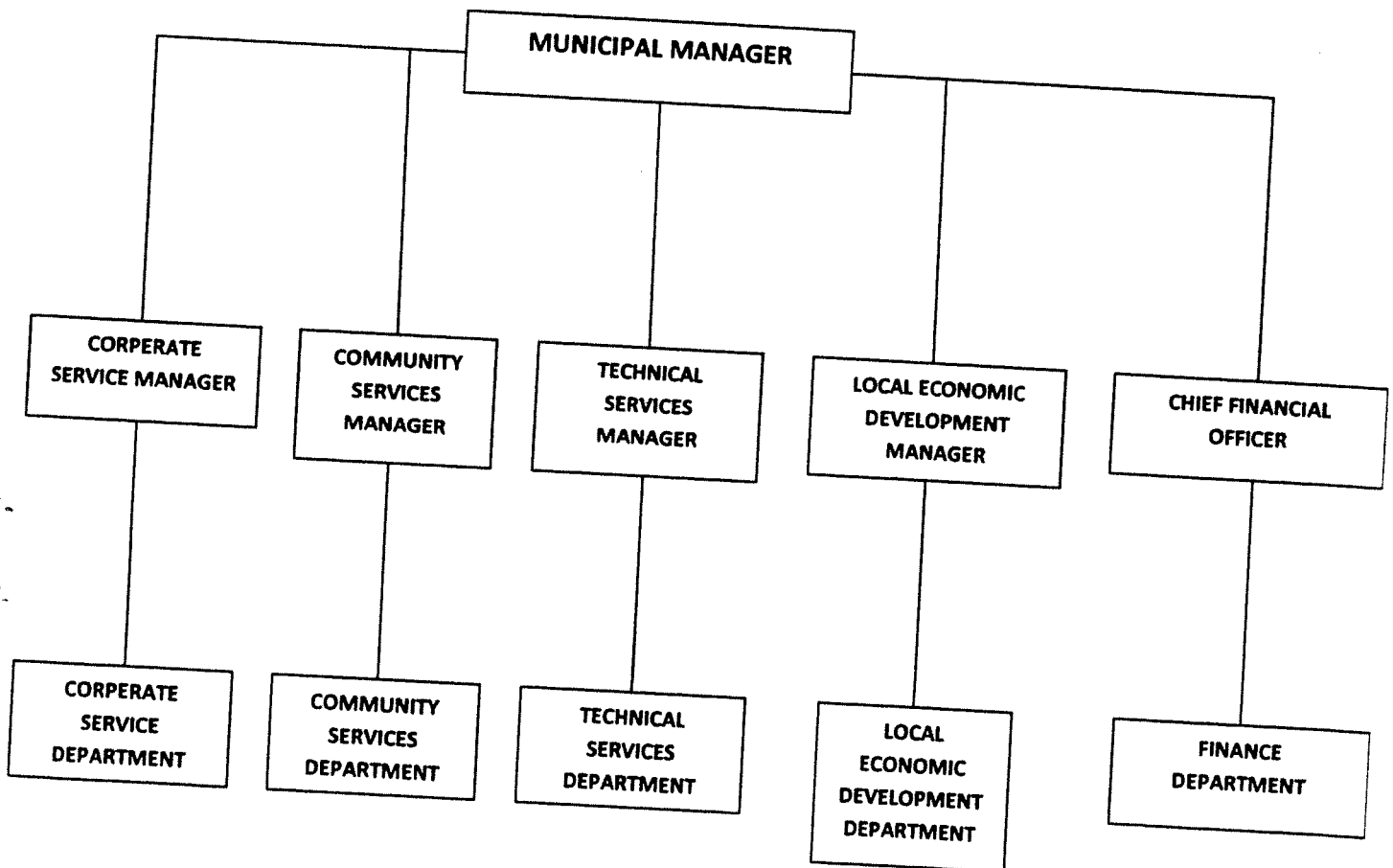
## ORGANISATION MANAGEMENT

### KRA 1

### 1.1 Presentation of the organizational structure

- Total number of approved posts in the municipality's approved organogram is 455
- There is currently 86 vacant posts
- The municipality administration is comprised of the following departments:
  - Corporate Services
  - Community Services
  - Technical Services
  - Local Economic Development
  - Finance
- Each of the departments is headed by a Section 57 manager on a signed 5 year performance contract
- Together with the municipal manager there are six section 57 managers and they have all signed annual performance agreement for the year under review.

Following is an overview of the high level organogram, the detailed organogram is added as an attachment.



## **1.2 Staff development initiatives during the Financial Year**

The following types of training have been attended in the financial year with some still continuing:

- **Executive Leadership Development (University of Fort Hare)**
  - Councillor
    - N.P Zonke
  - Official
    - D. Morose-Msali
  
- **Municipal Finance Management (University of Pretoria Continuing Education)**
  - Councillors
    - P. Perring
    - T Nabo
    - N. Zonke
  - Officials
    - L. Gunuza
    - Z. Kali
    - H. Leonie
    - I. Mowers
  
- **Municipal Law & Administration (University of Fort Hare)**
  - Councillors
    - P. Fose
    - L. Davids
    - N. Geveza
    - N. Swartz
  - Officials
    - C. van Deventer
    - E. Meyers
    - V. Pike
    - N. Myo
  
- **Certificate Program in Management Development for Municipal Finance ( Wits Business School)**
  - Officials
    - T. Sigenu
    - L. Joziyasi



There is no Human Resource Development Plan in the municipality; we had discussions with the Department of Local Government and Traditional Affairs in the province seeking assistance to develop this. The Workplace Skills Pan is completed and sent to Department of Labour every year in June.

## Key HR statistics per functional area

### a) Full time staff complement per functional area

#### 1 MM/Section 57 and Line Managers

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager's Office and Corporate Services	30	30	3 not budgeted for
2	Technical Services	166	166	0
3	Finance	39	38	1
4	Community Services	187	171	16
5	Local Economic Development	29	23	6

#### 2. Technical staff registered with professional bodies

Technical Service	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Civil Engineering	2	1	0	1
Electrical	1	0	0	1

Engineering				
Water	1	0	0	1

### 3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
369	This information is not readily available as our system does not provide for it. It needs to be done manually; therefore with time given we are unable to undertake this exercise.	This information is not readily available as our system does not provide for it. It needs to be done manually; therefore with time given we are unable to undertake this exercise.	This information is not readily available as our system does not provide for it. It needs to be done manually; therefore with time given we are unable to undertake this exercise.

### 4. Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006-2007	403	45 373 867	42 831 380	58.84%
2007-2008	378	43 657 3671	43 891 386	61.66
2008-2009	369	47 978 339	46 513 725	38.90

### 5. List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members	Names of medical Aids	Number of members
Cape Joint Pension Fund	8	SAMWUMED	64
SALA Pension Fund	37	LA Health	29
Cape Joint Retirement Fund	88	Bonitas	31
SAMWU Provident Fund	206	Key Health	13
SANLAM Retirement Annuity	22	HosMED	71

### 1.3 Senior officials' wages and benefits

#### Section 57 Remuneration Packages

As per employment contract the section 57 managers receive an all inclusive package.

Employee	Package 2008/9	Package 2007/8
Municipal Manager	R590 808	R545 520
Chief Financial Officer	R501 636	R463 188
Corporate Services	R501 636	R463 188
Community Services	R501 636	R463 188
Technical Services	R501 636	R463 188
Local Economic Development	R501 636	R463 188

### 1.5 Implementation of the Performance Management System (PMS):

The PMS framework was developed and adopted by Council in January 2009. It is being implemented institutionally as well as individually by Sec. 57 employees. It has not yet been cascaded to levels lower than Sec. 57 employees.

### 1.6 Annual performance as per key performance indicators in municipal transformation and organizational development

Indicator name	Total	Achievement	Achievement	Comments

		number of people (planned for) during the year under review	level during the year under review	percentage during the year	on the gap
1	Vacancy rate for all approved and budgeted posts;	455	373	82	Lack of Funding
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	100%	N/A
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	6	3	50%	Other managers will attend in the next FY
4	Percentage of Managers in Technical Services with a professional qualification	4	4	100%	N/A
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	N/A	N/A	N/A	N/A
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	0	0	0	No skills audit was undertaken as there is still outstanding training in the previous audit
7	Percentage of councillors who attended a skill development training within the current 5 year term	18	18	100%	

8	Percentage of staff complement with disability	System not equipped to provide this information. It has to be done manually	N/A	N/A	We need a system that is more HR inclined than the current one which is biased more towards finance
9	Percentage of female employees	System not equipped to provide this information. It has to be done manually	N/A	N/A	We need a system that is more HR inclined than the current one which is biased more towards finance
10	Percentage of employees that are aged 35 or younger	System not equipped to provide this information. It has to be done manually	N/A	N/A	We need a system that is more HR inclined than the current one which is biased more towards finance

### **Major challenges and remedial actions in regard to human resource and organizational management**

Major challenge faced by the municipality is lack of funding as it relates to filling of posts. This in essence will translate into effective service delivery to communities. It is also a challenge that the two units sometimes duplicate functions. Remedial action in regard to human resource is to get adequate funding to fill some critical posts, for example, we need to have a Supply Chain Management Section to be able to deal effectively with procurement and thereby assist in fast tracking service delivery. This is but one example of our situation. We do not even have a PMU Manager and we are lagging behind in implementing projects and this can result in MIG funding being withheld in future

# CHAPTER 2

## BASIC SERVICE DELIVERY PERFORMANCE

### HIGHLIGHTS

#### KRA 2

## 2.1 Water Services

### 2.1.1 Water services delivery strategy and actors

Inxuba Yethemba Municipality is a Water Services provider in its area of jurisdiction on behalf of Chris Hani District Municipality which is the Water Authority. The municipality purchases bulk raw water from the Fish River Scheme in Cradock unit. The water is treated and distributed to the consumers. In the Middelburg unit the water is pumped from boreholes and distributed to the consumers.

### 2.1.2 Level and standard of water service

Table 2.1 Water Access by household

Water Source	% Households Census 2001	% Households RSS 2006	% Households CS 2007
On site	87.4	96.5	91.30
Borehole/Tank	0.9	1.4	5.5
Communal Stand Pipe	10.2	2.2	2.6
Natural water/Dam	0.9	0.0	0.6
Other	0.7	0.0	-

Source: Census 2001, RSS 2006 and CS 2007

Households in Inxuba Yethemba obtain their water from the sources listed in table 2.3. It is evident from the table that most households have access to treated water and only a small percentage from natural sources. Most of the people in the rural areas of municipality receive water below RDP standards. With the existing growth rates and developments particularly water borne sewer, the water storage capacity requires expansion in the coming years. There has also been a marked improvement in quality water provision when a comparison is done between Census 2001 and RSS 2006 survey. The correctness of the community survey (CS) 2007 statistics is highly questionable and is not used for comparison purposes. The backlog is standing at 10% and this translates to R3.8million according to CHDM 2007/8 IDP. With this picture both the provincial and national targets are within reach.

### 2.1.3 Annual performance as per key performance indicators in water services

	Indicator name	Target set for the year (number of households)	Achievement level during the year (number of households)	Achievement percentage during the year	Overall achievement rate including previous years
1	Percentage of households with access to water services	619	0	0	95.8
2	Percentage of households with access to basic water services	571	351	61	98.3
3	Percentage of indigent households with access to basic free water services	220*	0	0	95.6
4	Percentage of clinics with access to water services	-	-	-	100
5	Percentage of schools with access to water services	-	-	-	100
6	Percentage of households using buckets	-	-	-	100

\* This refers to Rosmead which is currently a Transnet settlement

### 2.1.4 Challenges

Rehabilitation of the bulk water infrastructure and reticulation networks will have to be attended to as a matter of urgency as it has by far exceeded its lifespan. This results in water losses that exceed acceptable levels due to leakages. Water storage and treatment capacity require expansion to meet the increasing demand.



Middelburg unit solely relies on ground water and currently ground water levels are at their lowest, posing a serious challenge to the municipality. A lasting solution is required and this can only be achieved by drawing water from Fish River Scheme. This is a huge project which even the District council as a WSA cannot undertake alone as the project is estimated to be approximately R100 million. Rosmead is the area which needs serious attention in terms of up to the erf water provision as is the norm in all other areas in the municipality. The land transfer from Transnet needs to be finalized first before projects can be implemented in this area

## **2.2 Electricity Services**

### **2.2.1 Electricity services delivery strategy and main actors**

The municipality distributes electricity to Cradock town, Michausdal and the whole of Middelburg. In Lingelihle township Eskom is the distributor. It also has a responsibility to provide and maintain streetlights throughout the municipality. Electricity is purchased in bulk from Eskom and distributed through the municipality's infrastructure and network. The municipality's role is administered as follows:

- ❖ Bulk purchase of electricity supply from Eskom
- ❖ Distribution of electricity to consumers
- ❖ Management of pre-paid electricity to consumers
- ❖ Taking measures to prevent theft of electricity
- ❖ Maintaining links with government departments and institutions like DME, NERSA etc.
- ❖ Implementation of projects on housing electrification
- ❖ Maintenance and upgrade of electricity infrastructure and networks
- ❖ Public lighting of streets and maintenance of street light fittings and fixtures

Strategic objectives of the function are:

- ❖ to ensure that all communities receive adequate and uninterrupted supply of electricity
- ❖ ensure adequate street lighting so as to provide safety and security in the communities

### **2.2.2 Level and standard in electricity service**

2.2.2.1 Percentage households' use of electricity

	CENSUS 2001	COMMUNITY SURVEY (CS) 2007
Electricity used for lighting	82.5	94.1
Electricity used for heating	44.3	43.7
Electricity used for cooking	52.8	79

Source: Census 2001, CS 2007

2.2.2.2 Electrification in Inxuba Yethemba

Table 2.2

Ward	% Households With Electricity	% Ward With Adequate Street Lights
1	100	100
2	100	100
3	95	93
4	100	100
5	100	100
6	90	99
7	100	100
8	100	100
9	100	100

Source: Municipal Data 2009

### 2.2.3 Annual key performance indicators in electricity services

	Indicator name	Target set for the year (number of households)	Achievement level during the year (number of households)	Achievement percentage during the year	Overall achievement rate including previous years
1	Percentage of households with access to electricity services	220*	0	0	98.2
2	Percentage of households with access to basic electricity services	220*	0	0	98.2
3	Percentage of indigent households with access to free basic electricity	All registered indigents	All registered indigents	100	100

\* This refers to Rosmead which is currently a Transnet settlement

### 2.2.4 Challenges

As is the case with water infrastructure the electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demands. Cradock unit is currently experiencing serious power supply shortcomings due to limited capacity levels. This is happening at a time when the area is experiencing an influx of people wanting to invest and local developers wanting to develop the area. This contradicts with our objective of wanting to develop the local economy and create jobs. Middelburg unit on the other hand is on a time bomb ready to explode. This is largely due to improper planning in the past, as there is currently no spare/ reserve transformer capable of carrying the full load should the one in use give in or require major servicing. This matter is receiving urgent attention as if anything happens half the community could be without supply for up to 12 months.

## 2.3 Sanitation

### 2.3.1 Sanitation services delivery strategy and main actors

The municipality collects waterborne sewerage via bulk sewer and street collectors. The raw sewer is treated at two treatment plants in Cradock and Middelburg.

The sanitation service is administered as follows:

- ❖ Maintenance of:
  - Sewer networks
  - Pump stations
- ❖ Installation of Sewer Lines
- ❖ Treatment of all waste water

### 2.3.2 Sanitation levels and standards

Table 2.3 Sanitation levels in Inxuba Yethemba

Ward	% With Full Sanitation
1	100
2	100
3	98
4	100
5	100
6	100
7	100
8	100
9	100

Source: Municipal Data 2009

The table indicates that all formal households serviced by the municipality have access to a waterborne sanitation. This is with the exception of Rosmead in ward 3 still owned by Transnet and areas in ward 6 that are privately owned farms.

Percentage distribution of households by type of toilet facilities

	Census 2001	CS 2007
Flush toilet (connected to sewer system)	65.7	91.2
Flush toilet (with septic tank)	3.0	1.5
Dry toilet facility	-	4.0
Chemical toilet	0.1	0.1
Pit latrine with ventilation	1.8	0.3
Pit latrine without ventilation	3.3	-
Bucket latrine	15.7	0.2
None	10.4	2.8

Source: Census 2001, Community Survey 2007

2.3.3 Annual performance as per key performance indicators in sanitation services

	Indicator name	Target set for the year (number of households)	Achievement level during the year (number of households)	Achievement percentage during the year	Overall achievement rate including previous years
1	Percentage of households with access to sanitation services	220	0	0	99.23
2	Percentage of indigent households with access to free basic sanitation services	-	-	-	100 of registered indigents
3	Percentage of clinics with access to sanitation services	-	-	-	100
4	Percentage of schools with access to sanitation services	-	-	-	100

### 2.3.4 Challenges

Rosmead which is still owned by Transnet still poses a challenge as it is the only area where the deadline of removing buckets by 2007 could not be met. In this respect the process of transfer of land to the beneficiaries/municipality should be speeded up. Another grey area is with the privately owned farms. Whilst the project of bucket eradication can be hailed as having been highly successful, it has ushered new serious challenges in the municipality's sewer treatment plants and its bulk sewer connectors. This could be attributed to the huge increase in load with the eradication of buckets. This is coupled with the old bulk infrastructure and sewer works. This is substantiated by the frequent breakage of pumps in Cradock sewer plant and bursting of bulk sewer pipes in Middelburg

## 2.4 Road maintenance

### 2.4.1 Road maintenance service delivery strategy and main actors

The municipality has a responsibility to construct and maintain roads within the municipal area of jurisdiction.

*Maintenance entails the following:*

- ❖ Surfaced Roads
  - Potholes repairs
  - Surface repairs
  - Re-sealing
- ❖ Gravel Roads
  - Grading
  - Backfilling and
  - Compacting

*Construction involves*

- ❖ Construction of new roads
- ❖ Surfacing of existing gravel roads with bitumen layers

The strategic objectives of roads section is to ensure that major arterial roads are maintained, tarred/ graded and provided with an effective storm water system.

### 2.4.2 Level and standard in road maintenance services

Table 2.4 Percentage (%) of tarred streets

Ward	% Tarred
1	54
2	11
3	34

4	93
5	16.56
6	0
7	19.67
8	35
9	15

Source: Municipal Data 2009

There is 132 km tarred and about 180 km graveled roads in the municipal area. Very few of the roads are in a fair condition the majority are in a very poor state.

#### 2.4.3 Annual performance as per key performance indicators in road maintenance services

	Indicator name	Target set for the year (number of households)	Achievement level during the year (number of households)	Achievement percentage during the year	Overall achievement including previous years
1	Percentage of households without access to gravel or graded roads	534	180	33.7	97.5
2	Percentage of road infrastructure requiring upgrade	840	840	100	10.8
3	Percentage of planned new road infrastructure actually constructed	3	3	100	23.9
4	Percentage of capital budget reserved for road upgrading and maintenance	3	3	100	4.3

## **2.4.4 Challenges**

An urgent need exists to upgrade access and collector roads, more particular in the newly established areas. Proper stormwater channels are non-existent in the previously disadvantaged communities. The condition of the roads throughout the municipality is a serious cause of concern as this affects access to the communities of essential emergency services such as ambulance services and even the police cannot reach some of these areas. As the result of poor maintenance over the years due to cashflow problems, even those roads thought to be in a fair state are fast deteriorating.

## **2.5 Waste Management**

### **2.5.1 Waste management service delivery strategy and main actors**

❖ Waste Management Includes:

- refuse removal
- solid waste disposal
- landfills
- street cleaning
- waste recycling

The refuse collection functions of the municipality are administered as follows and include:

- The removal of household and business refuse industrial waste and medical waste, street sweeping of the central business zone and peripheries. This also includes the management of solid waste disposal side.

These services include the urban areas, but do not take account of resident which resides within the rural areas of the municipality.

The municipality has a mandate to:

- Provide services to all its inhabitants

The strategic objectives of this function are to:

- Ensuring a clean environment, well kept natural open spaces,



maintain build environment.

Removal of refuse from households and business premises is done once a week throughout the municipality. Each household is supplied with a refuse bag on a weekly basis.

The Municipality of Inxuba Yethemba as mandated by the Constitution of South Africa has to reduce recycle, minimize and remove refuse in each household. This function is to ensure that all inhabitants of Inxuba Yethemba Municipality are living in a safe and healthy environment.

The role of the Municipality is to provide machinery, equipment, human resource and allocate a budget in each financial year to render this service effectively. The National Waste Management strategy encourages that municipalities involve all stakeholders that are within their communities to form an integrated waste management forum.

The main role players in the integrated waste management system are the municipality, Department of Environmental Affairs & Tourism, Chris Hani District Municipality, community based organisations, schools, private recyclers, consultants that are implementers of waste buy back centres projects and Thina Sinakho.

The Municipality	Remove refuse from each household once per week.
	Remove illegal dumped waste from open spaces.
DEAT	Funded the waste buy back centres locally.
Chris Hani D.M	Funding of waste recycling / poverty alleviation projects.

Thina Sinakho	Funding of waste recycling / poverty alleviation projects
Schools	Clean - up campaigns
CBO	Operations of buy back centres.
Dept. of Transport	Clean - Up campaigns in all wards

The integrated waste management plan and its compilation had been funded by Chris Hani District Municipality. The Kwezi V3 engineers were appointed for this exercise in 2005. The implementation that of started as early as in 1997 where Ezibeleni Developmental trust started with the buy back centre project. Cradock environmental project was also formed to fulfill the same purpose. The awareness within communities exist and poverty alleviation initiative have been started through waste recycling.

The implementation of an integrated waste management plan was further explored after a strategic planning session between the Mayoral Committee and the Section 57 Managers of Inxuba Yethemba Municipality in August 2008. This has resulted in Middelburg winning the Cleanest Town Competition in the Chris Hani District Municipality as number 2. The reduction in waste is visible as Chris Hani District Municipality gave R700 000 for poverty alleviation/clean - up campaign. An amount of R695 000 has been utilized employing community members including women and youth so that they can be able to put food on their tables. A total amount of R280 012 has been utilized for personnel payment and R189 000 has been used for equipment.

Seven (7) sites that were used as illegal dumping open spaces have been fenced with palisade fencing, supplied with taps and are being greened with indigenous plants to beautify the area. No consultants were appointed in this project and 99.2% was fully utilized to the benefit of our community.

Thina Sinakho has appointed IWARS consultant to do feasibility study expand the buy back centre in the Inxuba Yethemba Municipality. A business plan has been submitted to Thina Sinakho for above purpose to a total amount of R5 500 000.00.

## **2.5.2 Level and standard in waste management services**

The Municipality of Inxuba Yethemba has in its budget and allocation of funds to supply each household with a refuse bin liner per week. This amounts to R340 000.00 in total. This practise is covering all nine (9) wards. Municipal employees issue each household with a bin liner the same day the refuse is removed. This then means that all ward are having access to the services. The removal of refuse work programme covers all areas under Inxuba Yethemba area of jurisdiction per week. Businesses are not benefiting as their waste does not need bin liners, but mainly cardboard and plastic, no bin liners are issued to them, removal is done as per weekly programme. The issuing of bin liners has increased the number of households that receive the service. This is due to non availability of refuse bins in the newly developed areas resulting in illegal dumping. The yearly target is four (4) bin liners per month in all wards except for rural areas (farms). The reduction in illegal dumping target is up to 60% which the municipality has achieved, but due to continuous illegal dumping the Department of Transport is assisting with its households project that works two (2) days each week. The total number of persons working for the department is 178 persons. A municipal tractor, three employees and refuse bags are given to the group so as to remove all that has been accumulated and taken to the refuse disposal site.

Refuse disposal sites do not have permits in both units, but are maintained by our municipal employees using the least equipment available.

### **Total number of households/customers expected to benefit is 95%**

Only the empty and vandalised houses are not receiving bin liners and removal of waste that is why 100% can never be a true reflection of our services.

### **Estimated Backlog**

This has been covered by the R700 000 funding from CHDM for waste management including the Department of Transport Project.

### **Target set for the year under review:**

The expansion of existing buyback centre which will encourage community members to sell their waste to the project. Awareness campaigns per ward and the continuation of clean - up by Department of Transport project.

**Number of households reached:** 95%

**Percentage of achievement during the year:**

95% Refuse removal and 60% reduction in illegal dumping and is continuous.

**c. Annual performance as per key performance indicators in waste management services**

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the for year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	16 250	NONE	90%	16 250 All empty households	90%

**2.5.3 Major challenges in waste management services:**

Shortage of equipment is a major challenge as the equipment that is used is old 1978 - 2001 models the parts are no longer available and while a vehicle is out of order employees are to work unnecessary overtime to cover the areas. Tractors that are already irreparable are in use and taking longer time to get to the disposal site.

The maintenance cost that is high due to the condition that our equipment is in could be utilized for improving the service.

Landfill sites of both units do not have proper machinery to compact the waste. The minimal work done on landfill sites is never going to reach the maximum effectiveness of a properly operated landfill site as according to N.E.M.A. although the plan is available. The financial capacity presently cannot accommodate the above challenges. Up to a total of 6 000 households were built in the municipality and there was no mechanism that was put in place to provide a refuse bin with a lid per household.

## 2.6 Housing

### 2.6.1 Housing Supply

The greater percentage of households in the Municipality is housed in formal structures according to the municipal data for the Inxuba Yethemba Municipality (Table 2.7). The average household size is 6 occupants per household. The existing waiting list in housing departments indicates that there is demand for more housing. The condition of houses in Lusaka and Rosmead need urgent attention, as these are old and dilapidated.

Table 2.5: Housing Patterns

Ward	Households	% Formal	% Informal
1	1114	46.6	53.4
2	1799	90	10
3	2591	93.4	6.6
4	1239	100	0
5	1220	98.5	1.5
6	1628	92.9	7.1
7	2230	100	0
8	2355	100	0
9	1635	99.9	0.1

Source: Municipal Data 2009

## 2. 6.2 Institutional Capacity for Housing Delivery

At the present, Inxuba Yethemba Municipality has a Housing Division which is currently manned by 8 officers. The municipal organogram makes provision for 10 housing officers, which means two positions are still vacant.

In terms of the capacity to manage housing delivery, the majority of the housing delivery functions are performed in-house. However, some of these functions are shared with consultants and developers (Table 2.8). On the whole there is a functional Housing Division, which is capable of handling the housing delivery issues of the Municipality even though the Municipality has no approved Housing Policy.

## 2. 6.3 Annual performance as per key performance indicators in town planning services

housing and

	Indicator name	Target set for the year (number of households)	Achievement level during the year (number of households)	Achievement percentage during the year	Overall achievement rate including previous years
1	Percentage of households living in informal settlements	820	0	0	96.7
2	Percentage of households in formal housing that conforms to minimum building standards for residential houses	-	-	-	100

## 2.7 Spatial planning

### 2.7.1 Preparation and approval process of SDF

A spatial development framework was approved in late 2006. Currently this is being reviewed by a service provider and the review process is nearing completion. It is envisaged that the spatial plan document will be adopted in March 2010

### 2.7.2 Land use management

Currently the Land Use Management Ordinance (LUMO), together with town planning scheme by-laws of the municipality are utilized for rezoning, consent use and removal of restrictive conditions.

Applications outstanding 1 July 2007	Category	Number of new applications received 2008/09	Total value of applications received Rand	Applications outstanding 30 June 2004
0	Residential new	68	12 376 516-41	0
0	Residential additions	179	13 802 916-81	0
0	Commercial	12	11 415 819-77	0
0	Industrial	15	7 233 369-03	0
Others				
	Tourist Info Centre and accommodation	1	13 000 000	0
	Frail care Centre	1	413 930	0
	Dance hall	2	520 341-80	

## **2.8 Indigent policy implementation**

### *a. Preparation and approval process of the indigent policy*

The municipality developed and approved its indigent policy through a broad consultative process in the wards. It was promulgated in the provincial gazette.....

This policy continues to be revised on an annual basis as part of revision of finance policies during budget preparation process.

### *b. Implementation of the policy*

Households whose total income is less than R1 200 per month are regarded as indigent according to council policy. Households where there are two elderly dependent on grants are treated as indigent households. Foster care grants as well as child support grants are not considered as household income. In the policy the indigent households receive 100% subsidy for all municipal services and 50kWH of electricity per month. It is compulsory for indigent households to make use of prepaid electricity so as to benefit on the 50kWH. The municipality utilise the services of fieldworkers in each ward to communicate the policy and encourage those who qualify to apply. The indigent register is updated annually around November month. All indigents are required to re-register during this period so as to verify their status.



## 2.8 OVERALL SERVICE DELIVERY BACKLOGS

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Water backlogs (6kl/month)						
Backlogs to be eliminated (HH not receiving the minimum standard service)	770	200	200	619	0	0
Backlogs to be eliminated as a percentage : total HH as backlog/total number of HH in the municipality	7.2	2.4	2.4	4.2	0	0
Spending on new infrastructure to eliminate backlogs (R000)	R151 433	R2 120	R2 120	R181 719	R0	R0
Spending on renewal of existing infrastructure to eliminate backlogs (R000)	R7 500	7 500	R0	R24 408	R17 155	R0
Total spending to eliminate backlogs (R000)	R158 933	R9 620	R2 120	R206 127	R17 155	R0
Spending on maintenance to ensure no new backlogs (R000)	R1 260	R 420	R 420	R1 449	R 843	R 843

Electricity backlogs 30KWH/month	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (HH not receiving the minimum standard service)	770	0	0	848	0	0
Backlogs to be eliminated as a percentage : total HH as backlog/total number of HH in the municipality	8.4	0	0	5.9	0	0
Spending on new infrastructure to eliminate backlogs (R000)	R26 304	R 430	R430	R4 333	R0	R0
Spending on renewal of existing infrastructure to eliminate backlogs (R000)	R1 823	R1 823	R1 823	R6 678	R1 823	R1 823
Total spending to eliminate backlogs (R000)	R28 127	R2 253	R2 253	R11 011	R1 823	R1 823
Spending on maintenance to ensure no new backlogs (R000)	R1 500	R 280	R 280	R1 890	R 437	R 437

Sanitation backlogs	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (HH not receiving the minimum standard service)	770	200	200	619	0	0
Backlogs to be eliminated as a percentage : total HH as backlog/total number of HH in the municipality	5.3	1.4	1.4	4.2	0	0
Spending on new infrastructure to eliminate backlogs (R000)	R16 738	R16 738	R16 738	R18 569	0	0
Spending on renewal of existing infrastructure to eliminate backlogs (R000)	R0	R0	R0	R0	R0	R0
Total spending to eliminate backlogs (R000)	R16 738	R16 738	R16 738	R18 569	R0	R0
Spending on maintenance to ensure no new backlogs (R000)	R1 575	R 525	R 525	R1 811	R 223	R 223

Road maintenance	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (HH not receiving the minimum standard service)	12 969	1 136	1 136	12 969	848	840
Backlogs to be eliminated as a percentage : total HH as backlog/total number of HH in the municipality	89.2	3.5	3.5	89.2	6.5	6.5
Spending on new infrastructure to eliminate backlogs (R000)	R40 522	R0	R0	R33 018	R1 427	R1 427
Spending on renewal of existing infrastructure to eliminate backlogs (R000)	R43 134	R 353	R 265	R66 036	R2 850	R2 850
Total spending to eliminate backlogs (R000)	R83 656	R 353	R 265	R99 054	R4 277	R4 277
Spending on maintenance to ensure no new backlogs (R000)	–	–	–	R24 763	R 272	R 272

# CHAPTER 3

## MUNICIPAL LOCAL ECONOMIC

## DEVELOPMENT FRAMEWORK

KPA 3

### 3.1 Brief presentation of LED strategy/plan

The vision of the Inxuba Yethemba LED strategy captures what the LED Strategy seeks to achieve.

The following key words and phrases were identified by stakeholders in the draft LED strategy development exercise which took place in 2004 and which were confirmed at the first Economic Indaba as elements that should be included in the economic vision of IYM in 2008:

- Sustainable and growing economy
- Address poverty and unemployment
- Equity & inclusiveness
- Partnerships
- Preferred destination
- Safe and secure environment
- Attract investment

Based on the above, the following long-term economic vision for Inxuba Yethemba Municipality was drafted and approved by stakeholders:

***“IYLM is a preferred investment destination with a growing and sustainable local economy that, through effective partnerships, a secure environment, and equitable development, is able to provide a better life for all its citizens.”***

#### **Strategic Goals**

The setting of goals is based on the question: “What indicators need to be measured to determine the extent to which the economic vision has been achieved?” The economic goals for IYM are aligned to the Provincial Growth and Development Plan (PGDP) objectives and the national targets on economic development where possible. The strategic goals for the Inxuba Yethemba LED Strategy have been developed through the participation of stakeholders at the two Economic Indabas that were held in November 2008 and are as follows:

#### **1. Grow the local economy by at least 6% per annum from 2009**

The GGP (Gross Geographic Product) growth rate over the period 1995 to 2007 was 4% on average and 6.2% from 2003 to 2007. The PGDP prescribes growth targets of between 5% and 8% per annum, over the period 2004 – 2014 and ASGISA prescribes growth targets of 4.5% per annum from 2004 to 2009 and a growth rate of 6% per annum from 2010 onwards. The economic growth targets for IYM are based on reasonably achievable targets, given the current global economic downturn, and are in line with both the provincial and national targets.

#### **2. Attract new investments to IYM by providing an enabling environment for investment and actively marketing IYM as an investment destination**

IYM hopes to attract new investment to the region to contribute to economic growth and job creation. IYLM will aim to achieve this by creating an enabling environment for investment; this includes things such as provision of infrastructure (especially water and electricity) and basic services, ensuring safety/security, enforcing by-laws, etc. IYLM has recognised the importance of

marketing the region as an investment destination so that the areas competitive advantages become known to businesses. IYM aims to attract at least 5 medium to large investments to the area by 2014 that creates at least 50+ direct employment opportunities per investment.

**3. Sustainable SMMEs will be promoted and supported in IYM, particularly in previously disadvantaged communities.**

Small businesses, including 2nd economy businesses, contribute significantly to the success of local economies worldwide. SMMEs can contribute significantly to employment creation; and most of the businesses in IYM are SMMEs. SMMEs face a range of constraints and the success rate of start up businesses is low; for this reason support to SMMEs is critical to the development of the economy.

Most of the businesses in IYM are SMMEs; there are approximately 300 small businesses in the region.

**4. Growth of the agricultural sector will be encouraged through diversification and value adding to primary products**

There are about 450-530 commercial farms in IYM, focussed on either intensive irrigation or dry land livestock farming. Agriculture is one of the mainstays of the IYM economy. There is very limited value adding to any agricultural products that are produced within the region and there are economic opportunities within the agricultural sector (i.e. value adding and beneficiation). In addition, there is scope for introducing higher value crops to benefit both commercial and emerging farmers (roughly 15 emerging farmers groups in IYM).

**5. Effective partnerships will be established between IYLM, local businesses and other developmental stakeholders**

The absence of effective partnerships and communication has been noted in the situation analysis as being a big challenge for economic growth in IYM. There is currently no Tourism Forum or functional LED Forum; Middleburg has a Chamber of Business and Cradock has recently re-established its Chamber of Business. However, there is limited participation in these groups and limited interaction between them. There is also limited interaction between Middleburg and Cradock stakeholders, which is a challenge for regional growth. In addition to this other stakeholders note that IYLM is not effectively communicating with business and other stakeholders, or coordinating LED in the region.

The four sectoral programmes that will be prioritized to stimulate local economic development in Inxuba Yethemba are as follows:

1. Agricultural Development
2. Tourism Development
3. Commercial Development (includes components of the other three programmes, but focuses specifically on trade, finance and business services)
4. Industrial Development (includes agro-processing opportunities)

• **Status on developing the LED strategy/plan**

Inxuba Yethemba LED strategy was adopted in March 2009 after a process of formulation that started about April 2008.

- **Setting up an LED unit**

The municipality has a medium-capacity LED unit.

- **The availability of LED expertise**

The LED unit is basically made up of a manager, with general management qualifications and skills and experience on LED; An agricultural economist who is heading the agriculture section; a Tourism Development Officer who trained in tourism and hospitality management and an SMME Development Officer who has experience in small enterprise development.

- **LED stakeholder forum functionality**

The LED forum is being revived after a period of non-functionality. Already four meetings have been held both in Cradock and Middelburg and a launch is being planned in the near future.

- **Funding opportunities of LED activities**

1. The Department of Economic Development and Environmental Affairs has granted the municipality R 2,4m to build a conference centre as part of the Vusubuntu Cultural Village and Tourist Information Centre that is nearing completion.
2. The Department of Environmental Affairs and Tourism (DEAT) has confirmed a grant of R 6m to top up for the conference centre and to complete the furnishing of the chalets and fencing of the village (security fencing).
3. Two LGSF applications for the Development of a Business Support Programme ( R 698, 276) and  
The Development of a Strengthened LED Delivery System ( R 713, 800) have been submitted to Thina Sinako at the end of September 2009.
4. A LGSF application has also been submitted to Thina Sinako for the development of a tourism marketing plan and diversification of tourism products.

### **3.2 Progress towards achieving the LED key objectives**

#### **a. Improve public and market confidence**

- **Spatial Development Framework is currently under review**
- Investments and trading by-laws

Presently the municipality has been assured by Sugarbeet RSA, trading as Arengo 315 Pty Ltd of an investment in the region of R 1billion in investment on a sugarbeet bio-fuel processing plant.

- Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places.

The municipality has plans to include hawkers' facilities and small business premises/hubs in the 2011/12 MIG applications. A hawkers' facility has been completed in the Middelburg unit of the municipality to accommodate hawkers.

### **3.3 Annual performance as per key performance indicators in LED**



	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	50%	50%	
2	Number of LED stakeholder forum held	Establishment of Forum	Still in establishment phase	60%
3	Percentage of SMME that have benefited from a SMME support program	5	3	60%
4	Number of job opportunities created through EPWP	Could not be projected as not under control of municipality	As indicated in the targets	Cannot be accurately quantified
5	Number of job opportunities created through PPP	Targeted 1 PPP establishment	Intended PPP to have benefitted 20 opportunities	Attempts could not materialise

### 3.4 Challenges regarding LED strategy implementation

- The unit itself is faced with having a fully fledged staff complement with requisite competences in the specialised areas
- Funding for implementing the strategy becomes the most daunting challenge in respect of our flagship projects
- Lack of common understanding in the institution and community at large around the pivotal role the IDP can play in stimulating the local economy

**CHAPTER 4**

**MUNICIPAL FINANCIAL VIABILITY**

**AND**

**MANAGEMENT**

**KPA 4**

## **4.1 AUDITED FINANCIAL STATEMENTS**

### **THE FINANCIAL MANAGER'S REPORT**

The majority of local Municipalities are experiencing major changes in the local government environment. This put a challenge towards service delivery and the honoring of historical arrear financial commitments as well as current commitments. It is essential to keep on prioritizing the available limited resources to critical key areas. However, all our reserve funds are not fully invested and it will be addressed in the near future in terms of the proposed provision of GAMAP/GRAP. For long term stability it is crucial that the income base be broadened with the emphasize on debtors collection, asset management and budget control.

### **BUSINESS RESULTS**

Details of the business results per department, classification and purpose of expenses are given in Appendices D and E on page 25 and 26. The general business results for the year ended 30 June 2009 are as follows:

INCOME	ACTUAL	ACTUAL	DIFFERENCE	BUDGET	DIFFERENCE
	2008	2009	%	2009	ACTUAL BUDGET %
Opening Surplus/Deficit	R 29 174 622	R -25 722 310			
Business income for the year	R 80 220 500	R 87 180 006	8.68%	R 107 014 035	18.53%
Sundry Transfers					
	R 109 395 122	R 61 457 696		R 107 014 035	
EXPENSES					
Business Expenses					

for the year	R 73 777 366	R 81 603 848	10.61%	R 101 649 583	19.72%
Appropriation movement					
for the year	R 22 786 026	R 62 746 573			
End Surplus	R 12 831 730	R -82 892 725		R 5 364 452	
	R 109 395 122	R 61 457 696		R 107 014 035	

#### RATES AND GENERAL SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 43 487 830	R 54 161 344	24.54%	R 56 556 455	4.23%
Expenses	R 45 896 387	R 48 183 844	4.98%	R 55 432 980	13.08%
Surplus (loss)	-R 2 408 557	R 5 977 500		R 1 123 475	
Surplus (loss) as % of total income	-5.54%	11.04%		1.99%	

Rates and general services is a section where only the economic services are having a greater income than expenses, with the result that shortage is subsidised by trading services

#### HOUSING SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 410 905	R 456 698	11.14%	R 414 932	-10.07%
Expenses	R 795 041	R 858 040	7.92%	R 857 261	-0.09%
Surplus (loss)	R -384 136	R -401 342		R -442 329	
Surplus (loss) as % of total income	-93.49%	-87.88%		-106.60%	

#### TRADING SERVICES

#### ELECTRICITY SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 24 603 159	R 32 561 964	32.35%	R 41 254 725	21.07%
Expenses	R 21 728 221	R 32 561 964	49.86%	R 35 925 151	9.36%
Surplus (loss)	R 2 874 938	R 0		R 5 329 574	
Surplus (loss) as % of total income	11.69%	0.00%		12.92%	

WATER SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 11 718 606	R 0	0.00%	R 8 787 923	-100.00%
Expenses	R 5 357 717	R 0	0.00%	R 9 434 191	-100.00%
Surplus (loss)	R 6 360 889	R 0		-R 646 268	
Surplus (loss) as % of total Income	54.28%	0.00%		7.35%	

## CAPITAL EXPENSES

The total capital expenses for the year was R2 963 109

	2009 Expense	2009 Budget	2008 Expense
Furniture, Fittings, ect.	R 44 423	R 0	R 0
Vehicles, Implements, ect	R 171 995	R 2 139 500	R 2
Land and Buildings	R 0	R 0	R 0
Other	R 0	R 0	R 136 272
Infrastructure and other constructions	R 2 746 691	R 28 350 300	R 241 889
<b>TOTAL</b>	<b>R 2 963 109</b>	<b>R 30 489 800</b>	<b>R 378 163</b>

The capital expenses were financed as follows:

	2009 Expense	2009 Budget	2008 Expense
Internal loans Revolving Fund	R 0	R 0	
External Loans	R 0	R 0	R 0
Contribution out of income	R 3 158	R 0	R 51 812
Contribution out of grants/other	R 2 959 951	R 30 489 800	R 326 351
CMIP	R 0	R 0	R 0
<b>TOTAL</b>	<b>R 2 963 109</b>	<b>R 30 489 800</b>	<b>R 378 163</b>



## EXTERNAL AND INTERNAL LOANS

The total external loans outstanding are R2 897 397.39 and the internal loans from Revolving Fund R630 800.88. An amount of R183 138.56 is paid for redemption of internal loans. For a complete summary of the capital expenses see appendices B on page 25.

My thanks to the Mayor, Chairperson of Finance, Councillors, Municipal Manager and other Managers for their loyalty and cooperation given to me and my staff during the year.

.....  
J. KRAPOHL

CHIEF FINANCE OFFICER

## ACCOUNTING POLICIES

### 1 Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the IMFO in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the accrual basis:
  - Income is accrued when collectable and measurable. Certain direct income is accrued when

received, such as traffic fines and certain licences.

- Expenditure is accrued in the year it incurred.

## **2 Consolidation**

The balance sheet includes the rates and general services, trading services, housing services, and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates.

## **3 Fixed Assets**

3.1 Fixed assets are based on cost.

3.2 Depreciation of assets are not applicable but will change with the implementation of GAMAP/GRAP

3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund.

3.4 Capital assets are financed from different sources, including external loans, subsidies, operating income and internal advances.

3.5 Only assets with a cost of R10 000-00 and above are capitalized. The others are part of an inventory list.

## **4 Depreciation**

4 The balance against the heading Loans Redeemed and Other Capital receipts is actually provision for depreciation. Assets may be acquired from :

a) From income - credited immediately to the loans redeemed fund.

b) Grants and donation - where the amount representing the value of such grant or donation is immediately credited to the Loans redeemed and other capital receipts account.

- c) External loans - where the amount representing the value of such external loan is credited to the loans redeemed fund as soon as it has been paid in full.
- d) Advances - where the amount representing the value of such internal loan is credited to the loans redeemed fund as soon as it has been paid in full.

## 5 Stock

The value of stocks and materials is stated at weighted average.

## 6 Funds and Reserves

### 6.1 Capital Development fund

The Ordinance no 20 of 1974 requires that a certain contribution should be credited to the Revolving Fund. An amount of R852 101 was contributed.

## 7 Agency service to Chris Hani District Municipality

In terms of government gazette 24229 of 3 January 2003 the function to deliver water and sanitation services in the Inxuba Yethemba municipality were allocated to the Chris Hani District Municipality. As such the surpluses and deficits, receivables, grants, external loans relating to the water and sanitation services and any investments relating were separated from the municipality's account and reflected in an agency account. The service level agreement with Chris Hani District Municipality has expired on 30 June 2009.

## 8. Provisions

### Leave gratuity

This provision is being built up with contributions from the appropriation account to provide for the payment of accumulated leave of persons resigning from service in Council and to make provision

to adhere to new legislation around standard employment service contracts.

## **9. Bad Debts**

This provision is being built up with contributions from the appropriation account to provide for bad debts occurring from debtors driven by the affordability of increased tariffs.

## **10. Surpluses and Deficits**

Any surpluses or deficits arising from the operating of the electricity, water and housing services are transferred to Rates and General services.

## **11. Treatment of administration and other overhead expenses**

The cost of internal support services are transferred to the different services that are making use of such services.

## **12. Investments**

Investments are shown at original cost and are invested in securities prescribed in section 2(i) of Ordinance 23 of 1935. In some cases the interest on investments are capitalized. These investments are shown at original cost plus accumulated interest.

## **13. Income recognition**

Electricity and Water billing

Meters are read and billed monthly.

If readings cannot be taken, a provision levy based on the average consumption, is calculated.

#### **14. Assessment Rates**

The council applies a differential site rating system.

#### **15. Leases**

The leases held by Inxuba Yethemba Municipality are operating leases. The leases are for photocopiers.

#### **16. Entity**

Mmotlie Investments was established to assist Inxuba Yethemba Municipality with several projects. Inxuba Yethemba Municipality does have shares to the value of R100. No consolidation-

liquidation was done and the statements of Mmotlie Investments are separately attached.

BALANCE SHEET AT 30 JUNE 2009

	NOTE	2009	2008
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
Statutory funds	1	26 055 862	25 048 005
RETAINED INCOME/(ACCUMULATED DEFICIT)		-82 892 725	-25 722 310
TRUST FUNDS	2	4 743 673	11 256 647
LONG-TERM LIABILITIES	3	2 242 215	2 887 516
CONSUMER DEPOSITS: SERVICES	4	778 231	1 659 345
		-49 072 744	15 129 203
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	5	3 528 199	4 194 205
INVESTMENTS	6	3 339 658	6 066 558
LONG-TERM DEBTORS	7	617	1 791
DEFERRED CHARGES		0	0
NET CURRENT ASSETS/(LIABILITIES)		-55 941 218	4 866 649

**CURRENT ASSETS**

Inventory

Debtors

Short term portion of long term debtors

Cash (advances Petty Cash)

**CURRENT LIABILITIES**

Provisions

Creditors

Short-term portion of Long-Term liabilities

Bank overdraft

		29 394 220		55 683 627
8		685 015		788 513
9		28 702 411		54 888 398
7		1 174		1 096
		5 620		5 620
		85 335 438		50 816 978
10		2 327 921		2 296 737
11		73 346 513		38 819 524
3		580 478		492 750
		9 080 526		9 207 967
		-49 072 744		15 129 203

INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2009

2008		2008		2009		2009		2009	
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget
Income	Expenses	Surplus	(Deficit)	Income	Expenses	Surplus	(Deficit)	Surplus/	(deficit)
R 43 487 830	R 45 896 387	R -2 408 557		R 54 161 344	R 48 183 844	R 5 977 500	R 1 123 476		
R 21 300 364	R 29 588 945	R -8 288 581		R 40 396 390	R 34 322 952	R 6 073 438	R 6 107 654		
R 3 050 164	R 4 644 285	R -1 594 121	Community Services	R 3 898 395	R 3 994 333	R -95 938	R -2 136 211		
R 19 137 302	R 11 663 157	R 7 474 145	Subsidised Services	R 9 866 559	R 9 866 559	R 0	R -2 847 967		
			Economic Services						
R 410 905	R 795 041	R -384 136		R 456 698	R 858 040	R -401 342	R -442 329		
			HOUSING SERVICES						
R 36 321 765	R 27 085 938	R 9 235 827		R 32 561 964	R 32 561 964	R 0	R 4 683 306		
			TRADING SERVICES						
<u>R 80 220 500</u>	<u>R 73 777 366</u>	<u>R 6 443 134</u>		<u>R 87 180 006</u>	<u>R 81 603 848</u>	<u>R 5 576 158</u>	<u>R 5 364 453</u>		



R -61 340 066

Appropriations for the year

R -62 746  
573

R -54 896 932

Nett Surplus(deficit) for the year

R -57 170  
415

Accumulated surplus (deficit)

R 29 174 622

beginning of the year

R -25 722  
310

ACCUMULATED SURPLUS/

R -25 722 310

(DEFICIT) END OF YEAR

725

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009	2008
<b>CASH UTILIZED FROM OPERATING ACTIVITIES</b>		9 733 030	-10 204 723
Cash generated by operations	17	-40 529 774	-1 784 499
Investment income		0	0
(Increase)/decrease in working capital	18	50 262 804	8 420 224
		9 733 030	-10 204 723
Less: External interest paid		-692 141	-692 710
<b>CASH UTILIZED/AVAILABLE FROM OPERATIONS</b>		9 040 889	-10 897 433
Cash contributions from the public and the State		0	0
Nett proceeds on disposal of fixed assets		0	0
<b>CASH UTILIZED IN INVESTMENT ACTIVITIES</b>			
Investment in fixed assets		-3 158	-139 584
<b>NET CASH FLOW</b>		9 037 731	-11 037 017
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
(Decrease)/increase in Long-Term liabilities	19	-1 364 462	-528 759
(Increase)/decrease in cash		0	0
(Increase)/decrease in cash investments	20	-7 545 828	7 875 207
(Decrease)/Increase in bank overdraft	21	-127 441	3 690 569
Net cash inflow/(outflow)		-9 037 731	11 037 017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
<b>1. STATUTORY FUNDS</b>		
Revolving Fund	R 26 055 862	R 25 048 005
(Refer to appendix A for more details)		
<b>2. TRUST FUNDS</b>		
Squatters Development Grant	R 163 380	R 163 282
Survey in Michausdal	R 70 532	R 70 490
Life Project	R 0	R 13 707
Services Informal Housing	R 33 252	R 33 232
Structure Plan Middelburg	R 51 493	R 51 462
Vusubuntu DSRAC	R 40 962	R 41 078
Csk Recycling Project	R 18 502	R 17 698
Watermeters	R 0	R 229 540
Drought Relief	R 0	R 5 306 331
IDP	R 63 590	R 82 439
IT Ph3	R 0	R 22 635
Establishment of Ward Committees	R 4 226	R 4 226
Finance Management Grant	R 383 486	R 477 939
NER Electricity	R 112 991	R 112 991
Spatial Development	R 228 166	R 327 985
DME Bulk Infrastructure	R 286 657	R 259 010
Bulk Supply Industrial Area	R 479 215	R 992 533

MSIG	R 111 062	R 152 128
Valuations Property	R 1 034 407	R 2 673 829
Performance Agreements	R 102 288	R 205 721
MMP Capacity	R 10 320	R 18 391
MIG FUNDING	R 566 057	R 0
Performance Management	R 49 371	R 0
LED	R 400 056	R 0
Property Rates DPLG	R 124 726	R 0
NER Bulk Elec Middelburg	R 408 934	R 0
(Refer to appendix A for more details)	R 4 743 673	R 11 256 647
<b>3. LONG-TERM LIABILITIES</b>		
External Loans	R 2 897 398	R 3 380 266
Less : Transferred to Agency Account CHDM	R 74 705	R 0
Sub Total	R 2 822 693	R 3 380 266
Less: Current portion transferred to Current Liabilities	R 580 478	R 492 750
(Refer to appendix B for more detail)	R 2 242 215	R 2 887 516
<b>4. DEPOSITS</b>		
Deposits - Consumers	R 778 231	R 1 659 345
- Tenders	R 2 900	R 2 600
- Services C P A	R 8 097	R 8 097
	R 789 228	R 1 670 042

## EXTERNAL LOANS

DBSA loans were taken up for infrastructural projects as well as buildings.

The Wesbank loan was taken up for the purchase of a vehicle.

Carry interest at rates varying between 7% and 19% per annum and are repayable over periods of between 7 years and 30 years. None of these loans were secured by any asset of Inxuba Yethemba Municipality.

5. FIXED ASSETS

Fixed assets at the beginning of the year

Capital expenditure during the year

Less: Assets written off, transferred or disposed of during the year

Total Fixed Assets

Less: Loans redeemed and other capital receipts

Nett Fixed Assets

	2009	2008
	R 179 950 805	R 179 642 401
	R 2 963 109	R 378 163
	R 182 913 914	R 180 020 564
	R 58 011 166	R 69 759
	R 124 902 748	R 179 950 805
	R 124 902 748	R 179 950 805
	R 121 374 549	R 175 756 600
	R 3 528 199	R 4 194 205

6. INVESTMENTS

UNLISTED

Deposits - Banks

	R 3 339 658	R 6 066 558
	R 3 339 658	R 6 066 558

(Average rate of return on investments)

7. LONG TERM DEBTORS

S P C A

Cradock Golf Club

Less: Short term portion of long term debtors transferred to

Current Assets

8 INVENTORY

Inventory represents consumable stores.

R 1 791	R 2 887
R 0	R 0
R 1 791	R 2 887
R 1 174	R 1 096
R 617	R 1 791
R 685 015	R 788 513
R 685 015	R 788 513





9 DEBTORS

Consumer Debtors  
Plus: Amounts paid in advance

Sundry Debtors

Provision for bad debts

An amount of R29 852 457-62 has been written off 08/09

10 PROVISIONS

Leave gratuity reserve

11 CREDITORS

Audit fees  
Debtors in advance  
VAT  
Capital Projects and unspent grants  
CHDM Agency Account  
Trade Creditors

	2009	2008
	59 649 407	113 199 070
	943 509	593 839
	60 592 916	113 792 909
	680 081	1 167 570
	61 272 997	114 960 479
	32 570 586	60 072 081
	28 702 411	54 888 398
	2 327 921	2 296 737
	2 327 921	2 296 737
	400 000	400 000
	943 509	593 839
	7 278 258	8 776 020
	37 355	48 434
	37 896 594	0
	26 790 797	29 001 231
	73 346 513	38 819 524

12 RATES AND TAXES

Residential  
Commercial  
State

VALUATION AS AT 01/07/2008	2009 ACTUAL INCOME	2008 ACTUAL INCOME
	7 987 296	7 214 455
496 241 575	1 885 802	1 704 202
117 838 700	2 707 301	2 442 690
614 080 275	12 580 399	11 361 347

13 COUNCILLORS' REMUNERATION

Councillor's allowances (All Councillors)

2009	2008
3 679 336	3 304 767

	2009	2008
<b>14 AUDITORS' REMUNERATION</b>		
Audit fees	400 000	400 000
<b>15 FINANCIAL TRANSACTIONS</b>		
Total external interest earned or paid		
- Interest earned	626 381	797 252
- Interest paid	794 091	692 710
Capital charges debited to operating account	501 180	548 496
Interest - External	439 950	472 565
- Internal	61 230	75 931
	666 487	858 087
Redemption - External	483 348	675 526
- Internal	183 139	182 561
	1 167 667	1 406 583
<b>16 APPROPRIATIONS</b>		
Accumulated surplus at the beginning of the year	-25 722 311	29 174 622
Operating (deficit)/surplus for the year	5 576 158	6 443 134
Prior year adjustments	-62 746 573	-61 340 067
Accumulated (deficit)/surplus at the end of the year	-82 892 726	-25 722 311
Prior Year adjustments		
Adjustments have been made for prior years in respect of debtors, creditors and pro-rata bonus. R49 091 409-90 was taken out of the appropriation account to the CHDM Agency account for prior years.		
<b>17 CASH UTILIZED/GENERATED BY OPERATIONS</b>		
(Deficit)/Surplus for the year	5 576 158	6 443 134
Adjustments in respect of previous years' operating transactions	-62 746 573	-61 340 067
Appropriations charged against income	16 386 944	47 650 565
Revolving fund	832 100	852 101
Provisions and reserves	15 554 844	46 658 880
Assets	0	139 584
Capital charges : Interest paid : Internal funds	61 230	75 931
: External funds	439 950	472 565
: Redemption : Internal advances	183 139	182 561
: External loans	483 348	675 526
Other interest paid	292 842	312 064
Investment income	626 381	738 186
Non-operating income: Net income funds & Grants	14 085 463	9 949 691
Non-operating expenditure: Expenditure against special funds	-15 918 656	-6 944 655
	-40 529 774	-1 784 499

25 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE  
MANAGEMENT ACT

2009 2008

**Contributions to SALGA**

Opening Balance

Council Subscriptions - 2006/2007 & 2007/2008

Amount Paid - current year

Balance

180 860	169 681
180 860	169 681
0	0

**Audit Fees**

Provision was made in note 14

400 000 400 000

**VAT**

All VAT returns have been submitted by the due date  
throughout the year.

**PAYE and UIF**

Opening Balance

0	0
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Current year payroll deductions not paid over  
 Interest and Penalty  
 Amount paid - Chris Hani District Municipality  
 Balance unpaid - our records

353 088	549 599
0	0
0	0
353 088	549 599

**Unpaid salary deductions on 30 June 2009**

1 455 949	1 315 412
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**Total Outstanding**

1 809 037	1 865 011
-----------	-----------

The following salary deductions for June 2009 have been paid in July 2009

1 401  
 590.30

Contribution : Pension Fund

552 846.02

Contribution : Medical Aid

404 920.00

Other sundry deductions

381 600.28

Bonds

62 224.00

**26 OBSOLETE STOCK/ASSETS**

No auction was held during 2008/2009

**27 SURPLUS ON ECONOMIC SERVICES**

In terms of the accounting practice by IMFO it is a requirement that economic services be fixed in such a way that the service do not incur a surplus or deficit. At this stage it is difficult to comply because of Council's strife to uniform tariffs and would have a significant negative impact on Council.

**28 INTEREST ON OUTSTANDING LIABILITIES**

### 32 ENTITIES

Mmotlie Investments (Pty)(Ltd) - Only Entity

For more details, see the attached addendum

### 33 CONSOLIDATION OF FINANCIAL STATEMENTS

Inxuba Yethemba - Mmotlie Investments

Due to no guidelines given on how to combine these Financial Statements, the Financial Statements of Mmotlie Investments is attached as an addendum.

### 34 BANK OVERDRAFT

The overdraft facility (R3 500 000) for the 2008/2009 calendar year was approved by Council in August 2008. Council resolution 08/103

### 35 ASSETS HELD AS COLLATERAL

The following erven are held by FNB as collateral for the overdraft facility:

Erven 566, 567, 577, 578, 1171 and 5073

### 36 FRUITLESS AND WASTEFULL EXPENDITURE

### 31. Managers - Remuneration Packages

	2008/2009	2007/2008
<b>Municipal Manager</b>		
Salary Package		
Salary	590 808	545 520
Transport	472 224	
Telephone	94 344	
Performance Bonus *	24 240	
	0	
<b>Chief Financial Officer</b>		
Salary Package		
Salary	501 636	463 188
Transport	397 896	
Performance Bonus *	103 740	
	0	
<b>Manager Human Resources</b>		
Salary Package		
Salary	501 636	463 188
Transport	415 807	
Housing	77 585	
Performance Bonus *	8 244	
	0	
<b>LED Manager</b>		
Salary Package		
Salary	501 636	463 188
Transport	385 452	
Housing	108 840	
Performance Bonus *	7 344	
	0	
<b>Manager : Community Services</b>		
Salary Package		
Salary	501 636	463 188
Transport	388 416	
Telephone	103 200	
Performance Bonus *	10 020	
	0	
<b>Manager - Technical Services</b>		
Salary Package		
Salary	501 636	463 188
Transport	387 996	
Telephone	102 408	
Entertainment	8 220	
Performance Bonus *	3 012	
	0	
<b>Manager - Civil Protection Services</b>		
Salary Package		
Performance Bonus *	0	463 188

\* Performance Bonus - No % was available when compiling the Financial Statements

framework of the published Government Notice concerning

the upper limits of the salaries, allowances and benefit of

the different members of Council (Government notice R1477

of 22 December 2004).

### ARREARS

Only one councillor are in arrears for more than 90 days	NA Sindelo	R 1 383.09
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### REMUNERATION OF COUNCILLORS

	3 679 336
Executive Mayor	518 700
Speaker	228 228
Mayoral committee members	855 888
Councillors	1 867 359
Telephone Allowances and UIF	209 161

Provision for Interest have been made on :

a) DBSA

0

72 785

29 INTERGOVERNMENTAL & OTHER GRANTS

2008/2009

2007/2008

PROVINCIAL GOVERNMENT

20 491 393

15 872 199

Equitable Share

19 991 393

15 372 199

Financial Reform

500 000

500 000

LOCAL GOVERNMENT

8 183 067

8 183 067

Mig Funding

7 494 233

2 662 215

IDP

125 000

50 000

ICT

0

500 000

Spatial Development

0

300 000

Bulk Supply Industrial Area

0

1 122 000

MSIG

200 000

150 000

Valuations Property

0

3 200 000

Performance Agreements

0

198 852

LED

1 000 000

0

Property Rates DPLG

115 000

0

NER Bulk Elec Middelburg

4 000 000

0

30 DISCLOSURES CONCERNING COUNCILLORS, MANAGERS AND OFFICIALS

**Councillors**

The remuneration of Councillors have been done according to the



Current year payroll deductions not paid over

Interest and Penalty

Amount paid - Chris Hani District Municipality

Balance unpaid - our records

353 088	549 599
0	0
0	0
353 088	549 599

**Unpaid salary deductions on 30 June 2009**

1 455 949      1 315 412

**Total Outstanding**

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Other sundry deductions

Bonds

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62 224.00

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No auction was held during 2008/2009

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In terms of the accounting practice by IMFO it is a requirement that economic services be fixed in such a way that the service do not incur a surplus or deficit. At this stage it is difficult to comply because of Council's strife to uniform tariffs and would have a significant negative impact on Council.

## 28 INTEREST ON OUTSTANDING LIABILITIES

25 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE

**MANAGEMENT ACT**

**2009                      2008**

**Contributions to SALGA**

Opening Balance

Council Subscriptions - 2006/2007 & 2007/2008

Amount Paid - current year

Balance

180 860	169 681
180 860	169 681
0	0

---

**Audit Fees**

Provision was made in note 14

400 000                      400 000

**VAT**

All VAT returns have been submitted by the due date throughout the year.

**PAYE and UIF**

Opening Balance

0	0
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SARS- Late payment	R 37 615	R 24 012
Compensation Commissioner - Late payment	R 62 581	R 28 654

These losses have been written off

### 37 IRREGULAR EXPENDITURE

Exceeding of overdraft Limit	R 0	R 400 649
Overspending of Grants	R 197 072	R 79 461

The overspending of grants have been communicated to CHDM who is liable for the payment

### 38 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for :	R 8 077 166
-Approved but not yet contracted for	<u>R 3 528 683</u>
	<u>R 11 605 049</u>

This expenditure will be financed from :

- External Sources	<u>R 11 605 049</u>
Other sources	
Provincial Government	R 11 605 049
Local Government	

### 39 Statutory Funds

Concomitant assets are not enough to support the existence of the statutory funds.

#### 40 BANKING DETAILS

NAME OF BANK	TYPE/NAME OF ACCOUNT	BALANCE 30-Jun-08	BALANCE 30-Jun-09
FNB	CHEQUE - MAIN	-3 900 649.08	-966 325.71
FNB	CHEQUE - ESKOM	197 993.79	67 539.88

#### 41 INVESTMENT DETAILS

NAME OF BANK	NAME OF ACCOUNT	BALANCE 30-Jun-08	BALANCE 30-Jun-09
ABSA	Vusubuntu Cultural	1 124.42	0.00
	Life Project	17 752.81	0.00
FNB	Transformation	0.00	0.00
	Sewerage	0.00	0.00
	IDP	79 082.51	76 647.80
	CMIP	0.00	0.00
	Project Viability Disaster	66 020.92	15 128.63
	Watermeters	231 755.05	0.00
	Independent Farmers	1 065.79	0.00
	Recycling Project	17 698.40	18 502.23
	MSP (Human Resources)	16 962.27	17 765.75
	Vusubuntu DSRAC	38 712.38	41 900.35
	Financial Reform	473 806.61	293 092.29
	Youth Centre	1 468.68	0.00
	NER Fase 2	2 304.02	0.00
	Drought Relief	106 330.71	0.00
	Masimanyane Bakeries	1 366.22	0.00
	Vehicle repair fund	1 865.42	0.00
	Spatial Development	327 984.54	228 465.03
	Lotto Fondse	1 463.61	1 608.59
	Bulk Infrastructure	256 370.38	282 517.51
	Umsomvubo Project	1 229.12	0.00
	IT Phase 3	20 224.45	0.00
	MIG Funding	2 932.13	2 343.17
	Streetlights Lingelihle	28 668.33	31 566.44
	Streetlights Lusaka	9 490.44	10 449.84
	MSIG	152 128.06	372 220.47
	Cradock Spa	8 550.65	0.00
	Performance Agreements	123 682.82	133 878.41
	PMS - CHDM	82 663.83	4 297.79
	Property rates	2 859 536.73	64 287.31
	Electricity Upgrade Bulk	1 127 483.52	445 956.48
CHDM Valuations	0.00	44 810.87	
Property rates DPLG	0.00	124 825.50	
Ward Partisipation	0.00	127 989.76	
DME Substation Middelburg	0.00	408 934.41	
Standard Bank	LED Fund	0.00	585 156.48
Nedbank	Collateral	6 361.91	7 412.82



STATUTORY FUNDS, TRUST FUNDS AND RESERVES

BALANCE AT 01.07.2008	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS/ ADVANCES	OTHER INCOME	OPERATING EXPENDITURE DURING YEAR	CAPITAL EXPENDITURE DURING YEAR	WRITE OUT AGENCY FEES CHDM	BALANCE AT 30.06.2009
R 25 048 005	R 832 500	R 15 083	R 161 553	R 1 279	R 0	R 0	R 26 055 862
R 25 048 005	R 832 500	R 15 083	R 161 553	R 1 279	R 0	R 0	R 26 055 862
R 33 232	R 0	R 20	R 0	R 0	R 0	R 0	R 33 252
R 51 462	R 0	R 31	R 0	R 0	R 0	R 0	R 51 493
R 13 707	R 0	R 978	R 0	R 14 685	R 0	R 0	R 0
R 163 282	R 0	R 98	R 0	R 0	R 0	R 0	R 163 380
R 70 490	R 0	R 42	R 0	R 0	R 0	R 0	R 70 532
R 41 078	R 0	R 3 548	R 0	R 3 664	R 0	R 0	R 40 962
R 17 698	R 0	R 804	R 0	R 0	R 0	R 0	R 18 502
R 229 540	R 0	R 0	R 0	R 229 540	R 0	R 0	R 0
R 5 306 331	R 0	R 41 150	R 0	R 0	R 667 700	R 4 679 781	R 0
R 82 439	R 125 000	R 5 207	R 0	R 149 056	R 0	R 0	R 63 590
R 22 635	R 0	R 0	R 0	R 22 635	R 0	R 0	R 0
R 4 226	R 0	R 0	R 0	R 0	R 0	R 0	R 4 226
R 477 939	R 500 000	R 40 928	R 420	R 635 801	R 0	R 0	R 383 486
R 112 991	R 0	R 0	R 0	R 0	R 0	R 0	R 112 991
R 327 985	R 0	R 25 881	R 0	R 0	R 125 700	R 0	R 228 166
R 259 010	R 0	R 26 147	R 1 500	R 0	R 0	R 0	R 286 657
R 992 533	R 0	R 108 156	R 0	R 0	R 621 474	R 0	R 479 215
R 152 128	R 200 000	R 31 575	R 0	R 0	R 272 641	R 0	R 111 062
R 2 673 829	R 0	R 166 175	R 0	R 0	R 1 805 597	R 0	R 1 034 407
R 205 721	R 0	R 13 577	R 0	R 117 010	R 0	R 0	R 102 288
R 18 391	R 0	R 804	R 0	R 8 875	R 0	R 0	R 10 320
R 0	R 7 494 233	R 1 877	R 12 600	R 0	R 6 942 653	R 0	R 566 057
R 0	R 70 000	R 0	R 0	R 20 629	R 0	R 0	R 49 371
0	1 000 000.00	21 681.00	0.00	621 625.00	0.00	0.00	R 400 056
0	115 000.00	9 726.00	0.00	0.00	0.00	0.00	R 124 726
R 0	4 000 000.00	68 305.00	0.00	0.00	3 659 371.00	0.00	R 408 934
R 11 256 647	R 13 504 233	R 566 710	R 14 520	R 1 823 520	R 14 095 136	R 4 679 781	R 4 743 673

STATUTORY FUNDS

Revolving fund

TRUST FUNDS

- Services Informal Housing
- Structure Plan Middelburg
- Life Project
- Squatters Development Grant
- Survey in Michausdal
- Vusubuntu DSRAC
- Csk Recycling Project
- Watermeters
- Drought Relief
- IDP
- IT Ph3
- Establishment Ward Committees
- Finance Management Grant
- NER Electricity
- Spatial Development
- DME Bulk Infrastructure
- Bulk Supply Industria Area
- MSIG
- Valuations Property
- Performance Agreements
- MMP Capacity
- MIG Funding
- Performance Mangement
- LED
- Property Rates DPLG
- NER Bulk Elec Middelburg

APPENDIX  
B

EXTERNAL LOANS AND INTERNAL ADVANCES

BALANCE AT '1 July 2008	RECEIVED DURING 2008/2009	CORRECTION PRIOR YEAR	REDEEMED DURING 2008/2009	TRANSFER TO AGENCY ACCOUNT	BALANCE AT '30 June 2009
3 380 266	0	480	483 348	74 705	2 822 693
R 813 939	R 0	R 0	R 183 138	R 0	R 630 801
R 233 772	R 140	R 0	R 0	R 0	R 233 912

EXTERNAL LOANS

External Loans

INTERNAL ADVANCES

Internal Loans - Revolving Fund

Consolidated Loans Fund

R 1 047 711	R 140		R 183 138	R 0	R 864 713
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APPENDIX C

ANALYSIS OF FIXED ASSETS

EXPENSES 2007/2008		BUDGET 2008 2009	BALANCE AT 1 July 2008	EXPENSES 2008/2009	TRANSFER OR WRITTEN OFF	BALANCE AT 30 June 2009
378 163	RATES AND GENERAL SERVICES	R 15 041 000	R 99 926 181	2 963 109	R 28 796 269	74 093 000
136 274	COMMUNITY SERVICES	R 13 741 000	R 68 466 355	2 963 109	R 0	71 429 400
0	Cemetery	R 0	R 1 800 001	0	0	1 800 000
0	Library	R 0	R 167 657	3 158	0	170 815
0	Municipal property, commonage	R 1 812 000	R 3 584 439	0	0	3 584 439
11 992	Public works	R 11 301 000	R 30 125 588	2 772 429	0	32 898 017
2	Parks, gardens and sport fields	R 0	R 7 422 782	0	0	7 422 782
0	Town halls and offices	R 0	R 23 345 084	0	0	23 345 084
4	Municipal Manager	R 0	R 59 365	1 150	0	60 515
9	Human Resources	R 118 000	R 454 731	0	0	454 731
124 266	Finance	R 510 000	R 1 090 435	0	0	1 090 435
1	LED	R 0	R 37 211	186 372	0	223 583
0	Spa	R 0	R 151 014	0	0	151 014
0	Traffic	R 0	R 195 816	0	0	195 816
0	Caravan park	R 0	R 32 232	0	0	32 232
0	SUBSIDIZED SERVICES	R 0	R 1 827 315	0	0	1 827 315
0	Protection services	R 0	R 356 844	0	0	356 844
0	Health	R 0	R 297 196	0	0	297 196
0	Clinics	R 0	R 1 173 275	0	0	1 173 275
241 889	ECONOMIC SERVICES	R 1 300 000	R 29 632 511	0	28 796 269	836 242
0	Sanitation	R 0	R 844 387	0	8 145	836 242
241 889	Sewerage	R 1 300 000	R 28 788 124	0	28 788 124	0
0	HOUSING SERVICES	R 0	R 67 352	0	0	67 352
0	General Housing	R 0	R 67 352	0	0	67 352
0	TRADING SERVICES	R 15 448 800	R 79 957 272	0	29 214 897	50 742 375
0	Electricity	R 4 801 500	R 50 742 375	0	0	50 742 375
0	Water	R 10 647 300	R 29 214 897	0	29 214 897	0
378 163	TOTAL FIXED ASSETS	R 30 489 800	R 179 950 805	2 963 109	58 011 166	124 902 740
	Less: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS					
	Loans redeemed		R 175 756 600	3 629 115	57 505 971	121 374 540
	Contributions from operating income		R 10 966 287	666 006	505 195	11 127 090
	Grants and subsidies		R 115 640 146	3 158	57 505 971	58 137 330
			R 49 150 167	2 959 951	0	52 110 110
			R 4 194 205	R -666 008	R 115 517 137	R 3 528 190

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009

ACTUAL 2008		ACTUAL 2009	BUDGETED 2008/2009
	<b>INCOME</b>		
3 303 420	Grants and subsidies	23 879 280	22 418 886
0	- Central Government	19 991 393	18 142 000
0	- Provincial Government	3 887 887	2 851 199
3 303 420	- District Council	0	1 425 687
76 917 080	Operating Income	63 300 726	102 595 903
11 360 937	- Assessment rates	12 580 400	8 389 872
24 438 576	- Sale of electricity	32 525 807	30 357 900
11 590 445	- Sale of water	0	7 394 508
29 527 122	- Other income	18 194 519	56 453 623
80 220 500		87 180 006	125 014 789
	<b>EXPENSES</b>		
43 891 386	Salaries, wages and allowances	44 285 515	47 978 339
26 370 249	General expenses	35 937 476	66 375 548
14 499 192	- Purchase of electricity	19 656 289	18 591 377
215 085	- Purchase of water	0	400 000
11 655 972	- Other general expenses	16 281 187	47 384 171
2 108 307	Repairs and maintenance	2 269 629	3 568 081
1 406 583	Capital charges	1 075 628	1 726 845

840	Contribution to fixed assets	4 351	0
	Contributions	0	0
73 777 365	Gross Expenditure	83 572 599	119 648 813
2 595 360	Less: Amounts charged out	1 968 751	18 097 210
71 182 005	Net Expenditure	81 603 848	101 551 603

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 ACTUAL INCOME	2008 ACTUAL EXPENSE	2008 SURPLUS (DEFICIT)	2009 ACTUAL INCOME	2009 ACTUAL EXPENSE	2009 SURPLUS (DEFICIT)	2009 BUDGET SURPLUS/ (DEFICIT)
43 487 830	45 896 387	-2 408 557	54 161 344	48 183 844	5 977 500	1 123 476
21 300 364	29 588 945	-8 288 581	40 396 390	34 322 952	6 073 438	6 107 654
R 0	R 2 726 550	R -2 726 550	R 0	R 3 584 244	R -3 584 244	R -2 442 154
R 0	R 335 144	R -335 144	R 0	R 327 369	R -327 369	R -259 937
R 0	R 439 463	R -439 463	R 0	R 639 257	R -639 257	R -421 978
R 0	R 1 706 163	R -1 706 163	R 7	R 2 536 967	R -2 536 960	R -1 275 511
R 106 117	R 1 648 769	R -1 542 652	R 117 903	R 1 573 921	R -1 456 018	R -1 306 778
R 0	R 433 850	R -433 850	R 0	R 708 505	R -708 505	R -556 529
R 905	R 84 182	R -83 277	R 2 047	R 80 897	R -78 850	R -55 734
R 55 068	R 700 117	R -645 049	R 35 538	R 659 044	R -623 506	R -517 026
R 835 434	R 853 192	R -17 758	R 740 712	R 834 276	R -93 564	R -39 695
R 0	R 115 220	R -115 220	R 0	R 196 023	R -196 023	R -142 952
R 0	R 0	R 0	R 0	R 46 763	R -46 763	R -80 000
R 0	R 199 214	R -199 214	R 0	R 327 913	R -327 913	R -161 449
R 22 338	R 188 112	R -165 774	R 395	R 172 127	R -171 732	R -146 200
R 0	R 6 338	R -6 338	R 0	R 13 362	R -13 362	R -10 510
R 6 291 935	R 430 228	R 5 861 707	R 24 473 667	R 1 046 871	R 23 426 796	R 17 676 278
R 15 185	R 1 254 088	R -1 238 903	R 11 361	R 1 405 407	R -1 394 046	R -175 107
R 11 361 347	R 0	R 11 361 347	R 12 580 400	R 0	R 12 580 400	R 8 389 872
R 0	R 421 864	R -421 864	R 0	R 339 602	R -339 602	R -195 189
R 0	R 920 473	R -920 473	R 0	R 1 325 223	R -1 325 223	R -783 553
R 0	R 175 963	R -175 963	R 0	R 246 210	R -246 210	R -160 665
R 0	R 237 889	R -237 889	R 0	R 343 229	R -343 229	R -242 421
R 0	R 576 616	R -576 616	R 0	R 629 781	R -629 781	R 0
R 272 627	R 1 087 762	R -815 135	R 44 917	R 1 374 133	R -1 329 216	R -1 260 554
R 6 228	R 844 788	R -838 560	R 6 156	R 1 164 163	R -1 158 007	R -1 157 512
R 0	R 617 385	R -617 385	R 0	R 542 966	R -542 966	R -546 781
R 107 289	R 3 677 029	R -3 569 740	R 117 917	R 4 218 740	R -4 100 823	R -3 773 373
R 9 740	R 66 279	R -56 539	R 11 009	R 67 569	R -56 560	R -53 240
R 194 648	R 54 069	R 140 579	R 106 668	R 56 598	R 50 070	R 131 567
R 0	R 856 463	R -856 463	R 0	R 675 191	R -675 191	R -391 098
R 123 373	R 265 316	R -141 943	R 114 149	R 244 858	R -130 709	R -85 149

RATES AND GENERAL

SERVICES

COMMUNITY SERVICES

General expenses council  
 Mayor  
 Municipal Manager  
 Corporate Manager  
 Halls and offices  
 Led Manager  
 Caravan park  
 Commonage  
 Cradock Spa  
 Museum  
 Community Programs  
 Publicity  
 Youth Center  
 Vusubuntu Cultural Village  
 Financial Officer  
 Consumer Services  
 Assessment rates  
 Information Technology  
 Internal Services - Salaries  
 Internal Services - Stores  
 Financial Control & Assets  
 Revenue Management  
 Community Services  
 Libraries  
 Street Sweeping  
 Parks and sport fields  
 Swimming pool  
 Cemeteries  
 Technical Services  
 Town Planning

2008 ACTUAL INCOME	2008 ACTUAL EXPENSE	2008 SURPLUS (DEFICIT)
R 3 050 164	R 4 644 285	R -1 594 121
R 0	R 639 437	R -639 437
R 12 799	R 7 698	R 5 101
R 3 037 365	R 3 997 150	R -959 785
R 19 137 302	R 11 663 157	R 7 474 145
R 8 428 561	R 6 980 393	R 1 448 168
R 10 708 741	R 4 682 764	R 6 025 977

SUBSIDIZED SERVICES  
Civil Defense/Fire Protect  
Fire Protection Services  
Clinics  
ECONOMIC SERVICES  
Cleansing  
Sewerage

R 410 905	R 795 041	R -384 136
R 410 905	R 795 041	R -384 136
R 36 321 765	R 27 085 938	R 9 235 827
R 24 603 159	R 21 728 221	R 2 874 938
R 11 718 606	R 5 357 717	R 6 360 889
<u>R 80 220 500</u>	<u>R 73 777 366</u>	<u>R 6 443 134</u>

HOUSING SERVICES  
Craddock Housing  
TRADING SERVICES  
Electricity  
Water

2009 ACTUAL INCOME	2009 ACTUAL EXPENSE	2009 SURPLUS (DEFICIT)	2009 BUDGET SURPLUS/ (DEFICIT)
R 3 898 395	R 3 994 333	R -95 938	R -2 136 211
R 0	R 288 427	R -288 427	R -296 317
R 10 510	R 4 595	R 5 915	R -4 239
R 3 987 885	R 3 701 311	R 186 574	R -1 835 655
R 9 866 559	R 9 866 559	R 0	R -2 847 967
R 9 866 559	R 9 866 559	R 0	R -3 794 764
R 0	R 0	R 0	R 946 797
R 456 698	R 858 040	R -401 342	R -442 329
R 456 698	R 858 040	R -401 342	R -442 329
R 32 561 964	R 32 561 964	R 0	R 4 683 306
R 32 561 964	R 32 561 964	R 0	R 5 329 573
R 0	R 0	R 0	R -646 267

TOTAL  
Appropriations for the year  
Net surplus/(deficit) for the year  
Accumulated surplus/(deficit) beginning of the year  
Accumulated surplus/(deficit) end of the year

<u>R 87 180 006</u>	<u>R 81 603 848</u>	<u>R 5 576 158</u>	<u>R 5 364 453</u>
		-62 746 573	
		R -57 170 415	
		-25 722 310	
		<u>R -82 892 725</u>	

APPENDIX  
F

STATISTICAL INFORMATION	2006	2007	2007	2008	2008	2009
CRADOCK AND MIDDELBURG						
General Statistics						
Population - Census 2001		60296		60296		60297
Registered Votes		29362		29362		30091
Total Valuation		654847454		614080275		654372069
- Non taxable		38362894		38428192		40292044
- State Properties		96070148		117838700		117840200
- Residential & Commercial		498381862		496241575		496213025
- Municipal Properties		242550		1733852		26800
Valuation date - 2001/2002						
Number of sites - Residential		13753		13801		13641
Number of sites - Mun		447		447		607
Number of state properties		398		444		444

Exemptions	128	15	15
Number of sites - Commercial	79	86	86
Tax Rate: - Basis	1.69 - 2.10	1.69 - 2.26	2.00 - 3.04
Sanitation (Refuse)			
Km traveled	99440	102820	373848
Refuse removed (kub m)	55404	58894	52879
Cost per kub m removed	69.02	118.53	186.59
Income per kub m removed	138.48	143.12	186.59
Electricity			
Units (kwh) purchases	61697342	No details available	65920905
Purchase price per kwh	20.43	No details available	29.82
Units (kwh) sold	53800082	No details available	58929093
Units (kwh) lost during distribution	7897260	No details available	6991812
Percentage lost during distribution	12.8	No details available	10.61
Cost per unit sold	24.98	No details available	55.26
Income per unit sold	40.21	No details available	55.26

<p>No trading takes place in Lingeihlile as Eskom is the supplier</p>			
<p>Water - Cradock/Middelburg</p>	<p>6709024</p>	<p>6277731</p>	<p>Agency CHDM</p>
<p>KI purchases</p>	<p>1.41</p>	<p>1.47</p>	<p>Agency CHDM</p>
<p>Purchase price per KI</p>	<p>5702670</p>	<p>5833711</p>	<p>Agency CHDM</p>
<p>KI sold</p>	<p>15</p>	<p>7.08</p>	<p>Agency CHDM</p>
<p>Percentage lost during distribution</p>	<p>1.33</p>	<p>2.01</p>	<p>Agency CHDM</p>
<p>Income per KI sold for both units</p>			



## 4.2 Budget to actual comparison

Budget was compiled on a cash to be collected basis. The income and expenditure from water and sewerage have been taken out of the actual figures and transferred to an agent account. This is because the municipality is a service provider of the district municipality Chris Hani hence service is on an agency basis. The budget figures on the other hand still reflects the amounts taken out in actual hence the variance in both income and expenditure.

Rates and general services is a section where only the economic services are having a greater income than expenses, with the result that shortage is subsidised by trading services.

No significant variance is observed in the housing service.

A deficit of R442 329 was budgeted for but the actual at the end of the financial year was

R401 342 and this variance can also be attributed to the removal of water and sewerage from the budget figure.

**AMOUNT RECEIVED AND SPENT EACH QUARTER**

GRANT DETAILS	Project Name	Donor Name	BF Amount	01/07/08 - 31/09/08		01/10/08 - 31/12/08		01/01/09 - 31/03/09		01/04/09 - 30/06/09		Total Rec	Total Spent	Balance 30/06/09
				Rec	Spent	Rec	Spent	Rec	Spent	Rec	Spent			
	Equitable Share	National Treasury	0	6 293 951	6 571 876	4 720 463	1 950 477	8 976 979	2 025 969	0	9 443 071	19 991 393	19 991 393	0
	Drought Relief	CHDM	5 306 331	0	0	0	0	0	590 881	41 150	76 819	41 150	667 700	4 679 781
	IDP	CHDM	82 439	0	11 001	125 000	14 421	0	29 067	5 208	94 567	130 208	149 056	63 590
	E-establishment Ward Committees	CHDM	4 226	0	0	0	0	0	0	0	0	0	0	4 226
	Finance Management Grant	National Treasury	477 939	500 000	128 639	0	191 504	0	77 227	41 348	238 431	541 348	635 801	383 486
	Spatial Development		327 985	0	0	0	125 400	0	0	25 881	300	25 881	125 700	228 166
	DME Bulk Infrastructure	Dept. Minerals & Energy	259 010	0	0	0	0	0	0	27 647	0	27 647	0	286 657
	Bulk Supply Industria Area	Dept. Minerals & Energy	992 533	0	0	0	0	0	0	108 156	621 475	108 156	621 474	479 215
	MSIG	DPLG	152 128	200 000	0	0	1 232	0	2 247	31 575	269 162	231 575	272 641	111 062
	Valuations Property		2 673 829	0	428 749	0	663 875	0	423 987	166 175	288 986	166 175	1 805 597	1 034 407
	Performance Agreements		205 721	0	0	0	81 748	0	35 262	13 577	0	13 577	117 010	102 288
	MMP Capacity		18 391	0	0	0	0	0	0	804	8 875	804	8 875	10 320
	MIG Funding		0	854 000	827 005	1 420 000	635 937	1 367 000	4 793 910	3 867 710	685 801	7 508 710	6 942 653	566 057
	Performance Management	CHDM	0	70 000	0	0	0	0	0	0	20 629	70 000	20 629	49 371
	LED	CHDM	0	0	0	0	0	1 000 000	32 088	21 681	589 537	1 021 681	621 625	400 056
	Property Rates DPLG	DPLG	0	115 000	0	0	0	0	0	9 726	0	124 726	0	124 726
	NER Bulk Elec Middelburg	Dept. Minerals & Energy	0	0	0	4 000 000	0	0	0	68 305	3 659 371	4 068 305	3 659 371	408 934
			10 500 532	1 739 000	1 395 394	5 545 000	1 714 117	2 367 000	5 984 669	4 428 943	6 553 953	14 079 943	15 648 132	8 932 342

**4.3 Grants and Transfers' spending (above)**

#### **4.4 Meeting of Donors' requirements in respect of conditional grants**

All the requirements of conditional grants have been met.

#### **4.5 Long term contracts entered into by the municipality**

The municipality has currently no long term contract with a service provider.

## 4.6 ANNUAL PERFORMANCE AS PER KEY INDICATORS IN FINANCIAL VIABILITY

### ANNUAL PERFORMANCE AS PER KEY INDICATORS IN FINANCIAL VIABILITY

		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget		3 275	10.74%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget		46 514	45.76%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Total actual trade creditors as a percentage of total actual revenue		25 866	19.05%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget		135 790	108.62%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	10 938 823	10 938 823	100%
6	Percentage of MIG budget appropriately spent			
7	Percentage of MSIG budget appropriately spent	350000	282337	80.67%

# CHAPTER 5:

## GOOD GOVERNANCE

## AND PUBLIC PARTICIPATION-

KPA 5

## 5.1 Overview of the Executive and Council functions and achievements;

To govern on its own initiative the affairs of the local community. Ensure the provision of services to the local community. Municipal council exercise the municipality's legislative and executive authority. Promote and undertake development in the municipality

The function of executive and council within the municipality is administered as follows and includes:

-Committee services under the auspices of the Speaker.

-Council and committee meetings are regularly held and are open to the public

-Ward participatory system under the auspices of the Speaker

Ward Councillors are in charge of the wards and the ward committees

Training of ward committees was initially facilitated by Speaker

The ward Councillors are expected to keep their ward committees in full operation

Mayoral Committee under the auspices of the Executive mayor

The Mayoral committee is fully functional and meets regularly. The committee acts in a supervisory capacity over the other committees, as the 4 Chairpersons of the 4 standing committees sit in the Mayoral committee and report on progress in their committees

-Ward Councillors

IYM has a ward-participatory system. Ward Councillors drive the processes of public participation in municipal affairs in their wards. They also deal with general complaints from constituents in the wards. The Councillors are assisted by fieldworkers deployed in the wards

-Chairpersons of standing Committees

4 Councillors are deployed as Chairpersons of the standing committees and together with the relevant Section 57 Manager are responsible for the smooth running of the relevant municipal department. Committee meetings are open to the general public but the public hardly ever make use of this platform, except when dedicated groups represent specific interests

-Councillors deployed in committees

The rest of the councillors are deployed in the standing committees and assist the Chairperson in his/her duties. Councillors are also deployed on external bodies, like the Police Forum, Museum Board, etc.

Function Analysis:

1	Councillor detail:	
	Total number of Councillors	18
	Number of Councillors on Mayoral Committee (includes Mayor & Speaker	6
2	Ward detail:	
	Total number of Wards	9
	Number of Ward Meetings	47
3	Number and type of Council and Committee meetings:	
	List here Council meetings, followed by individual committee and the number of times that each met	
	Ordinary Council meeting 2008/9	6
	Special Council meetings 2008/9	7
	Committee meetings 2008/9	
	Community	8
	Corporate Services	8
	Finance	8
	Technical & LED services	8
Mayoral committee	7	

## **5.2 Public participation and consultation;**

Public participation in the municipality takes place largely through Integrated Development Plan Review Forums and budget consultative processes. Due to the busy nature of the politicians for electioneering work it was not possible to have the anticipated Mayoral Imbizo's in the financial year. A great effort though has been spent on reviving the other consultative forums such as LED, Business, HIV/AIDS coordinating forum and Youth forum. Public is given an opportunity to air its views as was given to the Middelburg Rates Payers Association which bore positive results in responding to a dispute. Whilst it is in the municipality's interest to have a fully fledged customer care centre which can also manage customer surveys the available resources are lacking in this respect

## **5.3 Ward committees' establishment and functionality**

All ward committees were established throughout the municipality and their term determined to coincide with that of the existing term of councillors. Initial induction training was provided with follow up trainings. It must however be mentioned that with lack of resources and operational environment for ward committees the initiation trainings could not produce results. In general as measured through reports of committee meetings submitted it can be said that 40% held their meetings. The vastness geographically the wards covered as compared to the level of poverty of populace in these areas also had an impact on this. Another challenge is the conceptualisation of the actual role of ward councillors in general as it relates to council business

## **5.4 Community Development workers performance monitoring**

In this respect it must be categorically stated there has never been a mechanism developed for proper reporting of CDW's to council as a structure. The council allocated the responsibility of CDW's to a councillor to coordinate their activities and serve as a mentor, this responsibility is currently located in the office of the Speaker. It must however be stated unless the reporting accountabilities between the Province responsible for stipends/salaries and municipalities where they physically is clarified the goal post will be missed.

## **5.5 Communication strategy**

The municipality has adopted its communication strategy which will continue to be reviewed on a continuous basis. Whilst this is not a final blue print its implementation has been hampered by the absence of a competent personnel to drive the process. It is planned that the requisite skills will be acquired in the next financial year. The necessary infrastructure for the execution of these duties will still pose a challenge



## 5.6 Intergovernmental Relations

The intergovernmental Relations forum was not particularly active in the year in question. Structures in the form of clusters were set up but it was clear that conceptualisation of the importance of forum was lacking.

## 5.8 Legal matters

### 5.8.1 Setting up of Legal Units

The municipality does not have a Legal Unit. It from time to time make use of the legal firms within the municipality depending on their services and nature of the case

The following legal firms are used from time to time:

- Metcalf & Kie
- Vosloo & Nolte
- Coetzee & Coetzee
- Myburg Attorneys

### 5.8.2 Management of litigation

#### 1. Case Load Management with specific reference to:

##### a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
N/A		
N/A		

##### b. Unfavourable cases

Case name	Compliance with judgement (yes/No)	Reasons for non compliance with judgement

#### 2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or below	Cases beyond 2 years	Reasons for extensive duration
N/A					

3. Default judgements

Case name	Reasons for default judgement
N/A	

4. Prevention mechanisms of current litigations:  
No current litigations

5. Criminal matters emanating from corruption and fraud  
Not in the financial year under consideration

**5.8.3 Management of Legal Risks**

This is in accordance with fraud prevention policy although it is currently not fully implemented

## CORPORATE SERVICE PERFORMANCE 2009

Key Performance Area	Objective	Project	Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Status on Review		Reasons for deviation/ Measures to Improve
						Expected	Actual	
Institutional		Organogram	Institutional consolidated structure	Institutional Chart	January 2009	As per evidence	Completed	
			Placement completed	All employees placed	January 2009	100%	About 100%	This is due to one or two exceptional cases which unfortunately came about late and are receiving attention
			Revised plan with set targets	Revised plan				Plan available had no numerical goals. <i>Plan must include numerical goals.</i>
			%	Employment	June 2009	60%	Could not be	Due to non

development and transformation	Improve administrative capacity, representivity and governance of municipality on a continuous basis	Employment Plan Revision and Monitoring	achievement of targets set	records				existence of numerical goals
				Proof of submission	As per DOL deadlines	Plan submitted	As expected	
				Records of employment	June 2009	60%	Could not be achieved	As per comment revision of the plan
				Number of meetings held	Quarterly meetings	4	3	More meetings could have been held but some of them could not materialise due to non attendance.
				Documented audit	March 2009	As per evidence	Could not be conducted	Training from previous audit was still outstanding. <i>Budgeting for training to be prioritised</i>
				Skills Audit				
		Skills Development plan						

Employee relations	Ensure sound working relations in a conducive working environment	Functional Labour Forum	Meetings taking place as scheduled	Minutes of meetings	Proof of submission	June 2009	Submission	Submitted	
		Disciplinary hearings	Number of working days taken to hold disciplinary hearings after serving a notice a misconduct	Records of individual cases in quarterly reports	Documented code	June 2009	15 days	Conducted in compliance with Disciplinary code	<i>More coordination with individual departments</i>
		Development and review of by-laws and	Municipal code of by-laws complete number of policies			As per	As per	Policies and by-laws developed and reviewed at department	There were no funds to consolidate policies into a code. This

		polices	developed and reviewed	Polices reviewed and resolution by council		evidence	level. No documented code yet.	will be taken up in the next financial year using the MSIG grant. <i>The role of department should be to coordinate policy development across the various departments.</i>				
		Performance management system	PMS adopted and implemented	Approved PMS	Dec 2008	As per evidence	PMS framework has been developed and adopted by council in Jan 2009					
Good Governance and public participation	Provide for transparent and accountable governance	Ward committee capacitation	Capacitation program and achievement of objectives	Capacitation program and achievement of objectives	January 2009	Program and progress report	No program But capacitation took place	Program not developed as there were no dedicated funding for capacity building. <i>Need to budget for this</i>				
		Ward meetings and	% of meetings held in line with	Minutes of meetings	Quarterly	Reports	Few wards hold meetings as per					

		ward committee meetings	agreed timeliness	held	reports		schedule and some do not provide minutes	<i>This is a difficult role to task to an official and requires political intervention.</i>
		Agendas	Number of days agenda distributed before meeting	Receipt (Delivery) register	7 days before meeting	As per target	This for some meetings is difficult to achieve	This is because although deadlines are set for submission of items these are not adhered to in some instances.
Council and committee administration	Ensure timeous provision of information to councilors and coordination and administration of implementation of resolutions	Council and Mayoral committee resolutions	Developed system of monitoring	Documented system developed	October 2008	As per evidence	A system is in place for isolating resolutions for implementation	<i>Agendas should go out with only those items available as at the deadline</i>

Councillor support	Coordinate policy development with regards to support	Councillor support and welfare	Policy with regards to support and welfare					
	Develop and implement councillor development programme	Capacity development programme	Developed program and extent of implementation	Policy document	Document	No work done	No clear terms of reference and no inputs from councillors	



**PART 3**

**FUNCTIONAL AREAS REPORTING**

**AND ANNEXURES**

**A: FUNCTIONAL AREA SERVICE DELIVERY REPORTING**

**9.1 GENERAL INFORMATION (POPULATION STATISTICS)**

**INXUBA YETHEMBA MUNICIPALITY  
GENERAL INFORMATION**

Reporting Level	Detail	Total
Overview:	Inxuba Yethemba Municipality comprises the former Middelburg EC and Cradock TLC's, the N10 national road which is the main link between Port Elizabeth and the north runs through the municipality. The Municipal council has an Executive Mayoral Committee with ward participatory system. It is comprised of 8 proportional representative and 9 ward councillors	
Information	1 Geography: Geographical area in square kilometres Source: Municipal Demarcation Board Municipal Profile for EC131	1 1594.65
2	Demography: Total population Source: Census 2001	60296
3	Indigent Population Municipal records of registered indigents. Households whose total income is less than R1 200 per month are regarded as indigent according to council policy. Households where there are two elderly dependent on grants are treated as indigent households. Foster care grants are child grants are not considered as household income.	7500

	Source: Municipal Records Unemployed: 28 879 Source: Census 2001		
4	Total number of voters Source: IEC office, IYM	30 613	
5	Age breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Census 2001	3541 17631 20988 18136	
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Adapted from MDB municipal profile for EC 131	1746 1000 7967 2054	

## 9.2 EXECUTIVE AND COUNCIL

<b>Function:</b>	<b>Executive and Council</b>
<b>Sub Function:</b>	<b>N/A</b>

Reporting Level	Detail	Total	
Overview:	To govern on its own initiative the local government affairs of the local community. Ensure the provision of services to the local community. Municipal council exercise the municipality's legislative and executive authority. Promote and undertake development in the municipality		
Description of the Activity:	The function of executive and council within the municipality is administered as follows and includes:		

-Committee services under the auspices of the Speaker.

-Council and committee meetings are regularly held and are open to the public

-Ward participatory system under the auspices of the Speaker

Ward Councillors are in charge of the wards and the ward committees

Training of ward committees was initially facilitated by Speaker

The ward Councillors are expected to keep their ward committees in full operation

Mayoral Committee under the auspices of the Executive mayor

The Mayoral committee is fully functional and meets regularly. The committee acts in a supervisory capacity over the other committees, as the 4 Chairpersons of the 4 standing committees sit in the Mayoral committee and report on progress in their committees

-Ward Councillors

YM has a ward-participatory system. Ward Councillors drive the processes of public participation in municipal affairs in their wards. They also deal with general complaints from constituents in the wards. The Councillors are assisted by fieldworkers deployed in the wards

-Chairpersons of standing Committees

4 Councillors are deployed as Chairpersons of the standing committees and together with the relevant Section 57 Manager are responsible for the smooth running of the relevant municipal department. Committee meetings are open to the general public but the public hardly ever make use of this platform, except when dedicated groups represent specific interests

-Councillors deployed in committees

The rest of the councillors are deployed in the standing committees and assist the Chairperson in his/her duties. councillors are also deployed on external bodies, like the Police Forum, Museum Board, etc.

Function Analysis			
1	Councillor detail:		
	Total number of Councillors	18	
	Number of Councillors on Mayoral Committee (includes Mayor & Speaker)	6	
2	Ward detail:		
	Total number of Wards	9	
	Number of Ward Meetings	47	

3	<p>Number and type of Council and Committee meetings:</p> <p>List here Council meetings, followed by individual committee and the number of times that each met</p> <p>Ordinary Council meeting 2008/9</p> <p>Special Council meetings 2008/9</p> <p>Committee meetings 2008/9</p> <p>Community</p> <p>Corporate Services</p> <p>Finance</p> <p>Technical &amp; LED services</p> <p>Mayoral committee</p>	<p>6</p> <p>7</p> <p>8</p> <p>8</p> <p>8</p> <p>8</p> <p>7</p>	
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### 9.3 FINANCE AND ADMINISTRATION

<b>Function:</b>	<b>Finance and Administration</b>		
<b>Sub Function:</b>	<b>Finance</b>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
<b>Overview:</b>	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
<b>Description of the Activity:</b>	<p>The function of finance within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> <li>*Finance Administration to give guidance to internal dept.</li> <li>*Asset and budget control management-the management of municipal assets and risks, financial statements, municipal budget and internal control</li> <li>*Internal services-valuation and calculation of rates, raising of monthly accounts to all consumers for services, customer queries and payments</li> <li>*Revenue management-ensure that all debt is collect, revenue collected and administration of the indigent customer</li> <li>*External services-management of the salary payroll</li> </ul> <p>Paying of creditors as well as sundry</p> <p>Payments key issues are: the development and enhancement of an accurate and effective system</p> <p>The strategic objectives of this function are to:</p> <p>The key issues for 2008/09 are:</p> <ul style="list-style-type: none"> <li>Participatory Budget Process</li> <li>Financial Statements</li> <li>Property Valuations</li> <li>Compliant Asset Register</li> <li>Revenue Generation and Financial Management</li> </ul>		



Analysis of the Function:				
1	Debtor billings: number and value of monthly billings: Function - <list function here eg: water, electricity etc> - Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) and by category			See Annexure 2
2	Debtor collections: value of amount received and interest: Function - <list function here eg: water, electricity etc> - Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category			See Annexure 1
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days: Function - <list function here eg: water, electricity etc> - Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) and category Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function and category			See Annexure 3
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (eg: water, electricity etc) and category Note: create a suitable table to reflect write offs each month across debtors by function and category	<number>	R (000s) <value>	
5	Property rates (Residential): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year			See Annexure 6
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year			See Annexure 6
8	Property valuation: - Year of last valuation - Regularity of valuation			
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)			See Annexure 7
10	Creditor Payments: <List creditors here> Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus			See Annexure 5

	days		
11	Credit Rating:		
	No credit rating done	N/A	
12	External Loans:		
	- Total loans received and paid during the year		
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.	See note <sup>1</sup>	
13	Delayed and Default Payments:		
	<List delayed and default payments here>		
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature	See notes on statements	
	Note: This information need not be reported here if reported as notes to the accounts.		

	RATES	Refuse Charges - Business	Refuse Charges - Households	Electricity Sales	Electricity Availability	Sewerage Charges	Water Sales	Water Availability	Other
	133225612020	144526212251	144526212255	155926212135	155926212136	155966212303	155986212337	155986212338	629828075400
200807	-12 551 048	-56 994	-743 662	-1 661 049	-92 788	-12 942 850	-153 376	-246 414	45 803
200808		-57 053	-743 136	-1 917 203	-108 532		-166 309	-246 035	45 734
200809		-57 022	-742 083	-2 425 610	-108 966		-246 420	-246 112	45 405
200810		-56 962	-743 715	-1 724 737	-108 316		-272 301	-246 408	45 386
200811		-57 141	-744 030	-1 672 572	-108 633		-284 012	-247 106	45 620
200812		-57 351	-744 293	-1 707 333	-108 029		-342 858	-247 148	45 645
200901		-57 292	-745 293	-2 831 146	-107 563		-617 841	-247 360	45 564
200902		-57 232	-746 714	-1 404 776	-107 565		-345 837	-247 618	48 494
200903		-57 681	-746 083	-1 672 015	-107 563		-238 170	-247 364	46 274
200904		-57 622	-745 241	-2 119 902	-107 060		-239 405	-247 275	60 565
200905		-57 532	-746 714	-1 842 750	-106 742		-253 412	-247 689	64 723
200906		-57 323	-746 872	-1 762 671	-106 745		-362 302	-247 825	64 562
	-12 551 048	-687 205	-8 937 837	-22 741 763	-1 278 502	-12 942 850	-3 522 244	-2 964 353	603 775

## ANNEXURE 2

	RATES	ELECTRICITY	WATER	SEWERAGE	REFUSE	OTHER
	629828070000	849828023200	869828094200	829828073000	629828070800	629828075400
	629828070300					
JUL-08	531 931	1 269 085	519 993	337 331	260 139	62 125
AUG-08	1 098 644	1 582 491	560 557	775 486	311 087	91 074
SEP-08	1 266 257	1 983 253	804 384	923 703	297 762	55 263
OCT-08	545 510	1 930 914	834 545	359 123	313 314	81 571
NOV-08	453 116	1 919 065	633 196	325 795	272 783	75 629
DEC-08	1 230 616	1 248 253	677 181	339 667	306 516	124 891
JAN-09	1 036 818	1 506 640	783 436	311 004	275 670	100 521
FEB-09	460 827	1 902 080	1 013 604	336 626	316 810	60 506
MRT-09	464 437	1 769 320	984 059	374 641	330 369	75 820
APR-09	437 112	1 583 122	614 364	291 026	300 848	86 862
MAY-09	534 131	2 044 259	811 067	337 145	307 791	76 477
JUN-09	460 728	2 142 428	962 265	350 241	327 901	177 203
	8 520 128	20 880 909	9 198 651	5 061 788	3 620 989	1 067 943

ANNEXURE - 3 DEBTOR AGE ANALYSIS

	Current	30 Days	60 Days	90 Days	120 Days	150 Days +	Attc
Rates	640 969	365 570	370 065	328 742	266 502	5 556 121	10
Electricity	1 691 059	359 398	126 548	83 990	74 697	631 478	
Water	349 829	717 115	629 371	462 003	593 730	6 539 877	9
Sewerage	665 253	489 347	556 263	443 150	377 802	5 711 615	10
Refuse	589 946	367 465	425 651	338 181	311 374	4 558 252	13
Other	244 646	74 429	170 621	88 935	37 690	3 896 793	10
Total	4 181 702	2 373 324	2 278 517	1 745 000	1 661 794	26 894 136	60

**ANNEXURE - 5 CREDITORS AGE ANALYSIS**

Description	Current	30 days	60 days	90 days	120
Receiver of Revenue - VAT	0.00	0.00	0.00	0.00	
CHDM - VAT/PAYE paid on behalf of	0.00	0.00	0.00	0.00	
Receiver of Revenue - PAYE	0.00	0.00	0.00	0.00	
Receiver of Revenue - UIF	0.00	0.00	0.00	0.00	
Receiver of Revenue - SDL	0.00	0.00	0.00	0.00	
DBSA	0.00	0.00	0.00	0.00	
Bisho : Traffic Fees	0.00	0.00	0.00	0.00	83
CHDM - Levies	0.00	0.00	0.00	0.00	76
Auditor General	0.00	0.00	0.00	0.00	3
Trade Creditors	546 609.25	174 739.70	207 155.68	220 142.83	8
Salga	0.00	0.00	0.00	0.00	
Compensation Commissioner	0.00	0.00	0.00	0.00	27
	546 609.25	174 739.70	207 155.68	220 142.83	1 99

**ANNEXURE - 6**

**PROPERTY RATES -  
RESIDENTIAL**

	Number	Value
Properties rated	14200	R 532 277 330
Properties not rated		
Exemptions	128	R 27 082 266
Rates collectable for the current year		R 12 551 048

**PROPERTY RATES - COMMERCIAL**

	Number	Value
Properties rated ( Included in )	14200	R 532 277 330
State properties	79	R 96 202 150
Exemptions		
Rates collectable for the current year		R 12 551 048

**PROPERTY VALUATIONS**

YEAR OF LAST VALUATION	2002- 2003	year
REGULARITY OF EVALUATION		cycle

## ANNEXURE 7

### INDIGENT POLICY

Number of households affected	7500
Total value across municipality	7500 Indigents with a subsidy of R224.15 per month amounts to a total of R20,173,869

#### <sup>1</sup> EXTERNAL LOANS

DBSA loans were taken up for infrastructural projects as well as buildings.

The Wesbank loan was taken up for the purchase of a vehicle.

Carry interest at rates varying between 7% and 19% per annum and are repayable over periods of between 7 years and 30 years. None of these loans were secured by any asset of Inxuba Yethemba Municipality.

No external loans were taken in the financial year.



## FINANCE DEPARTMENT PERFORMANCE 2009

Key Performance Area	Key Objectives	Project	Key Performance Indicator	Evidence/ Measurement	Target/ Date of completion	Performance status on review		Reason for deviation/ Measures to improve
						Expected	Actual	
<b>BUDGET</b>	Preparation done in accordance with agreed process which is participatory and meet timelines	Preparation	MTREF budget adopted	Document and council resolution	30 <sup>th</sup> May 2009	As per evidence and target	Budget adopted and approved by council as per Council Resolution 09/57	
	Ensure implementation of budget as approved	Control of operating income and expenditure	Number of reports	Reports	12	12	Monthly reports to standing committees	
	Development and review of all budget related	Budget related policies	Policies reviewed	Documents	30 <sup>th</sup> May	As per	Relevant policies reviewed but not	Policies could not be workshopped with councillors in time.

	policies	review		2009	evidence and target	before June 2008	Policy review should take place simultaneously with budget process
<b>FINANCIAL STATEMENTS</b>	Timeous preparation and submission of financial statements for the next financial year	Preparation	Proof of submission to AG	30 <sup>th</sup> August 2009	As per evidence and target	Statements to be submitted timeously	The timeframe is outside the financial year in question. This should be measured in the following financial year
	Ensure movement towards a clean audit on matters within council's control	A.G Findings	Reduction in Qualifications	40% reduction in 2008/9 statements	As per evidence and target		This should be measured in the following financial year
	Preparation of GAMAP/GRA P financial	GAMAP/	Statements compliant with	Prepared compliant			Cannot be assessed in the financial year in
			Document of				
			A.G report 2008/9				
			Document of				

	statements for the year as a measure of preparedness	GRAP	GAMAPI/ GRAP	statements	statements	question
<b>PROPERTY VALUATIONS</b>	To ensure that the municipality is ready to implement fully the PRA by 1 July 2009	Valuation Roll	Certified Valuation Roll	Document	January 2009	Levy on new valuation roll to be done on July
		Implementation of PRA	Report on success	Report	100% readiness by June 2009	Levy on new valuation roll to be done on July. Appeal hearings will only take place in 2009/10
<b>ASSET REGISTER</b>	To provide a compliant comprehensive asset register that is properly maintained	Compliant Asset register	State of readiness	Compliant register	100% by June 2009	Funding and time constraints a challenge as this is a huge task which requires skills not available internally. A service provider to be

<b>REVENUE GENERATION AND FINANCIAL MANAGEMENT</b>	To generate sufficient revenue to meet the municipality's monthly commitments identified	Recovery Plan	Progress report	Reports	Monthly reports	12	Reports presented to standing committee	appointed					
									Viability Targets	% recovery rate on debtors levied	90% by June 2009	90%	Target could not be met due to global economic climate
										Reduction in number of days for creditors payment	10 days compared to previous financial year	10 days reduction	Target could not be met for above mentioned reason
									Financial statements	10 days compared to previous financial year	10 days reduction	Target could not be met	Target not be met as for above mentioned reason

## 9.4 PLANNING AND ECONOMIC DEVELOPMENT

**Function: Planning and Development**

**Sub Function: Economic Development**

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	<p>Management of commonage</p> <p>Implementation &amp; coordination of special projects</p> <p>Facilitation &amp; promotion of Tourism &amp; Community Programme (museum, tourist attractions, stakeholders mobilization &amp; participation)</p> <p><b>MANAGEMENT OF COMMONAGE CORE BUSINESS</b></p> <p>*To facilitate and coordinate the development of emerging farmers by accessing land for them training/capacity building programmes &amp; funding opportunities further ensure, the proper and effective utilisation of the commonage, interalia, prevention of overgrazing, supervising, replacement and repairs to all municipal fences, regular inspection of fences. Furthermore ensuring repairs to water pipelines, cribs dams for water supply, overseeing the fixing of wing pumps and their erection thereof. Lastly, supervising and inspecting water pipelines coming from town to check burst pipes and damage to property.</p> <p>*The municipality has a mandate to ensure that land is made available to the emerging farmers for production purposes. It is also responsible for ensuring that they become economically sustainable hence commercialization of them. Lastly, the local government is mandated to ensure the efficient, effective and economical use of its limited resources, in this case its land usage.</p> <p>*The strategic objectives of this function is to ensure effective. Efficient and economical use of the commonage. Further realization of emerging farmers to become commercial farmers within the next three years.</p> <p>*The key issues for 2007/8 financial year are the access to land of emerging farmers and those intersted in agricultural activities particularly the young people, women, HIV/AIDS and physically</p>		

challenged individuals

### **IMPLEMENTATION & COORDINATION OF SPECIAL PROJECTS**

\*This function is located in the Mayors Office and politically driven there while administratively is driven in the Local Economic Development Department. Its core business is the facilitation, development and identification of projects with an economic potential for implementation. Furthermore, partnerships are created with key government department and agencies for the development of these special project. It is this function, that should ensure that necessary resources such as funding and infrastructure are secured for implementation thereof. Furthermore institutional capacity building programmes for these special project are also secured. The expected beneficiaries of these project are the following sectoral groups: Youth, Women, Elderly, HIV/AIDS and the physically challenged individuals (disabled)

\*In this regard the municipality has a mandate to ensure that the vulnerable groups/sectors of our society are also mobilized and become part of the developmental agenda of the municipality as required by our constitution.

\*The strategic objectives of this function are to ensure that the young people, women, HIV/AIDS, elderly and so called disabled individuals enjoy their socio-economic rights as provided by our constitution. In the next three years, these should be a visible and a number of small, micro, medium enterprises that are driven by the young people, women, HIV/AIDS and physically challenged individuals (disabled)

### **FACILITATION & PROMOTION OF TOURISM & COMMUNITY PROGRAMMES**

\*The core function is the planning, facilitating coordinating stakeholders participation in the Local Economic Development activities and general municipal affairs. It develops maintains and use stakeholders database in the LED activities and the general municipal affairs. In this regard, this function coordinates the functioning of the LED forums within the municipal area by organizing and convening stakeholder meeting. the promotion of tourism is effected through tourist attractions within the municipal area which is being facilitated by the Publicity/Information Offices. On an ad hoc basis various visual and performing artists do benefit by selling their products to the visitors

\*The municipality has a mandate to ensure that community participation in the municipal affairs promoted and consolidated. Furthermore, in areas such as tourism an opportunity is afforded for those previously disadvantaged to play their meaningful role in this

	industry.		
	*Thee strategic objectives of this function are ensuring a community driven local government fulfilling its vision of a coherent developmental municipality putting people first and providing a better life for all. Furthermore, there needs to be a visible number of individuals (PDI) becoming beneficiaries in the tourism industry and our municipal area becoming a preferred tourist destination		
Analysis of the Function:	1 Number and cost to employer of all economic development personnel: - Professional (Directors / Managers) - Non-professional (Clerical / Administrative) - Temporary - Contract  Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	1 4 0 0	
	2 Detail and cost of incentives for business investment:  Note: list incentives by project, with total actual cost to municipality for year	NONE	
	3 Detail and cost of other urban renewal strategies:  Note: list strategies by project, with total actual cost to municipality for year	NONE	
	4 Detail and cost of other rural development strategies:  Note: list strategies by project, with total actual cost to municipality for year	NONE	
	5 Number of people employed through job creation schemes: - Short-term employment - Long-term employment	576 11	

	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
6	<p>Number and cost to employer of all Building Inspectors employed:</p> <ul style="list-style-type: none"> <li>- Number of Building Inspectors</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package</p>	1	
6	<p>Details of building plans:</p> <ul style="list-style-type: none"> <li>- Number of building plans approved</li> <li>- Value of building plans approved</li> </ul>	See tech serv. section	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	



## LOCAL ECONOMIC DEVELOPMENT PERFORMANCE 2009

Key Performance Area	Objective	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on Review		Reasons for deviation/Measures to improve
						Expected	Actual	
Building local economy	To develop and support SMME's in the municipality	SMME's Dev. and support	Number of SMME'S and Co-operatives formed and capacitated	Proof of SMME's registration	15 by June 2009	15	14	This is the number which requested assistance. The role of department in this need to be clearly defined
	To develop a strategy which will stimulating the local economy	Local Economic Development (LED) Strategy & incentive plan	% progress on completion of strategy and incentive scheme package	Document and council resolution	March 2009	As per evidence and timeframe	Document and resolution available but timeframe not met	Due to service provider facilitation process especially with incentive scheme

Poverty alleviation & Job creation	Monitor that project deliverables as per business plans are achieved	Inxuba Yethemba Economic Development program NDA	% Of project deliverables achieved	Project completed	100% by June 2009	As per evidence and timeframe	Completed earlier than timeframe	
	Reduce unemployment rate and poverty levels in line with Millennium development	Job creation	Number of jobs created through LED projects	Records of people employed	50 by June 2009	50	More than 50	

	<p>goals by 2014</p> <p>Maximise agricultural potential of the area by providing support to agricultural initiatives</p>	<p>Emerging Farmers Support (Operational budget)</p>	<p>Agreements with institutions and training program</p>	<p>Agreement documents and Training program</p>	<p>December 2008</p>	<p>As per evidence and timeframe</p>	<p>No signed agreements but good working relations with institutions. Various trainings were conducted by department</p>	<p>It is not imperative to have signed agreements as relations are sound.</p>
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Tourism	Increase no of tourist visiting area by increasing and diversifying tourism sites by 2009	Promoting and Marketing area	Marketing Plan & Marketing strategy	Documentation	June 2009	As per evidence and timeframe	Could not be achieved	Application for funding submitted to Thina Sinakho awaiting response
		Tourist Information Centre	Complete and Operational structure	Structure	June 2009	As per evidence and timeframe	90% complete	Implementing Agent is Coega and it seems that magnitude of work was under-estimated
		Cradock \$ Garden of Remembrance	Complete and Operational structure	Structure	June 2009	As per evidence and timeframe	90% complete	Implementing Agent is Coega and it seems that magnitude of work was under-estimated

			Vusubuntu cultural village	Number of chalets completed Plan developed and operational	Complete Chalets	15 by June 2009	15	13	Scope of project scaled down by implementing agent
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9.5 COMMUNITY SERVICES

Function: Community and Social Services		Sub Function: Pauper Burials	
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p>The administration of pauper burials is done by the Secretary of Community Services. The applicant submits a letter from a Ward Councillor where he or she is residing confirming the need for the assistance. A second letter from the Social Worker after she or he has made a visit to the home to confirm the need for assistance. Certified copy of a death certificate, tow quotations from local service providers (funeral parlours). The approval is given based on availability of funds. The approval is given based on availability of funds. The cheapest quote is utilized for the service. The site is allocated to the family at the cemetery and the burial is done.</p> <p><i>The municipality has a mandate to:</i> The Municipality has to ensure that all corpses are buried in a hygienic manner that will not be detrimental to the environment and to the community if Inxuba Yethemba Municipality.</p> <p><i>The strategic objectives of this function are to:</i> Provision of a dignified burial for paupers and indigent burials. Provide and environment that is free from health hazards in our area of jurisdiction. Give assistance to those in need of the service pending on availability of the funds.</p>		
Analysis of the Function:	1 Nature and extent of facilities provided: 25 Applicants approved - Cemeteries and crematoriums Note: the facilities figure should agree with the assets register	no of facilities: 7	no of users:- 943 p.a.
	2 Number and cost to employer of all personnel associated with each community services function: - Cemeteries and crematoriums Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	2	R(000s) R101 165
	6 Total operating cost of community and social services function		R17 000.00

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<ul style="list-style-type: none"> <li data-bbox="384 439 544 539">• <i>Approved HIV/AIDS strategy;</i></li>   <li data-bbox="331 1686 520 1955">• <i>Approved Disaster management policy frameworks and plans (Metro and DM)</i></li> </ul>	<p data-bbox="609 439 727 477"><b>HIV/AIDS:</b></p> <p data-bbox="601 510 1259 701">This programme started during the week of 03-14 November where government departments were visited by the LAC committee. In the future I will ensure that with every activity there is an attendance register. The LAC is in the process of consolidating all programmes of each Department.</p> <p data-bbox="592 745 1270 943">This programme had forty five (45) ground diggers that were working up to 13 February 2009. The information that they were collecting has been sent to the CHDM on 26/02/09. They were still working on the programme that the Municipality had given them in November 2008.</p> <p data-bbox="579 969 1251 1227">A suggestion was made during 12/02/2009 to strengthen the LAC. On 24/02/2009 a broader LAC Meeting was held. All stakeholders were asked to give the work programmes that they have to co-ordinate HIV/AIDS. This was to consolidate these programmes into one programme to avoid duplication of work. A yearly programme for the LAC Meetings was also discussed.</p> <p data-bbox="571 1261 1254 1429">The Ward Councilors are to organize. Ward Aids Council in their areas of jurisdiction. These should be in place by the 12th of March 2009. Councilor Sindelo communicated this to the Councilors that could not attend the LAC meeting.</p> <ul style="list-style-type: none"> <li data-bbox="568 1480 1016 1525">• LAC induction in CHDM in May 2009.</li> <li data-bbox="568 1518 1209 1563">• WAC Training in Cradock and Middelburg in June 2009.</li> <li data-bbox="568 1554 1243 1626">• Candle Light held in Cradock in May 2009 for IYM including all stakeholders in both units.</li> </ul> <p data-bbox="558 1653 691 1686"><b>DISASTER:</b></p> <ul style="list-style-type: none"> <li data-bbox="558 1686 1034 1731">• Report to the Mayor on Lusaka incident.</li> <li data-bbox="558 1724 1114 1769">• Equipment for fire-fighting received from CHDM</li> <li data-bbox="558 1762 1080 1807">• Training of Alvera Adams on Disaster issues</li> </ul> <p data-bbox="549 1861 1219 1951"><b>Education:</b> Education on disaster has been given to the community members. This will continue in all Wards.</p> <p data-bbox="544 1966 1198 2022">R65 000 has been used for households that were affected by</p>		

	storms. Only indigent households were benefiting from this.		
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<b>Function:</b>	<b>LIBRARIES</b>
<b>Sub Function:</b>	<b>Provision and promotion of Library usage</b>

Reporting Level	Detail	Total	
Overview:	To supply information to the public.		
Description of the Activity:	<p><i>Library function</i></p> <p>Administration is being done by each Snr. Library Assistant, which includes the writing of reports, writing reminders of late library material, planning of library activities.</p> <p><i>The municipality has a mandate to:</i> The Municipality has a mandate to render a informative service to the public.</p> <p><i>The strategic objectives of this function are to:</i> Total integration of library activities. Equitable distribution and provision of library service. Promotion of learning, reading and recreation through books. Provision and promotion of library usage. The key issues for 2008/09 are: Library Services has received an amount of R1428 040 as subsidy for the 2008/9 financial year for the first time. There is a need to appoint a middle manager librarian to co-ordinate this function.</p>		
Analysis of the Function:			
1	<p><i>Nature and extent of facilities provided:</i></p> <p>- Library services</p>	no of facilities: 6	no of users: 15 140
2	<p><i>Note: the facilities figure should agree with the assets register Number and cost to employer of all personnel associated with each community services function:</i></p> <p>- Library services</p> <p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</i></p>	14	R(000s) R1 325 990



**Function:** Parks and Recreation  
**Sub Function:** Swimming pools

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The swimming pool functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>Appointing Seasonal employees on a contract organising that all is up to standard before the season starts.</li> <li>Signing of contracts with interested parties for utilization of the facility.</li> </ul> <p><i>The Municipality has a mandate to:</i>            Render a service at a cost decided upon by the Council of Inxuba Yethemba Municipality.</p> <p><i>The strategic objectives of this function are to:</i>            Provide recreational facilities to our communities encourage use of facility by all.</p>		
Analysis of the Function:			
1	<p><i>Nature and extent of facilities provided:</i></p> <ul style="list-style-type: none"> <li>- Sporting facilities (specify)- Sports Facilities</li> </ul>	no of facilities: 6	no of users: Cannot be determined
2	<p><i>Note: the facilities figure should agree with the assets register Number and cost to employer of all personnel associated with each community services function:</i></p> <ul style="list-style-type: none"> <li>- Sporting facilities</li> </ul> <p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</i></p>	53	R(000s) R926 000
6	<i>Total operating cost of community and social services function</i>		R 583 000

<b>Function:</b>	<b>Parks and Recreation</b>
<b>Sub Function:</b>	<b>Sports Facilities</b>

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The Sports Facilities functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>Signing of contracts with sports clubs for facility utilization.</li> <li>Booking of sports facilities.</li> <li>Booking of other municipal facilities (buildings in the sport facility) ensuring that all facilities are maintained purchasing of equipment, cleaning material utilization of budget according to the MFMA</li> <li>Control over expenditure</li> <li>Liaise with other departments within the institution any matter related to the facility</li> <li>Control inventory</li> <li>Apply for funding for the upgrading of the facilities.</li> </ul> <p><i>The Municipality has a mandate to:</i> render a service at a cost decided upon by the Council of Inxuba Yethemba Municipality.</p> <p><i>The strategic objectives of this function are to:</i> To provide recreational facilities for our communities encourage the one of these facilities by all. To beautify our environment through planting indigenous plants to save water.</p>		
Analysis of the Function:			
1	<p><i>Nature and extent of facilities provided:</i></p> <ul style="list-style-type: none"> <li>- Sporting facilities</li> </ul>	no of facilities: 6	no of users: Cannot be determined
2	<p><i>Note: the facilities figure should agree with the assets register Number and cost to employer of all personnel associated with each community services function:</i></p> <ul style="list-style-type: none"> <li>- Sporting facilities</li> </ul>	53	R(000s) R926 312
6	<p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</i></p> <p><i>Total operating cost of community and social services function</i></p>		R58 300

**Function:** Community and Social Services  
**Sub Function:** Parks

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> <li>Personnel issues, leave, discipline, orientation and motivation.</li> <li>Salaries</li> <li>Work Planning organizing</li> <li>Purchasing of equipment</li> <li>Budget Control</li> <li>Implement policies pf Council</li> <li>Report writing</li> </ul> <p><i>The municipality has a mandate to:</i>            Keeping of parks in a well maintained and safe environment            identification of new sites to be developed as parks in the previously disadvantaged areas.</p> <p><i>The strategic objectives of this function are to:</i>            To green open spaces of Inxuba Yethemba Municipality</p> <p>Seven (7) new parks were erected in this financial year. These are fenced with palisades.            Maintenance of the existing parks.</p>		
Analysis of the Function:	1 Nature and extent of facilities provided: - Parks Note: the facilities figure should agree with the assets register	no of facilities: undetermined	no c user. 20 00
	2 Number and cost to employer of all personnel associated with each community services function: - Parks  Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	53	R(000 R2 81 511
	6 Total operating cost of community and social services function		R266



## COMMUNITY SERVICES DEPARTMENT PERFORMANCE 2009

Key Performance Area	Objective	Project	Indicator	Evidence / Measurement	Annual Target/ Timeframe	Status on Review		Reasons for deviation/ measures to improve
						Expected	Actual	
Refuse Removal	An environment with clean well kept natural open spaces parks and maintained built environment by 2009	Removal plan	Availability of plan	Given to Municipal Manager		Plan available		
		Refuse bags	Progress reports Number of containers per month	Budget on refuse bags 65 000 bags per month	one issued/house/week		As per target	
		Cleaning of illegal Dumps	Number of dumps cleaned per ward per month	CHDM funded project, DOT project clean up none stop tractor available	Weekly removals for 12 months by municipality	50% reduction	60%	

<b>Traffic Control</b>	Render a traffic service that is conducted diligently and which is visible and adding value to crime prevention	Speed bumps	Number of bumps constructed	Visibility of bumps	4	4	4	
		Road signage	Number of signs erected or traffic markings done as per budget	Quarterly reports 100% utilization of the budget	4 reports and 100% utilization of budget	As expected		
		Law enforcement	Implementation of law enforcement	Overtime worked and income generated	Quarterly reports	More income less overtime	The opposite happened	Need to appoint more traffic officers
<b>HIV / AIDS</b>	Reduction HIV % infection and its impact on individuals, families and the community on an annual basis	Support to Local Aids Council	Documented Support	Quarterly Reports	4 reports			More funding for LAC. commitment & Staff
		Prevention of Spread	Intervention Program and impact on statistics	Reports	4	4	4	Need to improve on quality of statistics

<b>Maintenance of Facilities</b>	Provide adequate, accessible and properly maintained facilities throughout municipality	Parks and Gardens	Progress on implementation of plan	Monthly reports	12	12	12	7 New parks to be greened water is provided
		Cemeteries	Progress on implementation of plan	Monthly reports	12	12	12	Need for fencing in Middelburg Especially Midros & KwaNonzame.
		Sport Fields	Progress on implementation of plan	Monthly reports	12	12	12	Cash flow of the municipality has an impact on maintenance
<b>Disaster</b>	To be capacitated to	Equip the Disaster	Progress on equipping the	Quarterly	4	Permanent Chief Protection services appointed & volunteer trained.	As expected	Need a minimal budget so as not to entirely depend on district although this

<b>Management</b>	deal with the prevalent forms of Disaster	Management centre	centre	reports	Computer and printer installed. All households that were affected by storm were fixed , project signed off Utilizing 100 % allocation.	is its function
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## 9.6 HOUSING PERFORMANCE FUNCTION

Function:	Housing			N/A
Sub Function:				
Reporting Level	Detail	Total		
Activity:	Function of provision of housing: <ul style="list-style-type: none"> <li>▪ Provision of low cost housing</li> <li>▪ Renting of municipal flats</li> </ul>			
	Mandate: <ul style="list-style-type: none"> <li>*Supply low cost housing</li> </ul>			
	Strategic Objectives: <ul style="list-style-type: none"> <li>*Administrate the provision of low cost housing</li> </ul>			
	Key issues for 2008/2009: <ul style="list-style-type: none"> <li>*To supply 815 low cost houses, 249 middle income and 150 high income erven.</li> </ul>			
1.	Number and cost of all personnel associated with provision of municipal housing: <ul style="list-style-type: none"> <li>*Professionals</li> <li>*Field (Supervisors)</li> <li>*Office (Administrating)</li> <li>Non Professional (Outside workforce)</li> <li>*Temporary</li> <li>*Contract</li> </ul>	Developer Developer 4 0 0 0	Developer Developer R 855 578.00 0 0 0	
2.	Number and total value of housing projects planned and current: <ul style="list-style-type: none"> <li>▪ 2008/9</li> <li>▪ 2009/10</li> </ul>	1 106 108		

3.	Total type, number and value of housing provided:  *Low cost housing	NONE in Financial Year	
4.	Total number and value of rent received from municipal owned rental units:  *Info received from Finance Department		R 414 932.00 (Information from budget)
5.	Estimated backlog in number of (and costs to build) housing:  <ul style="list-style-type: none"> <li>▪ 2007/8</li> <li>▪ 2008/9</li> </ul>	1 106  108	R101 594 000.00  R 9 701 000.00
6.	Type of habitat breakdown:  <ul style="list-style-type: none"> <li>▪ Informal shacks basically non existent in urban area</li> <li>▪ Rural/Urban (½ % of total)</li> </ul>		
7.	Type and number of grants and subsidies received:	NONE	

9.7 WASTE WATER PERFORMANCE FUNCTION

Function:	Waste Water Management		
Sub Function:	Sewerage		
Reporting Level	Detail	Total	
Overview:	Inxuba Yethemba collect waterborne sewerage via bulk sewer & street collections and treat the raw sewerage at two treatment plants in both Cradock and Middelburg		
Description of the activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>*Maintenance of: Sewer network, pump stations</li> <li>*Installations of: Sewer lines</li> <li>*Treatment of: All waste water</li> </ul>		
	<p>Strategic objectives of this function are to:</p> <p>Ensure that waste water is collected and treated according to legislation.</p>		
Analysis of the function:	<p>Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> <li>▪ Professional (Environmental Health Practitioners)</li> <li>▪ Field (Supervisors/Foremen)</li> <li>▪ Office (Clerical/Administration)</li> <li>▪ Non-professional (Blue collar, outside workforce)</li> <li>▪ Temporary</li> <li>▪ Contract</li> </ul> <p>Note: Total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p>2</p> <p>4</p> <p>2</p> <p>23</p> <p>0</p> <p>0</p>	
2.	Number of households with sewerage services, and type and cost of service:		

	*Flush toilet (connected to sewerage system)	13 048	
	*Flush toilet (with septic tank)	159	
	*Chemical toilet	0	
	*Pit latrine with ventilation	7	
	*Pit latrine without ventilation	0	
	*Bucket latrine	220	
	No toilet provision	0	
	Note: If other types of services are available, please provide details		

9.8 WASTE WATER MANAGEMENT

Function:		Waste Water Management	
Sub Function:		Sewerage	
Reporting Level	Detail	Total	
3.	<p>Anticipated expansion of sewerage:</p> <p>*Flush/chemical toilet</p> <p>*Pit latrine</p> <p>*Bucket latrine</p> <p>*No toilet provision</p> <p>Note: Provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	<p>220</p> <p>0</p> <p>0</p> <p>0</p> <p>220</p>	<p>R 2 277 000.00</p> <p>R 512 400.00</p>
4.	<p>Free Basic Service Provision:</p> <p>*Quantity (number of households affected)</p> <p>*Quantum (value to each household)</p>	<p>6 576</p> <p>(Finance Dept Info)</p>	
5.	Total operating cost of sewerage function:		R8 732 719.00

9.9 ROADS PERFORMANCE FUNCTION

Function:	Road Transport		
Sub Function:	Roads		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of a public bus service to the community		
Activity:	<p>A) Maintenance:</p> <p>Surfaced Roads:</p> <ul style="list-style-type: none"> <li>*Pothole repairs</li> <li>*Surface repairs</li> <li>*Re-sealing</li> </ul> <p>Gravel Roads:</p> <ul style="list-style-type: none"> <li>*Grading of roads</li> <li>*Surface repairs by backfilling - Compacting</li> </ul> <p>B) New Construction</p> <ul style="list-style-type: none"> <li>*Construct new roads</li> <li>*Surfacing of existing gravel roads with bitumen layers</li> </ul>		
	<p>Mandate:</p> <ul style="list-style-type: none"> <li>*Municipal roads (LM)</li> </ul>		
	<p>Strategic Objectives:</p> <ul style="list-style-type: none"> <li>*To ensure that 15% of major arterial roads are tarred, graded and provided with an effective storm water system by</li> </ul>		

	<b>2012.</b> To maintain existing roads and storm water infrastructure to acceptable levels		
	Key issues for 2008/2009:  *Reseal surfaced roads in Cradock and repair gravel roads in Lingelihle and Michausdal		
Analysis of the function:			
1.	Cost to Employer:  *Professional  *Supervisors  *Office  *Non professional  *Temporary  *Contract	3  4  1  37  7  0	

9.10 ROAD TRANSPORT MANAGEMENT

Function:	Road Transport		
Sub Function:	Roads		
Reporting Level:	Detail	Total	
2.	Road Projects Planned and Current:  *New bituminized  *Existing re-tarred  *New gravel  *Existing re-sheeted	1.20km  0.64km  0  10.12	R 5 468 000.00  R 512 000.00    R 547 670.00
3.	Total kilometers and maintenance cost associated with existing roads provided:  *Tar  *Gravel		
4.	Average frequency and cost of re-tarring, re-sheeting roads:  *Tar Bi-annual  *Reseal  *Gravel Bi-annual  *Storm water Bi-annual	75.86km  58.04km  39.75km  9.77	R135 628 147.00  R 16 347 714.00  R 16 679 700.00  R 24 388 088.00
5.	Estimated backlog in number of roads:  <ul style="list-style-type: none"> <li>▪ Tar determined from 2005 Road Maintenance System</li> <li>▪ Gravel can only be determined from 2005 Road Maintenance System</li> </ul>	42.38km    84.98km	R 75 776 480.00    R 35 659 520.00
6.	Type and number of grants and		



	subsidies received:		
	3x MIG (Own funds)	3	R 4 913 888.63
	1x MIG (CHDM funds)	1	R 1 900 000.00
7.	Total operating cost:		R 1 365 000.00

### 9.9 WATER DISTRIBUTION FUNCTION

<b>Function:</b>	Water		
<b>Sub Function:</b>	Water Distribution		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
<b>Overview:</b>	Inxuba Yethemba purchase bulk raw water from the Fish River Scheme for Cradock, treat the water and distribute it. In Middelburg the water is pumped from boreholes and distributed to the consumers.		
<b>Activity:</b> Water Distribution:	Purchase and Distribution Functions: <ul style="list-style-type: none"> <li>▪ Purchase of water (DWAF)</li> <li>▪ Abstraction of water (Boreholes)</li> <li>▪ Treatment of water</li> <li>▪ Distribution of water (Pipe lines)</li> <li>▪ Final yard connections and standpipes</li> </ul>		
	Mandate to: <ul style="list-style-type: none"> <li>▪ Water Service provider (LM)</li> <li>▪ Water Services Authority (DM)</li> </ul>		
	Strategic Objectives: <ul style="list-style-type: none"> <li>▪ Ensure a continuous in the yard supply of potable water to each household by 2007</li> <li>▪ Ensure free basic service to the community</li> </ul>		
1.	Cost to Employer: <ul style="list-style-type: none"> <li>▪ Professionals</li> <li>▪ Field (Supervisors)</li> <li>▪ Office (Adminstrating)</li> <li>▪ Non professional (Outside workforce)</li> <li>▪ Temporary</li> </ul>	5 4 2	

	<ul style="list-style-type: none"> <li>Contract</li> </ul> <p>Note: Total number to be calculated on full-time equivalent basis, total cost to include total salary package</p>	23	
		0	0
		0	0
		34	R2 814 786.00

Percentage of total water usage per month		Cradock	Middelburg	Total	%		
2.	July 2008	355800	114911	470711	7.58		
	August 2008	338600	136139	474739	7.65		
	September 2008	367200	121567	488767	7.87		
	October 2008	419700	136213	555913	8.95		
	November 2008	453700	141701	595401	9.59		
	December 2008	397900	157552	555452	8.95		
	January 2009	524300	174086	698386	11.25		
	February 2009	341200	113624	454824	7.33		
	March 2009	382100	137241	519341	8.37		
	April 2009	371500	139247	510747	8.23		
	May 2009	330900	111883	442783	7.13		
	June 2009	324200	116630	440830	7.10		
	<b>TOTAL</b>	<b>4 607 100</b>	<b>1 600 794</b>	<b>6 207 894</b>	<b>100.00</b>		
3.	Total volume and cost of bulk water purchase:					<u>KI</u>	<u>R</u>
						6 207 894	551 760.00
4.	Bulk water sales:					0	0
5.	Year to date - water losses:					21%	
						(Estimated)	

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level:	Detail	Total	
Overview:			
6.	Water services, type and cost:		
Activity:	<ul style="list-style-type: none"> <li>▪ Piped water inside dwelling</li> <li>▪ Piped water inside yard</li> <li>▪ Piped water on community stand: Distance 200m from dwelling</li> <li>▪ Piped water on community stand: more than distance 200m from dwelling</li> <li>▪ Boreholes</li> <li>▪ Spring</li> <li>▪ Rain-water tank</li> </ul>	<p style="text-align: right;">10 652</p> <p style="text-align: right;">4 475</p> <p style="text-align: right;">85</p> <p style="text-align: right;">21</p> <p style="text-align: right;">13</p> <p style="text-align: right;">0</p> <p style="text-align: right;">0</p>	
7.	Number and cost of new connections	28	R 63 859-00
8.	Number and cost of disconnections and reconnections	1 181	R 50 833-00
9.	Water projects planned and current:		
	*Drought relief for Middelburg		R 6 500 000
	*Repair Cradock Water Treat Plant Storage Reservoirs (Severely cracked)		R 2 400 000
	*Rosmead water supply		R 8 255 000
	<b>TOTAL</b>		<b>R17 155 000.00</b>
10.	Anticipated expansion of water service:		
	Rosmead VIP's	220	R 2 277 000.00

11.	Backlog in water connection: 107 below level of service	Will be addressed with Item 10 above	
12.	Free basic service provision: *Quantity (Households) *Quantum per year *6kl per household of free water (6kl x R2.00 x 12 months)	6 576  473 472kl	R 1 228 376.00
13.	Type and number of grants and subsidies received:  Equitable share		R 2 773 680.00  (Info from budget)
14.	Total operating cost of water distribution function:		R 14 126 161.00  (Info from budget)

9.10 ELECTRICITY DISTRIBUTION FUNCTION

<b>Function:</b>	Electricity		
<b>Sub Function:</b>	Electricity Distribution		
<b>Reporting Level:</b>	<b>Detail</b>	<b>Total</b>	
<b>Overview:</b>	The Inxuba Yethemba Municipality distributes electricity supply to the municipal area comprising Cradock and Middelburg. Electricity is purchased in bulk from Eskom and distributed to the consumers through the municipal distribution infrastructure and network.		
<b>Description of Activity:</b>	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>*Bulk purchase of electric supply from Eskom.</li> <li>*Distribution of electricity to consumers in Cradock and Middelburg municipal areas. Maintaining and operating the electric supply infrastructure consisting of substations, switchgears, overhead lines and underground cables.</li> <li>*Management of the Pre-paid Electricity Supply Payment System.</li> <li>*Taking measures to prevent theft and pilferage of electricity.</li> <li>*Maintaining liaison with Government Agencies like NERSA, DME, complying with the requirements of electricity distribution license.</li> <li>*Implementation of projects for providing electricity supply to houses constructed under RDP.</li> </ul> <p>The municipality has a mandate to:</p> <p>Distribute electricity supply at Cradock Urban Areas, and to some extent rural areas</p>		

	(excluding Lingelihle), as well as Middelburg as per distribution license issued by NERSA.  Distribution of electricity at Lingelihle is the responsibility of Eskom, the municipality is responsible for street and area lighting.		
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<b>Function:</b>	Electricity		
<b>Sub Function:</b>	Electricity Distribution		
<b>Reporting Level:</b>	<b>Detail</b>	<b>Total</b>	
	<p>The strategic objectives of this function are to:</p> <p>Ensure service delivery to the community in an efficient and economical way utilizing the resources in an optimum manner.</p> <p>The key issues for 2008/2009 involves:</p> <p>*Bulk supply to Cradock Industrial Area.</p> <p>*Middelburg Main Substation.</p>	1	R 1 122 000.00
		1	R 4 000 000.00
<b>Analysis of the Function:</b>	<p>Number and cost to Employer of all personnel associated with the electricity distribution function:</p> <p>*Professional (Engineers/Consultants)</p> <p>*Field (Supervisors/Foremen/Electricians)</p> <p>*Office (Clerical/Administration)</p> <p>*Non professional (Blue collar, outside workforce)</p> <p>*Temporary (Learner Engineering Technician)</p> <p>*Contract</p> <p>Note: Total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	2	
		7	
		1	
		11	
		1	

		0	R2 691 176.00
	<p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> <li>▪ Residential</li> <li>▪ Commercial</li> <li>▪ Industrial</li> <li>▪ Agricultural</li> <li>▪ Other</li> </ul> <p style="text-align: right;"><b>TOTAL: 72 769 7000Kwh</b></p>		R23 811 360.00

<b>Function:</b>	Electricity		
<b>Sub Function:</b>	Electricity Distribution		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
	<p>Note: IT and electrical infrastructure cannot provide the break down as required. Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> <li>▪ Residential</li> <li>▪ Commercial</li> <li>▪ Industrial</li> <li>▪ Agricultural</li> <li>▪ Other</li> </ul> <p style="text-align: right;"><b>TOTAL: 45 497 582kWH</b></p> <p>Total year-to-date electricity losses in kilowatt hours and rand:</p> <p><b>Total: 7 .85.925</b></p> <p>Number of households with electricity access, and type and cost of service: Underground and overhead supply.</p> <p>*Electrified areas - Cradock, Middelburg, Kwanonzame, Lusaka and Midros</p> <p>*Municipal</p> <p>*Eskom</p> <p>*Alternative energy source</p> <p>*Gas - limited use</p> <p>*Paraffin - Approximately half the community</p> <p>*Wood - approximately half the community</p> <p>*Non electrified</p> <p>Note: If other types of services are available,</p>		<p>R31 894 859.15</p> <p>9923</p> <p>5323</p> <p>R 11 907 600.00</p>



	<p>please provide details.</p> <p>Number and total value of electrification projects planned and current:</p>	60	
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<b>Function:</b>	Electricity		
<b>Sub Function:</b>	Electricity Distribution		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
	<p>*Current (financial year after year reported on) connections</p> <p>*Planned (future years) connections</p> <p>Note: Provide total projects and projects value as per initial or revised budget.</p> <p>1) Middelburg Main Substation upgrade - Phase 1</p> <p>2) Bulk Supply Line Cradock Industrial Area</p>	595	619

		1	R 4 000 000.00
		1	R 1 112 000.00
	Free basic service provision		
	*Quantity (number of households affected)	4507	
	*Quantum (value to each household) 50 units per month		
	Note: Provide details of how many households receive the FBS provision, and the average it means per household.	R355.95 per year	R 1 604 283.00
	Describe the level of free basic services provided.		
	Type and number of grants and subsidies received:	50 units/month	
	Note: Total value of specific electricity grants actually received during the year.		
	Equitable share		
	Total operating cost of electricity distribution function.	1	R 6 353 080.00
			R 35 766 959.00
			(Info from Budget)

<b>Function:</b>	<b>Electricity</b>		
<b>Sub Function:</b>	<b>Street Lighting</b>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Public lighting of areas in Cradock, Michausdal, Ingelihle and Middelburg, Kwanonzame, Lusaka and Midros.		
Description of Activity:	<p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>*Public lighting of streets</li> <li>*Maintenance of street light fittings and fixtures</li> </ul> <p>These services extend to include Cradock (Cradock town, Michausdal, Ingelihle) and Middelburg (Middelburg town, Kwanonzame, Midros, Lusaka)</p> <p>The municipality has a mandate to:</p> <ul style="list-style-type: none"> <li>*Provide public lighting in Cradock and Middelburg, municipal areas.</li> </ul> <p>The strategic objectives of this functions are to:</p> <ul style="list-style-type: none"> <li>*Ensure proper public lighting for ensuring safety and security.</li> </ul>		
Analysis of the Function:	<p>Number and total operating cost of street lights servicing population:</p> <p>Note: Total streetlights should be available</p>	2 229	

	<p>from municipal inventory.</p> <p>Total bulk kilowatt hours consumed for street lighting (kWh):</p> <p>Note: Total number of kilowatt hours consumed by all street lighting for year.</p>	<p><b>2 244 770kWh</b></p>	
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## TECHNICAL SERVICES DEPARTMENT PERFORMANCE 2009

Key Performance Area	Performance Objectives	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on review		Explanation of variance
						Expected	Actual	
1.	To have a living planning document	SDF Plan	Complete Plan Adopted by Council	Documentation Council Resolution	March 2009	Draft document	Not ready	Process delayed due to delays in the public participation process. All attempts to arrange with the Wards to involve the Public since January 2009 has failed. The post of Chief Civil Services was vacant from Dec 2008 to the end of July 2009 implying that post of the person responsible to drive the process was vacant.

<b>PLANNING</b>	guiding development in the municipal area	Housing Strategy	Approved Document	Documentation on Council Resolution	February 2009	Guiding principles	No progress	<p>An official request for assistance submitted to the TechLED Committee meeting of 19 January 2009 did not materialize.</p> <p>Refer to Report 3.1 and Resolution TechLED Agenda dated 19 January 2009. No Budget provision for the project. The resignation of the Chief Civil Services resulted in a staff shortage implying that the work could not be done.</p>
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Key Performance Area	Performance Objectives	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on review		Explanation of variance
						Expected	Actual	
2. <b>WATER</b>	Provide continuous in the yard supply of potable water to each household by 2012	Repair Cradock Reservoir	Repairs Complete	Contract Signed off as Complete	June 2009	50% scope of work completed	No progress	The project is administered by CHDM. The project for technical purposes was split into two contracts. Due to a dispute on the award of one of the tenders the project was delayed for 12 months. The final award of the tenders was only finalized in April 2009. The budget for the project is not adequate as the tenders closed in April 2008 already having the rates escalated for a year. This resulted in a budget and CHDM has to date not provided alternative funding solutions and the project could not be implemented to date of this report.

			Rosmead Water Supply	% of scope of project	Progress reports on project	4 Reports	2 Reports	No progress	Project not implemented as DWAF has not completed the hydro census due to budget constraints.
			Drought Relief Middelburg Phase 1	% of scope of project	Progress reports on project	15 % by June 2009	2 Reports	No progress	Project not implemented as DWAF has not completed the hydro census due to budget constraints.



Key Performance Area	Performance Objectives	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on review		Explanation of variance
						Expected	Actual	
3. <b>ELECTRICITY</b>	Ensure that all communities receive adequate and uninterrupted supply of electricity	Upgrade Main Electricity Sub-Station MBG	Completed Substation	Signing off of contract  Progress reports	June 2009  4 Reports	3 Reports	Report submitted (Progress 106 %)	Project completed
		Infrastructure Upgrade CDK Industrial Area	% of scope completed	Project signed off as completed	May 2009	100%		Project completed

Key Performance Area	Performance Objectives	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on review		Explanation of variance
						Expected	Actual	
4. <b>ROADS &amp; STORM WATER</b>	To ensure that 25% of major arterial roads are graded or tarred and effect of storm water is reduced by 50% by 2010	Sikulu Street	% project complete	Signing off of project	100% by May 2009	80%	100 % complete	<i>Project completed</i>
		Road maintenance all townships	% project Scope complete	Signing off of project	December 2008	100%	100 % complete	<i>Project completed</i>

<p><b>5. INFRA-STRUCTURE DEVELOPMENT FUNDING &amp; INVESTMENT MODEL</b></p>	<p>Develop an Infrastructure Development Model where there is a dynamic relationship between population growth projection, service delivery, backlogs, revenue generation and institutional capacity</p>	<p>Infrastructure Development Programme</p>	<p>Document of Plan</p>	<p>Document Adopted by Council</p>	<p>March 2009</p>	<p>No progress</p>	<p>MIG declined the funding application. Project cannot be proceeded with. A Business plan for other Grant Funding sources is finalized and is ready for submission.</p>
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Key Performance Area	Performance Objectives	Project	Indicator	Evidence/Measurement	Annual Target/Timeframe	Status on review		Explanation of variance
						Expected	Actual	
<b>INFRASTRUCTURE DEVELOPMENT</b>		Source Funding For Infrastructure Development	Funding Application	Document sent to potential funders	June 2009		Completed for 2009 / 2010	<i>Project completed</i>
		MIG Funding	% Funding utilized in financial year	Quarterly Expenditure Reports	100% by June 2009	4	Completed	

