



nelson mandela bay
MUNICIPALITY



2016/17 ANNUAL REPORT

ONE CITY • ONE FUTURE

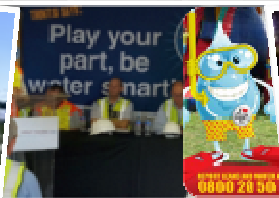


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NOTE:

The key to references to the various financial years throughout this Annual Report is provided in the table below:

YEAR	FINANCIAL YEAR
Year -2	2014/15
Year -1	2015/16
Year 0	2016/17
Year 1	2017/18
Year 2	2018/19

ACRONYMS

ABET	Adult Basic Education and Training
ACDP	African Christian Democratic Party
AET	Adult Education and Training
AFCON	Africa Cup of Nations
ANC	African National Congress
APTMS	Advanced Passenger Transport Management System
ATTP	Assistance to the Poor
BEPP	Built Environment Performance Plan
BEE	Black Economic Empowerment
BRT	Bus Rapid Transit
CCTV	Closed Circuit Television Camera
CEO	Chief Executive Officer
CEPIS	Creative Economy Programmes Investment Strategy
CFIR	Consultative Forum on International Relations
CITP	Comprehensive Integrated Transport Plan
CM	City Manager
COGTA	Cooperative Governance and Traditional Affairs
COPE	Congress of the People
DA	Democratic Alliance
DMAF	Disaster Management Advisory Forum
DME	Department of Minerals and Energy
DoRA	Division of Revenue Act
DSRAC	Department of Sport, Recreation, Arts and Culture
DWA	Department of Water Affairs
EDRS	Economic Development and Recreational Services
EIA	Environmental Impact Assessment
EMEs	Emerging Micro Enterprises
EPWP	Expanded Public Works Programme
EU	European Union
FET	Further Education and Training
FTE	Full Time Equivalent
FWF WWTW	Fishwater Flats Wastewater Treatment Works
GCIS	Government Communication and Information System

GDS	Growth and Development Strategy
GGP	Gross Geographic Product
GHG	Greenhouse Gases
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice
HDA	Housing Development Agency
HDIs	Historically Disadvantaged Individuals
HIA	Heritage Impact Assessment
HIV/AIDS	Human Immunodeficiency/ Acquired Immunodeficiency Virus
HURP	Helenvale Urban Renewal Programme
HV	High Voltage
ICC	Industry Consultative Committee
ICT	Information and Communication Technology
ICTS	International Cooperation Trade and Security
IDP	Integrated Development Plan
IDZ	Integrated Development Zone
IEC	Independent Electoral Commission
IGR	Intergovernmental Relations
ILIS	Integrated Land Information System
IPTS	Integrated Public Transport System
IWA	International Water Association
IWMP	Integrated Waste Management Plan
JAMM	Job Architecture Matrix Model
JOC	Joint Operations Centre
KPA	Key Performance Area
KPE	Key Performance Element
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LSDF	Local Spatial Development Framework
MBDA	Mandela Bay Development Agency
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MTREF	Medium-Term Revenue and Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa

NGO	Non-Governmental Organisation
NLTA	National Land Transport Act
NMB	Nelson Mandela Bay
NMBDMAF	Nelson Mandela Bay Disaster Management Advisory Forum
NMBESCC	Nelson Mandela Bay Emergency Services Coordinating Committee
NMBM	Nelson Mandela Bay Municipality
NMBT	Nelson Mandela Bay Tourism
NOSA	National Occupational Safety Act
NPO	Non-Profit Organisation
NYDA	National Youth Development Agency
ODA	Official Development Assistance
OHS	Occupational Health & Safety
OPF	Older People's Forum
PDF	Policy Development Framework
PHB	Provincial Housing Board
POS	Public Open Space
PPPFA	Preferential Procurement Policy Framework Act
PWD	People with Disabilities
RMS	Roads Management System
SALA IDA	Swedish Association of Local Authorities International Development Agency
SALGA	South African Local Government Association
SALT	Subdivision and Land Transaction
SAMWU	South African Municipal Workers Union
SANS	South African National Standards
SAPS	South African Police Service
SARS	South Africa Revenue Services
SARU	South African Rugby Union
SASREA	Safety at Sports and Recreational Events
SASSA	South African Social Security Agency
SAWS	South African Weather Services
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small Medium and Macro Enterprises
SoE	State Owned Enterprises

SOHCO	Social Housing Cooperative
SPCA	Society for the Prevention of Cruelty to Animals
SPLUMA	Spatial Planning and Land Use Management Act
SPU	Special Programmes Unit
STI	Sexually Transmitted Infection
TASK	Tuned Assessment of Skills and Knowledge
UDM	United Democratic Movement
USA	United States of America
USDG	Urban Settlements Development Grant
VAT	Value Added Tax
WO	Work Opportunities
WSDP	Water Services Development Plan
WTTW	Waste Water Treatment Works

CHAPTER 1

COMPONENT A

Message from the **EXECUTIVE MAYOR, COUNCILLOR ATHOL TROLLIP**

It is my privilege to present Nelson Mandela Bay's Annual Report for the 2016/17 financial year.

This Annual Report represents the inroads made towards realising the promise of change made one year ago, on 15 August 2016, when our newly elected coalition-led government took office and embarked on the enormous challenge of bringing change to the lives of Nelson Mandela Bay's people.

The election of our government and commencement of our term in office was established with three promises:

- To stop corruption
- Grow the economy to create jobs
- Deliver better services.

It is a great privilege to report a positive upward trend in this year's performance from the previous year's.

Our Multiparty endeavour has not been without challenges and many of these are not unique to coalition governments. No-one said that it would be easy, and it hasn't been. However, we have persevered and our efforts have been seen and felt by many across the City and beyond. In this regard, the results of the recent Businesstech Report on the "Best and Worst Municipalities in South Africa 2017" have been a source of great pride and humility in City Hall. In the customer satisfaction index, the Nelson Mandela Metro came third on the overall average score at 59% (representing the highest growth of 5,27%). The category of "Most trusted metropolitan municipality" saw the Nelson Mandela Metro going from second last to second most trusted metropolitan municipality, at 67,4 % (again with the highest improvement score of an unprecedented 9.9%).

We are unique in so many ways, but the most obvious is that we are named after the Father of our Nation, President Nelson Mandela. This extraordinary privilege also carries enormous responsibility and much expectation. It is with great determination that we are committed to transforming Nelson Mandela Bay into *One City, with One Future*.

Highlights over the reporting period include the following:

- (a) New Board of Directors for the Mandela Bay Development Agency (MBDA) appointed in September 2016.
- (b) Major socio-economic projects in Helenvale were launched and still continue as part of the Safety and Peace through Urban Upgrading (SPUU) Programme.
- (c) The MBDA continued with its mandate to revitalise major assets, i.e. the Campanile.
- (d) The Tramways became a hive of activity, attracting over 40 000 visitors.
- (e) The Singaphi Street environmental upgrade continues to inspire a vibrant township economy in that precinct.
- (f) The MBDA acquired the operation of the Nelson Mandela Bay Stadium and recently delivered a successful Test match.
- (g) For a significant portion of the period in review, the entity focused on reprioritisation, review of mandate and consolidation; the search for a new CEO continues.

I am proud to state that this Coalition-led government has employed two Executive Directors since taking office, both female, both African, and both appointed on merit. We also appointed a permanent City Manager, ensuring a stable administration. The change we promised, was focused on three priority areas: stopping corruption; creating jobs; and delivering better services.

Corruption had become endemic and synonymous with this Municipality. We acted against this scourge by stopping three contracts with an estimated value of R50 million. We will also continue with the prosecution of various other cases of alleged fraud and corruption. We have initiated an audit of the Housing Revolving Fund, which we believe owes this Municipality multiple millions of rands, and have suspended five senior officials and concluded several disciplinary cases.

We have opened our Mayoral Committee meetings to the media; established an Anti-corruption Hotline, which has received hundreds of tip-offs; and banned Business Class travel. We are doing things differently, because we promised change.

We identified that our greatest challenge would be the unacceptably high levels of unemployment, especially amongst our youth. This can be overcome only by growing our economy. In this regard, we have had very constructive meetings with Transnet and PRASA and are beginning to improve our relations with the Coega Development Corporation, the Mandela Bay Business Chamber and the MBDA in order to improve on ability to attract much needed investment into our City.

We have reduced unemployment by 2,2% in the last quarter of last year, and we were poised to continue to do so but have been hamstrung by the national economic downturn. We promised to compete more effectively for investment as a City and we are doing so better than our competitors, with the exception of Cape Town and Johannesburg.

Tourism, and sport tourism in particular, are our two areas of greatest economic growth potential. We have a direct spend of R6,5 billion (an increase of R630 million from 2015) in domestic tourism, with 8 000 000 visitors (an increase of 700 000 from 2015).

On the job creation front, the City has employed more than 2 500 people through the Expanded Public Works Programme. More than 2 000 SMME members have been assisted with training and business development support.

Improving service delivery was always going to be the most difficult promise to fulfill, considering the state of the administration and the backlogs that we inherited. I believe that we have achieved much in this regard in a relatively short period of time.

The financial health of the municipality has improved despite that we still have a long way to go. One of the most important contributors to any municipality's financial health is how well its ratepayers pay their municipal accounts. Without adequate revenue, not even the most basic services can be effectively delivered to expectation, nor can the past neglect be redressed nor can infrastructure – our streetlights, roads, water and sewerage networks – be maintained and upgraded.

It is a tribute to the integrity and sense of responsibility to Nelson Mandela Bay's ratepayers and municipal services customers that our now sound revenue collection rate could be achieved in 2016/17 despite an incredibly challenging economic climate. It is the loyalty and reliable commitment of these residents that affords delivery not only to those who can afford to pay for services but to those less fortunate as well.

We are proud to have launched an effective Metro Police Service, with two new precincts in the Northern Areas and in KwaNobuhle.

I also wish to commend our Emergency Services, who acquitted themselves with such distinction in the recent fires that threatened our City.

The cleanliness of our City is still a cause for concern. Regrettably, the first phase of the War on Waste Campaign did not deliver the expected results, but the next phase will be better implemented and new task teams will be created to counter the incidence of illegal dumping.

The drought has continued to place tremendous pressure on our water reserves, and we are now a water disaster area. We would like to thank our citizens for their cooperation in complying with the water restrictions, saving water and reporting water leaks. Phase 2 of the Nooitgedacht Scheme came on stream on time and is supplying 140 kilolitres of extra water, to make up for the loss of water from the empty and now closed Churchill Dam and other dams in the western catchment area that are under severe pressure.

Housing delivery remains a challenge. Ever since the National Department took over this responsibility, due to rampant corruption in the Metro, we have been relying on the Housing Development Agency to build houses. This arrangement has been grossly deficient too, with houses being built without toilets and many houses having to be demolished before occupation. We want to build our own houses and are working hard to reclaim this function.

We are now entering our second year in government, with our own budget, informed by a new IDP, with the meetings attended by a record number of participants in the City.

We recently inaugurated all our Ward Committees and here, too, we had a record number of candidates, 132 789 citizens voted in an IEC managed process (also a record), and the inauguration event was an unprecedented success. The people of our City are experiencing change and are relishing it.

Our experience after a year in government has been that our city's municipal employees are by and large committed, competent and professional. I have personally experienced that when treated professionally and with respect, the Nelson Mandela Bay Municipality's administration rises to the occasion and performs. I thank the City Manager and his administration for their committed contribution to the performance of the institution over the 2016/17 financial year. We are however improving our Performance Management Systems and monitoring of service delivery through the refinement and improvement of our Key Performance Indicators across all departments.

I would like to conclude by thanking my fellow-Councillors and Mayoral Committee members in particular for striving to continually improve service delivery in the Metro.



COUNCILLOR ATHOL TROLLIP
EXECUTIVE MAYOR

CITY MANAGER'S OVERVIEW

This Annual Report of the Nelson Mandela Bay Municipality presents an overview of municipal governance in Nelson Mandela Bay over the 2016/17 performance year. This report also records the significant progress made in rolling out basic service delivery and the initiatives introduced by the new Coalition-led government in its first year in office, following the local government elections held in South Africa in August 2016.

Regarding the institution's financial situation, an encouraging rise in our billing collection rate was recorded for 2016/17: 94.3%, compared to 91.4% for 2015/16. A Capital Expenditure rate of 92.2% was recorded in 2016/17, compared to 85.5% in 2015/16.

Key Initiatives and Highlights of the institution in 2016/17:

- (a) Increased consultation and interaction took place with local communities, *inter alia* through the Customer Satisfaction Survey.
- (b) 100% of formal households and informal households within the urban edge were provided with access to a basic potable water supply.
- (c) Phase 1 of the Fishwater Flats upgrading was completed.
- (d) 100% of households in Nelson Mandela Bay were provided with access to basic sanitation, excluding areas serviced by the bucket system.
- (e) 10.12 km of gravel roads in 28 different wards were tarred.
- (f) All households on officially surveyed sites were provided with access to electricity.
- (g) Six public open spaces were provided with outdoor gym equipment.
- (h) Parks at three local beaches were upgraded through the provision of picnic facilities.
- (i) 100% compliance with the Ambient Air Quality Standards was achieved.
- (j) Good progress was made with upgrading the changing rooms and ablutions at the Walmer/Fountain Road sports field.
- (k) Humewood Beach, King's Beach and Hobie Beach maintained their Blue Flag status.

- (l) The poor and vulnerable of the City were supported in terms of the Assistance to the Poor Programme, with free basic services provided to 112 419 qualifying households.
- (m) A fresh Integrated Development Plan (IDP) was developed, capturing the vision of the Coalition government.
- (n) A formal strategy for the collection of outstanding debt was developed.
- (o) An Anti-corruption Hotline was developed.
- (p) A number of new roads were surfaced, such as Magennis Road in Uitenhage and Fountain Road in Walmer.
- (q) A detailed audit of Supply Chain Management was conducted and a Quantity Surveyor is being appointed.

Finally, I must emphasise that the service delivery progress reported in this Annual Report would not have been possible without the commitment, hard work and dedication of municipal staff, sometimes under very difficult circumstances. I would like to express my sincere appreciation and thanks to them.



JOHANN METTLER

CITY MANAGER

COMPONENT B: EXECUTIVE SUMMARY

1.1 ABOUT OUR CITY

LOCATION

The Nelson Mandela Bay Municipality is the larger of two metropolitan municipalities located in the Eastern Cape Province. It covers an area of 1959,02 km².

POPULATION AND HUMAN DEVELOPMENT

The current population of Nelson Mandela Bay is 1 271 776 (STATS SA), with a growth rate of 1.36%. Nelson Mandela Bay is characterized by a youthful population, with the age group of 5 to 14 years dominating.

The total number of households is 365 973, of which 21 668 are estimated to be informal households (STATS SA).

Nelson Mandela Bay has the lowest proportion of informal households among South African Metropolitan Municipalities, having significantly reduced the numbers since 2001 (SACN, 2016). In addition, the average number of people per household declined from 4,25 in 1996 to 3,55 in 2011.

The life expectancy among Nelson Mandela Bay residents is 59,3 years and 53,7 years for females and males respectively (SACN, 2016).

Regarding education, in 2011, 19,7% of Nelson Mandela Bay's population had attained matric, whilst 6,8% had a higher education (SACN, 2016).

In analyzing non-school going residents, 3% had no schooling, 13% had Grade 7 or less (Primary School level), while 75% had a school education of Grade 12 or less (Secondary School level) (STATS SA, 2011).

ACCESS TO SERVICES

(a) Water

- All households located in formalised human settlements have access to water via a connection per erf.
- 100% of households located in informal settlements within the urban edge have access to water within a 200 m radius.
- Informal areas receive water through standpipes (within a 200 m radius) and water tanks, except for communities occupying private land illegally.

(b) Sanitation

- 100% households are provided with access to basic sanitation (excluding areas serviced by bucket system).
- 14 476 buckets were still in circulation to informal settlements as a means of sanitation as at 30 June 2017.

(c) Waste management (refuse removal)

- 100% of formal and informal households are provided with a basic level of refuse collection. This excludes informal areas on privately owned erven and erven not earmarked for human settlements development.

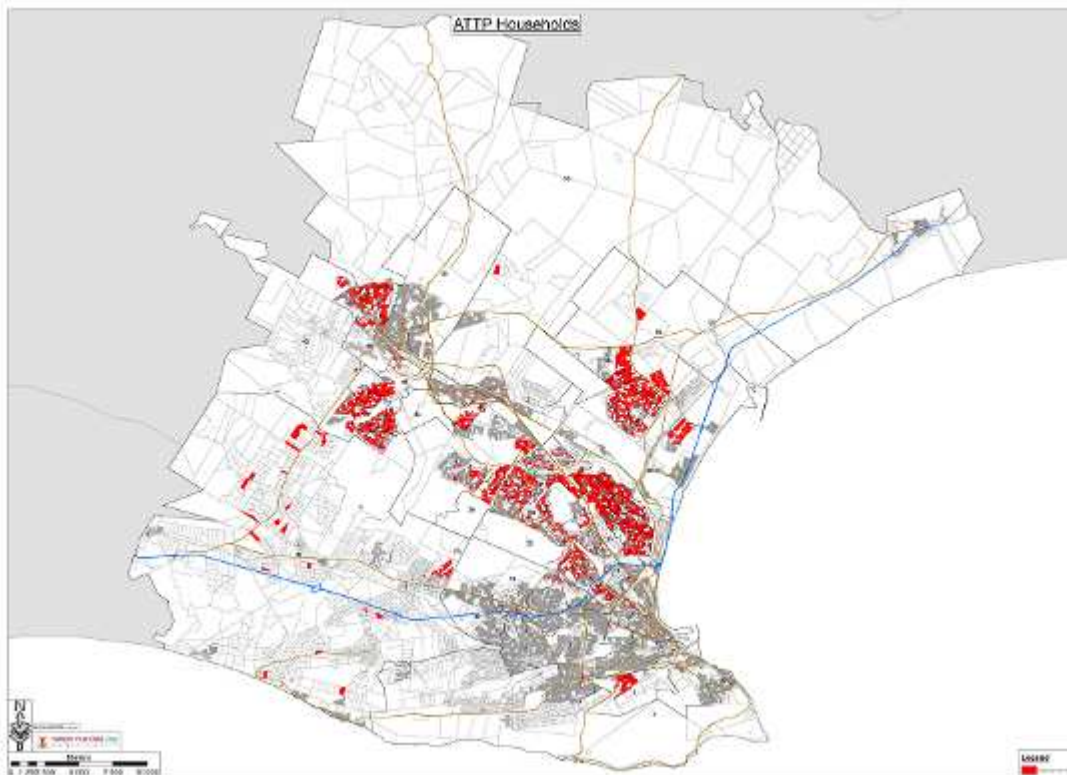
(d) Electricity

- 100% of households in formally demarcated residential areas have access to electricity.

ASSISTANCE TO THE POOR (ATTP)

The ATTP Programme / Indigent Assistance is a subsidy programme for indigent formal households that cannot afford municipal services due to their poor status, in line with a Council approved policy.

FIGURE 1.1: Graphic Distribution of ATTP Programme Beneficiaries



Source: NMBM CorpGIS, 2016

The figure above is a spatial representation of the location of households that benefit from the indigent subsidies under the ATTP Programme. Households that qualify for the indigent subsidy in terms of the municipal ATTP Policy receive financial assistance from the Municipality. This financial assistance comes from the Municipality's Equitable Share Allocation.

In recent years, the number of ATTP beneficiaries has grown. Each new successful ATTP applicant's outstanding debt is written off as part of the ATTP process. This results in a concomitant outflow from the Equitable Share allocation; thus, less of this

grant can be used for repairs and maintenance. This results in an increase in municipal repairs and maintenance backlogs.

- (a) The Indigent Register has grown by 23,643 in the 2016/17 financial year, which is a growth of 26% in comparison with the 2015/16 Indigent Register. This increase is directly linked to the change in the Indigent Policy that Council passed prior to the August 2016 local government elections. This change in policy has allowed households whose property value does not exceed R100,000 (irrespective of the household income) to automatically qualify for the ATTP Policy as indigent households and in addition for their municipal debt to be written off. In February 2017, Council amended this automatic clause, and inspections were made of all households that had automatically been granted an ATTP subsidy. The auto clause was amended and those households that exceeded the income criterion were disqualified from receiving the automatic subsidy.

Currently, approximately 30% of formal households in the City cannot afford basic services in terms of the Indigent Programme. This is an unsustainable situation that requires urgent intervention.

The following table and figure illustrate the number and value of Equitable Share subsidies allocated to ATTP households.

TABLE 1.1: ATTP - Number and Value of Financial Assistance to ATTP Households

Description	2016/17	2015/16	2014/15	2013/14	2012/13
Number of Indigents (closing numbers)	112,419	88,776	86,428	85,022	71,551
Year-on-Year increase/decline in indigents	23,643	2,348	1,406	13,471	-849
Actual Indigent Allocation	621,744,119	397,277,713	345,946,687	308,292,772	263,880,851
Gazetted Equitable Share	798,043,000	774,616,000	761,606,000	743,325,000	729,226,000
% of Equitable Share	78%	51%	45%	41%	36%

Source: NMBM Budget & Treasury, 2017

TABLE 1.2: Overview of neighbourhoods within Nelson Mandela Bay

Settlement Type	Households	Population	Comment
Towns			
Blue Horizon Bay	219	419	Including backyard and other types of dwellings
Clarendon Marine	805	1920	
Colchester	574	2073	
Despatch	11696	32572	
Nelson Mandela Bay (including Port Elizabeth)	132478	483610	
Uitenhage	23116	101212	
Sub-total	168888	621806	
Townships			
Ibhayi	53703	209980	
Motherwell	36786	136144	
KwaNobuhle	25850	99149	
Sub-total	116339	445273	
Rural settlements			
None	0	0	
Sub-total	0	0	
Informal settlements			
Various across Nelson Mandela Bay	39064	85037	Including informal areas and backyard dwellings
Sub-total	39064	85037	
Total	324291*	1152116	

* Formal and Informal

Source: Census 2011

1.2 MUNICIPAL FUNCTIONS

The provision of quality services to communities is a key mandate of the Nelson Mandela Bay Municipality, as these services have a direct and immediate effect on the quality of lives of local residents. The Municipality is, *inter alia*, responsible for:

- Provision of Integrated human settlements
- Provision of water and sanitation services
- Provision of electricity services
- Provision of waste management services
- Provision of stormwater drainage
- Construction and maintenance of roads
- Safe and affordable public transport

1.3 SERVICE DELIVERY OVERVIEW

Key highlights in the provision of service delivery during the 2016/17 financial year is reflected below:

TABLE 1.3: Service delivery highlights

DELIVERABLE	OUTCOME
Number of sites services	4 004
Number of informal settlements upgraded	4
Nooitgedacht Low Level Scheme	30% completion of Ph 2
Elandsjaght Pump station	Complete refurbishment of raw water pump station
Upgrading Sewerage Systems to support housing programme	8 major projects complete (5 km sewer line)
Upgrading Water Systems to support housing programme	10 major projects complete (7 km)
Chatty Valley Collector Sewer Upgrade	New line installed
Upgrading Sewerage Pump Stations to support housing programme	10 pump stations

DELIVERABLE	OUTCOME
Kelvin Jones Wastewater Treatment Upgrade	Refurbished sludge handling mechanical and electrical equipment
Fishwater Flats Wastewater Treatment: Phase 1	Capacity increase from 132 to 165 Mℓ per day
Bucket eradication	30 containers retrofitted as ablution facilities 1841 buckets eliminated
Km of gravel road upgraded (full black top standard with stormwater control)	10,12 km completed
Number of Area lights installed	646
Number of main road lights installed	69
Number of residential street lights installed	20

An overview of basic service delivery and financial performance of the institution during the 2016/17 financial year is presented below:

Electricity

Altogether 100% of formal households have access to electricity. Progress with regard to the provision of electricity is reflected below:

TABLE 1.4: Access to electricity

Type of service	2015/16 Actual	2016/17 Target	2016/17 Actual
% of all households on officially surveyed sites provided with access to electricity	100%	100%	100%

Type of service	2015/16 Actual	2016/17 Target	2016/17 Actual
Number of state subsidised housing units provided with electricity	450	N/A	3 432
Number of informal households connected to electricity	1 945		

Water and sanitation

Progress with regard to the provision of water and sanitation services is reflected below:

TABLE 1.5: Access to water and sanitation

Type of service	2015/16 Actual	2016/17 Target	2016/17 Actual
% informal households within the urban edge provided with access to a basic potable water supply within a 200 m radius	100%	100%	100%
Number of state subsidised housing units provided with water and sanitation connections	1 749	3 000	1 130
% households provided with access to basic sanitation (excluding areas serviced by bucket system)	100%	100%	100%

Refuse removal

Progress with regard to refuse removal over the review period is reflected below:

TABLE 1.6: Refuse removal

Type of service	2015/16 Actual	2016/17 Target	2016/17 Actual
% households within the urban edge receiving a weekly domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development)	100%	99%	100%

Housing delivery

Performance with regard to housing delivery over the review period is reflected below:

TABLE 1.7: Housing delivery

Type of service	2015/16 Actual	2016/17 Target	2016/17 Actual
Number of housing opportunities (social housing and state subsidised housing) provided	1 235	3 000 state subsidised housing units	2 188
	N/A	220 social housing units	346

COMMENT ON ACCESS TO BASIC SERVICES

Nelson Mandela Bay Municipality is making good strides in providing basic services and improving the lives of the residents of Nelson Mandela Bay. The Municipality is committed to ensure that quality basic services such as electricity, water, sanitation, and refuse removal services are provided to the communities.

The Municipality is also committed to ensure that the poor residents benefit from the Assistance to the Poor Programme.

Detailed performance in terms of each service delivery category is provided in the following chapters.

1.4 FINANCIAL HEALTH OVERVIEW

In order to provide an overview of the key successes and outcomes for the 2016/17 financial year, it is necessary to compare the 2016/17 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends over the period July 2016 to June 2017.

The financial performance highlights, based on the audited results, are as follows:

Financial Performance:

Actual operating revenue amounted to R8.92 billion, whilst actual operating expenditure amounted to R9.15 billion, resulting in an operating deficit of R235.3 million. The 2016/17 Adjustments Budget for operating revenue amounted to R9.40 billion, whilst operating expenditure amounted to R9.82 billion, resulting in a budgeted deficit of R421.86 million. The operating deficit achieved, indicates that the Municipality performed better than anticipated in the 2016/17 Adjustments Budget.

The following, however, needs to be noted:

The operating revenue for Property Rates and Service Charges was lower than anticipated in the 2016/17 Adjustments Budget, due to the following factors:

Property Rates

Property rates revenue raised, amounted to R1.639 billion, compared to the Adjustments budgeted amount of R1.619 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R102.55 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Property Rates Revenue raised was approximately R20 million more than anticipated.

Service charges – Electricity Revenue

Electricity revenue raised, amount to R3.569 billion, compared to the Adjustments budgeted amount of R3.761 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R58.63 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Electricity revenue raised was approximately R192 million less than anticipated. The impact of price, the elasticity of demand and other factors affecting the electricity revenue stream require urgent attention to mitigate the variance between electricity revenue budgeted and electricity revenue raised.

Service charges – Water Revenue

Water revenue raised, amounted to R761.65 million, compared to the Adjustments budgeted amount of R650.22 million. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R141.677 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. Due to the implementation of water tariffs applicable in periods of drought, the Water Revenue raised, was approximately R111.43 million more than anticipated. This is attributable to actual water consumption patterns being higher than the anticipated reduction in use due to drought and higher tariffs.

Service charges – Sanitation Revenue

Sanitation revenue raised, amounted to R424.34 million, compared to the Adjustments budgeted amount of R385.06 million. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R199.098 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Sanitation Revenue raised, was approximately R39.28 million more than anticipated. This is attributable to actual water consumption patterns being higher than anticipated.

Service charges – Refuse Revenue

Refuse revenue raised, amounted to R127,05 million, compared to the Adjustments budgeted amount of R126.93 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R119.79 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Refuse Revenue raised, was approximately R0.12 million less than anticipated.

Property Rates and Services Revenue:

The table below reflects the Revenue streams, excluding revenue foregone:

TABLE 1.8: Property Rates and Services Revenue

Property Rates and Services	2016/17 Adjustments Budget R	Actuals 2016/17 as per AFS R	Variance R	%
Property Rates	1,619,001,250	1,639,398,711	20,397,461	1.25%
Electricity	3,761,083,890	3,568,981,784	(192,102,106)	(5.11%)
Water	650,216,430	761,650,123	111,433,693	17.14%
Sanitation	385,064,080	424,335,012	39,270,932	10.20%
Refuse	126,932,340	127,049,580	117,240	0.09%
Total	6,542,297,990	6,521,415,210	20,882,780	(0.32%)

Rental of facilities and equipment:

The revenue (from rental of facilities and equipment) amounted to R22.98 million, compared to the Adjustments budgeted amount of R24.35 million. This means that an amount of R1.365 million was not charged and/or collected. It is evident that strategies to increase this revenue source have not been effective.

In order to enhance the income derived from this revenue source, market related rentals should be charged relating to all Council's properties. An investigation should be undertaken to determine the revenue potential of this source, including the factors that are impeding this revenue source from achieving its full potential.

Fines:

Fines Revenue

This revenue source as per the Consolidated Annual Financial Statements had an actual received of R202,307 million, compared to the 2016/17 Adjustments budget estimate of R221,205 million. However, it does not reflect the cash that was collected. Due to GRAP being applied in respect of Traffic Fines revenue, the Municipality must in its financial records disclose the value of fines issued. Therefore, when analysing the traffic fines revenue of R202.307 million, one must also analyse it against the Impairment of fines, as disclosed under the Statement of Financial Performance line item Impairment –Other in the amount of R165,68 million. The remaining balance would then consist of Cash collected and traffic fines issued that is still regarded as recoverable.

Transfer recognised – operational:

The revenue amounted to R954 million, compared to the Adjustments budgeted amount of R1.440 billion. This means that R485.6 million or 33.73% of transfers could not be recognised as revenue.

The following accounts for the performance of grants and explains the variance:

DORA Operating Grants:

1. Expanded Public Works Programme (EPWP)

This grant serves to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery.

DORA Allocation:	R8,496,000
Amount of Grant Received:	R8,496,000
Expenditure to date:	R8,205,351
Unspent as at 30 June 2017	R 290,649

As at 30 June 2017, 96.58% of the DORA allocation was spent. A roll-over application in the amount of R290,649 is therefore required. An application was submitted to National Treasury to rollover the committed funds to the 2017/18 financial year. National Treasury approval for the roll-over of an amount of R290,649 was received on 16 October 2017. The approval is for the cleaning of stormwater drains and canals.

2. Public Transport Networks Operations

This grant is to provide supplementary operational funding in order to operationalise the IPTS project within the NMBM.

DORA Allocation:	R	0
Amount of Grant Received:	R	0
Roll-over from the 2015/16 financial year	R26,557,535	
Expenditure to date:	R26,137,161	
Unspent as at 30 June 2017:	R	420,374

As at 30 June 2017, 98.42% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury does not allow roll-over funds to be rolled over for a second year, and therefore the unspent funds will be paid back to National Treasury.

3. Infrastructure Skills Development

This grant is to strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R14,500,000
Amount of Grant Received:	R14,500,000
Expenditure to date:	R 9,779,556
Unspent as at 30 June 2017:	R 4,720,444

As at 30 June 2017, 67.45% of the DORA allocation was spent. A roll-over application in the amount of R4,720,444 is therefore required. An application was submitted to National Treasury to rollover the committed funds to the 2017/18 financial year. National Treasury rejected the application on the basis that the Municipality did not provide sufficient evidence that the amount was committed. The roll-over application was earmarked for salaries and training yet to take place and was therefore not contractually committed expenses as at 30 June 2017.

4. Integrated City Development Grant

This grant provides a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form.

DORA Allocation:	R9,276,000
Amount of Grant Received:	R9,276,000
Expenditure to date:	R9,276,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, 100% of the DORA allocation was spent.

Grant rolled over from 2015/16, included in the 2016/17 Adjustments Budget

DORA roll-over approved:	R1,722,774
Expenditure to date:	R1,722,774
Unspent as at 30 June 2017:	R 0

The approved rolled-over grant was fully spent as at 30 June 2017.

5. Finance Management Grant

This grant promotes and supports reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R1,050,000
Amount of Grant Received:	R1,050,000
Expenditure to date:	R1,050,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

6. Human Settlements Development Grant

This grant provides funding to create sustainable human settlements that enable the improved quality of household life, as well as improved access, integration and settlements:

Unspent as at 30 June 2016	R 8,069,417
Amount of Grant Received:	R 68,623,413
Debtors raised	R 218,035,411
Reversal of prior year accrual	(R234,346,189)
Expenditure to date:	R 58,507,300
Unspent as at 30 June 2017:	R 1,874,752

As this grant is not a DORA grant, no application is required to rollover the unspent funds to the 2016/17 financial year

As at financial year-end, a Debtor was raised in the amount of R234,346,189 for outstanding claims to be paid by Provincial Treasury for Top Structures built by the Municipality, based on an Agency Agreement Basis. As at 30 June 2017, the Municipality was bridge-funding this project by approximately R194.4 million, increasing from R177 million in the 2015/16 financial year. This has an impact on the Municipality's cash flows as well as its investment portfolio, resulting in less interest revenue earned and/or not funding critical projects that could enhance the revenue base of the institution.

7. Municipality's Human Settlements Capacity Grant

This grant provides funding to ensure the effective management of human settlements programmes at local government level, in line with the accreditation framework.

Unspent as at 30 June 2016:	R 5,028,404
DORA Allocation:	R 0
Amount of Grant Received:	R 0
Off-set via Equitable Share:	R 5,028,404
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the balance was R0.

The roll-over request submitted to National Treasury for the unspent amount was not approved. Funds were off-set from Equitable Share by National Treasury.

8. Urban Settlements Development Grant

This grant assists metropolitan municipalities in improving urban land production, to the benefit of poor households, as well as improving spatial integration and densities, by supplementing their budgets.

DORA Allocation:	R17,000,000
Amount of Grant Received:	R17,000,000
Expenditure to date:	R17,000,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Operating Grants

9. Off-Grid Electrification

This grant is used for the socio-economic development of previously disadvantaged communities through household and institutional electrification of associated community value-adding facilities.

Unspent as at 30 June 2016:	R 1,211,893
Expenditure to date:	R 1,211,893
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the allocation was fully spent.

10. Provincial Department of Human Settlements: Accreditation Grant

This grant is used for capacity building of Level 3 accreditation in the preparation of the NMBM in Human Settlements matters.

Unspent as at 30 June 2016: R 8,140,757

Expenditure to date: R 6,166,805

Unspent as at 30 June 2017: R 1,973,952

As at 30 June 2017, 75.8% of the allocation was spent.

As this is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

11. European Union Grant (3rd Tranche)

This grant contributes to the improvement of the quality of life of marginalised people in urban areas within the framework of the SA Government's Urban Renewal Programme.

Unspent as at 30 June 2016: R8,896,191

Expenditure to date: R7,030,809

Unspent as at 30 June 2017: R1,865,382

The spending incurred against the unspent 2014/15 European Union Grant amounted to 79.0%, as at 30 June 2017.

12. National Lotteries

This grant is used to fund Arts and Culture Programmes.

Unspent as at 30 June 2016: R 1,750,037

Expenditure to date: R 0

Unspent as at 30 June 2017: R 1,750,037

The spending incurred against the unspent 2013/14 National Lotteries grant amounted to 0%, as at 30 June 2017.

13. Smart Grid Initiative

This grant is used to develop innovative, interactive and improved technological solutions to deal with revenue enhancement.

Unspent as at 30 June 2016: R 711,836

Amount of Grant Received:	R 2,250,000
Debtors raised	(R 2 250 000)
Expenditure to date:	R 0
Unspent as at 30 June 2017:	R 711 836

As at 30 June 2017, 0% of the allocation was spent.

As this is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

Interest Earned – External Investments:

Interest earned – External investments were R25.8million higher than anticipated in the 2016/17 Adjustments Budget, mainly due to slightly higher interest rates being available for investment purposes. Interest earnings are also influenced by the extent of the Municipality's investment portfolio throughout the financial year. The interest earned could, however, have been significantly higher, if it was not for the bridge-funding of housing projects in the amount of approximately R194.4 million. Management focus should be to reduce the bridge-funding to approximately R100 million over the short term, as it impacts significantly on the cash position of the Municipality.

Interest Earned – Outstanding Debtors:

Interest earned – Outstanding debtors amounted to R9.90 million more than the Adjustments budgeted amount of R168.87 million. Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality. The Municipality may only charge 9% interest on overdue accounts.

Licences and Permits:

The revenue earned from Drivers Licence Card Conversions amounted to R10.47 million, representing only 75.94% of the 2016/17 Adjustments Budget of R13.79 million. The Safety and Security Directorate has indicated that the following resulted in the actual revenue being below the required level:

- Legislation does not specify where card conversions must take place, with such services also provided by neighbouring municipalities.

Consequently, strategies should be put in place to ensure that NMBM residents view the NMBM as the preferred services provider.

TABLE 1.9: Licences and Permits

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Drivers Licence Cards	11,560,640	8,875,285	2,685,355
Drivers Permits	1,762,490	1,138,095	624,395
Atmospheric Emission Licence Fees	250,000	43,000	207,000
TOTAL	13,573,130	10,056,380	3,516,750

Other revenue:

Other revenue was R12.49 million more than anticipated in the 2016/17 Adjustments budget, mainly due to the following:

TABLE 1.10: Other revenue

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Pail Service	34,758,650	0	34,758,650
Legal Costs received	21,953,770	12,204,476	9,749,294
DPC Revenue	63,000,000	57,060,680	5,939,320
Collection Charges	3,146,080	0	3,146,080
Drivers Licence Application Fees	5,771,630	2,668,422	3,103,208
Events Income	16,410,000	14,192,870	2,217,130
Dues – Agent Sales	17,484,000	15,530,474	1,953,526
VAT Government Grants – Operating	6,103,220	18,556,504	(12,453,284)

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Trade Effluent Charges	19,688,550	30,884,515	(11,195,965)
Transfer of Credit Balances Billing Accounts	0	9,058,612	(9,058,612)
Reconnection Fees: Electricity	13,775,830	19,975,311	(6,199,481)
Reconnection Fees: Water	30,034,640	33,705,436	(3,670,796)
Old Unallocated Deposits	0	3,499,945	(3,499,945)
GRAP 23 Revenue	0	3,107,409	(3,107,409)
Clear Liability Report-Stock/Auto Adjustments	0	2,937,261	(2,937,261)
Take-on PPE – Prev. valued at R0	0	12,900,300	(12,900,300)
TOTAL	232,126,370	236,282,215	(4,146,358)

The Operating Expenditure was lower than anticipated in the 2016/17 Adjustments Budget, due to the following factors:

Employee related costs:

Actual expenditure was R3.061 billion, compared to the Adjustments budgeted amount of R2.470 billion, resulting in overspending of R590,2 million. The overspending is mainly attributable to the line items indicated in the table below.

TABLE 1.11: Employee related costs

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Long Service Bonus	82,988,640	670,592,897	(587,604,257)
Post-Retirement Benefits Provision	38,613,940	95,432,001	(56,818,061)
Overtime	109,395,870	162,849,870	(53,454,000)
Provision for Leave Pay	21,868,450	38,980,358	(17,111,908)
Basic Remuneration	1,319,213,610	1,276,879,061	42,334,549

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Provision for Critical Vacancies	23,624,450	0	23,624,450
Contractual Staff Appointments – Other	81,961,020	59,377,281	22,583,739
Gratuity Provision	2,109,650	-18,418,140	20,527,790
Annual Bonus	117,071,680	111,048,347	6,023,333
Provision for Vacancies	5,187,130	254,400	4,932,730
Pension Fund Contributions	250,909,650	247,875,413	3,034,237
Contractual Staff Appointments – Section 57	19,136,740	16,160,862	2,975,878
TOTAL	2,072,080,830	2,661,032,350	(588,951,520)

Interest Expense – External Borrowings:

The interest expense is in line with the Municipality's loan repayment obligations.

Debt impairment:

Bad debts are written off upon Council's approval. The bad debts written off for the 2016/17 financial year amounted to R599,720,059; the bad debts written off for the 2015/16 financial year amounted to R196,374,276. The impact of the May 2016 ATTP Policy is clear and is further explained below.

Write-offs in respect of arrears amounts reflected on the accounts of poor households prior to these households qualifying for the ATTP subsidy:

TABLE 1.12: Write offs

Period	Capital	VAT	Total
2014/15	47,290,190.07	4,177,616.69	51,467,806.76
2015/16	36,433,157.18	3,285,414.60	39,718,571.78
2016/17	429,161,048.51	39,190,453.06	468,351,501.57

Write-offs in respect of arrears amount to over ninety days reflected on the accounts of poor households qualifying for the ATTP subsidy:

TABLE 1.13: Write offs

Period	Capital	VAT	Total
2014/15	97,644,607.19	10,674,551.72	108,349,158.91
2015/16	90,758,098.45	10,211,901.07	100,969,999.52
2016/17	130,374,723.69	15,080,772.58	145,455,496.27

Debt Relief Programme: Write-offs

TABLE 1.14: Write offs

Period	Capital	VAT	Total
2014/15	114,387,293.15	9,507,544.42	123,894,837.57
2015/16	70,313,014.35	5,600,160.44	75,913,174.79
2016/17	41,913,506.80	3,609,129.06	45,522,635.86

The impact of the implementation of the May 2016 ATTP Policy is clear, as R468,35 million was written off in line with the Policy's provision that all property owners owning a property with a value of R100 000 or less would qualify as indigent customers. This resulted in over 20 000 consumers being classified as indigent. The Policy was then amended to ensure that all ATTP customers are in fact poor, as a result of which it was established that many of the automatically qualifying ATTP customers in fact did not qualify as being poor and, therefore, their ATTP status was removed. However, the write-off had already been processed at the time that the Policy was amended by Council.

The automatic write-off in respect of ATTP customers outstanding for ninety days and over is bad practice and requires the attention of Council, for the following reasons. It implies that the Municipality has no control over this matter: an amount of R145 million was not subjected to proper credit control principles. Furthermore, it implies that more than 103 000 or 27.58% of 373 393 households receive an open cheque. Furthermore, it also renders the question how the Municipality can educate people to start paying for their services if debt, which could include tampering fees and other charges raised, is simply written off. Also it is clear that no matter how high the water drought tariffs, the Municipality does not have adequate control over the use of water by ATTP customers, as their accounts are written off after ninety days. Procedures should be put in place to determine whether or not each account in the Metro should be written off, to ensure that the Municipality has applied its mind

to each rand outstanding and that more effective control in the use of services such as water be in place.

The impact of the May 2016 ATTP Policy and then the amendment as approved by Council can be observed in the table below when verification of the “Poor” status was implemented. Billing indicated that the amount of household accounts is approximately 373 393 as at 30 June 2017.

TABLE 1.15: ATTP accounts

Period	Total ATTP accounts	ATTP Awaiting approval	Water	Sanitation	Rates	Refuse	Electricity
Apr 2016	88,167	6,204	77,082	78,071	66,219	68,566	65,248
May 2016	88,252	5,933	73,554	78,431	66,136	68,866	66,258,
Jun 2016	88,776	6,006	76,944	78,970	65,820	69,206	66,448
Jul 2016	112,288	3,515	96,038	96,758	91,881	92,687	74,155
Aug 2016	112,613	3,850	93,562	97,168	91,260	92,789	74,487
Sept 2016	112,923	3,511	97,286	97,809	91,738	93,063	75,481
Oct 2016	114,080	1,885	98,167	98,726	90,020	93,578	77,524
Nov 2016	115,480	1,576	98,967	99,781	90,222	94,275	79,001
Dec 2016	115,934	711	99,899	100,525	90,301	94,581	78,922
Jan 2017	115,952	1,152	100,255	100,613	89,782	94,850	78,648
Feb 2017	116,192	1,368	99,597	100,753	89,240	94,903	78,643
Mar 2017	115,656	1,729	99,982	100,731	88,567	94,715	79,502
Apr 2017	115,339	1,738	99,832	100,192	87,330	94,176	79,233
May 2017	115,339	1,678	99,623	99,939	85,982	93,575	79,556
Jun 2017	112,419	2,950	97,742	98,689	82,873	91,912	79,916
July 2017	106,614	3,620	93,244	93,760	83,763	84,346	76,341
Aug 2017	105,106	4,448	91,740	92,673	82,862	84,144	75,125
Sep 2017	103,887	4,615	91,291	91,665	82,685	83,002	75,455

It is to be noted that the above growth in ATTP customers was not anticipated at the time that the original Budget was prepared and that the impact on revenue streams was unclear. The result is that the revenue streams for Property Rates, Water, Sanitation, Refuse and Electricity have not been amended adequately, due to limited information available at the time the Budget was prepared.

Below is an indication of the uncertainty that was created and the extent to which the amendment of the May 2016 ATTP Policy assisted in containing the impact.

TABLE 1.16: ATTP Rebates (Revenue Foregone)

Description	2015/16 Actual	Original Budget	Adjustments Budget	2016/17 Actual
Water	103,137,884.46	102,779,280	141,191,530	141,676,792.32
Electricity	44,997,902.79	51,506,380	53,006,380	58,630,341.71
Property Rates	77,549,250.50	81,337,010	106,329,070	102,547,208.65
Refuse	79,605,291.02	85,832,240	119,105,880	119,792,047.35
Sanitation	91,639,030.22	107,155,020	200,353,760	199,097,729.02
Total	396,929,358.99	428,609,930	619,986,620	621,744,119.05

The above impacted on revenue streams raised and Equitable Share that was to fund the revenue foregone (ATTP rebates). The impact was that, based on the scenario present at the time of the preparation of the original 2016/17 Operating Budget, it was anticipated that only R428.61 million of the Equitable Share in the amount of R798,043 million would be required for rebates. Therefore, R369.43 million would have been available for projects to be implemented in the “most needed” service delivery areas. However, because of the May 2016 ATTP Policy, R621.74 million was required of the R798.043 million Equitable Share, leaving a balance of R176.30 million only to be spent on the poorer areas of the City.

Further, due to the Policy, the revenue streams of Property Rates and Services were reduced by the increases in rebates and revenue foregone, effectively reducing the amount of cash that could be collected from consumers.

Bulk purchases:

The actual bulk purchases of electricity exceeded the 2016/17 Adjustments Budget by R16.63 million, despite a 1.94% reduction in the units purchased, compared to the 2015/16 financial year. The anticipated savings still did not realise, due to electricity losses increasing to 13.60% in the 2016/17 financial year, compared to the 12.5% experienced in the 2015/16 financial year.

Repairs and Maintenance:

The repairs and maintenance of assets are undertaken on an ongoing basis.

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2016/17 Adjustments Budget.

TABLE 1.17: Repairs and Maintenance by Directorate

Directorate	2016/17 Adjustments Budget R	2016/17 Actual R	% of Adjustments Budget
Budget & Treasury	0	(156,250)	
Public Health	8,085,190	6,135,429	75.88
Human Settlements	1,782,760	1,894,926	106.29
Economic Development , Tourism and Agriculture	4,236,650	5,523,460	130.37
Sports, Recreation, Arts and Culture	22,352,920	21,265,910	95.14
Corporate Services	16,255,070	17,137,383	105.43
Rate and General: Infrastructure & Engineering	88,706,060	79,681,660	89.83
Water Services	118,074,390	96,398,032	81.64
Sanitation Services	97,825,590	54,678,044	55.89
Electricity and Energy	55,657,630	45,560,287	81.86
Executive and Council	5,519,720	3,124,248	56.60
Safety and Security	8,294,480	6,867,762	82.80
Strategic Programmes Directorate	83,180	1,380	1.66
Nelson Mandela Bay Stadium	4,663,070	4,185,848	89.77
Total	431,536,710	342,298,119	79.32

Repairs and maintenance was therefore underspent by an amount of R89.13 million, compared to the 2016/17 Adjustments Budget, due to the following:

TABLE 1.18: Repairs and maintenance: areas of under-expenditure

Item description	2016/17 Adjustments Budget R	Actual R	Variance R
Pipelines	25,614,540	22,458,091	3,156,449
Planned Maintenance	8,122,460	6,037,951	2,084,509
Plant and Machinery	47,690,960	29,891,361	17,799,599
Sewers and Outfalls	48,169,710	25,891,735	22,277,975
Meters	14,984,700	7,271,390	7,713,310
Reconditioning Water Meters	8,142,850	1,405,139	6,737,711
Roads and Stormwater Gangs	23,396,410	17,514,791	5,881,619
Underground	15,383,670	11,217,847	4,165,823
Pumps – Daily Inspections	4,162,000	8,811	4,153,189
Computer Equipment	11,661,070	8,382,917	3,278,153
Buildings	26,585,940	24,229,746	2,356,194
Green Drop Compliance	2,206,580	70,000	2,136,580
Contractors	6,251,800	4,571,813	1,679,987
GIS Software Maintenance Agreement	6,316,790	3,155,536	3,161,254
Motor Vehicles	30,688,600	33,109,806	(2,421,206)
Furniture and Office Equipment	1,255,960	64,331	1,191,629
Leaks Detection	28,152,530	35,217,871	(7,065,341)
Unauthorised Expenditure – no budget	0	9,032,574	(9,032,574)
ETB Fire Damage	5,106,000	(680,013)	5,786,013
TOTAL	313,892,570	238,851,697	75,040,873

TABLE 1.19: Depreciation and Impairment-Other

Description	2016/17 Original Budget	2016/17 Adjustments Budget	2016/17 Actual	2015/16 Actual	2014/15 Actual
Depreciation	873,746,470	860,250,280	612,570,774	800,188,256	868,362,629
Impairment- Other					
Land and buildings				59,517,518	1,638,737
Moveable assets				24,233	733,243
Traffic Fines	176,446,340	173,704,390	165,679,512	154,403,489	31,144,372
Housing Debtors				81,168,189	0
Total	176,446,340	173,704,390	165,679,512	295,113,429	33,516,352

Actual expenditure relating to depreciation and amortisation was R612.57 million, compared to the Adjustments budgeted amount of R860.25 million, resulting in underspending of R135.40 million. The expenditure was lower than anticipated.

Actual expenditure relating to Impairment - Other was R165.68 million, compared to the Adjustments budgeted amount of R173.70 million, resulting in a variance of R8.02 million. The expenditure was lower than anticipated, mainly due to a lower than anticipated impairment of traffic fines. This was due to a lower than anticipated amount of traffic fines issued.

Transfers and grants:

Actual expenditure was R47.46 million, compared to the Adjustments budgeted amount of R80.15 million, resulting in underspending of R32.69 million.

Contracted Services:

The overspending on Contracted Services, in the amount of R65.58 million, is attributable to higher than anticipated spending on various expenditure items. The following table reflects the items in question:

TABLE 1.20: Contracted services

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under/(Over) spending R
Transportation Contractor	20,471,210	25,814,608	(5,343,398)
Weed Spraying Contract	8,020,020	4,255,512	3,764,507
Safeguard and Security	4,278,260	649,092	3,629,168
Community Based Contractors	17,817,120	6,188,112	11,629,008
Maintenance of Equipment	12,783,170	3,663,549	9,119,621
Sewerage Services	16,423,600	1,385,151	15,038,449
Electrical	11,380,210	741,459	10,638,751
Business and Advisory – Project Management	108,035,080	127,791,432	(19,756,352)
Litter Picking and Street Cleaning	17,931,650	24,329,786	(6,398,136)
Stadium Manpower	0	6,265,639	(6,265,639)
Stadium Events – VAT 14%	3,804,100	8,864,769	(5,060,669)
Business and Advisory – Research & Advisory	7,551,800	3,845,413	3,706,387
Hygiene Services	22,477,480	19,597,810	2,879,670
Administrative and Support Staff	10,351,720	1,257,006	9,094,714
Legal Cost – Legal Advice and Litigation	36,243,690	54,422,280	(18,178,590)
Legal Cost- Issue of Summons: Sheriff	5,245,510	0	5,245,510
Contract Security	81,353,200	120,949,663	(39,596,463)
Unauthorised Expenditure – no budget	0	76,111,044	(76,111,044)
Grass Cutting Contracts	19,211,710	14,146,215	5,065,495

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under/(Over) spending R
Additional Disconnections: Water	6,360,000	2,334,441	4,025,559
Contravention System	9,354,770	12,726,403	(3,371,633)
Meter Reading Contractors	13,096,400	6,067,362	7,029,038
Forensic Investigators	2,589,030	141,764	2,447,266
Professional Staff	2,248,470	49,585	2,198,885
Infrastructure & Planning-Town Planner	2,093,600	93,928	1,999,672
Refuse Removal	2,176,100	58,514	2,117,586
Medical Services	3,737,960	2,028,923	1,709,037
Legal Cost – Collection: Nash Vandayar	1,997,060	374,145	1,622,915
Legal Cost – Collection: Fourie & Sikweyiya Inc	2,951,390	1,694,551	1,256,839
Transport Services	6,091,360	4,632,673	1,458,687
Electrical	4,971,370	7,825,000	(2,853,630)
Infrastructure & Planning – Engineering: Civil	12,925,060	15,201,237	(2,276,177)
Clearing and Grass Cutting Services	10,483,070	9,126,801	1,356,269
Sewerage Services	1,387,990	0	1,387,990
Cleaning Services	2,262,900	1,027,872	1,235,028
Management of Informal Settlements	1,881,380	563,496	1,317,884
Buildings	2,935,330	5,660,812	(2,725,482)
TOTAL	492,922,770	569,886,047	(76,963,277)

General expenses:

The underspending on General Expenditure, in the amount of R648.29 million, is attributable to the lower than anticipated spending on various expenditure items. The following table reflects the items in question:

TABLE 1.21: General expenses

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under / (over) spending R
Top Structures for Houses	517,128,000	59,823,224	457,304,776
Petrol, Diesel and Paraffin	67,484,780	50,429,433	17,055,347
Provision for Litigation Claims	0	(14,727,240)	14,727,240
Chemicals	62,456,260	49,120,672	13,335,588
Software Licences	29,816,050	16,628,038	13,188,012
Sewerage First Connection (Residential Properties)	10,296,430	103,251	10,193,179
Electricity – External	44,422,830	35,103,601	9,319,229
Illegal Dumping Strategy	15,603,000	7,624,050	7,978,950
PPE-Purchases	20,000	(8,112,478)	8,132,478
School Ambassadors Project	8,296,000	2,827,060	5,468,940
Operating Levies projects	29,218,110	24,466,664	4,751,446
Buildings Rental	24,020,760	20,706,827	3,313,933
Communications Strategy	7,295,720	3,000,314	4,295,406
Training	10,204,010	6,277,824	3,926,186
Finished Goods	9,091,870	5,437,342	3,654,528
Establish ongoing Welfare & Support Programmes	3,253,770	264,500	2,989,270
Rental of Office Equipment	10,506,940	7,632,389	2,874,551
Materials and Supplies	6,478,640	1,902,582	4,576,058
Computer Equipment	3,578,510	590,336	2,988,174
Water Conservation	10,000,000	7,091,120	2,908,880
External Hire: Solid Waste Disposal	7,943,930	5,847,714	2,096,216
Computer Equipment	3,556,440	700,429	2,856,011
Postage and Revenue Stamps	13,932,480	11,120,603	2,811,877
Equipment and Machinery	18,537,280	16,035,695	2,501,585
Consultants Fees	2,776,630	387,495	2,389,135
Furniture and Office Equipment	3,911,740	-58,470,792	62,382,532
Community Development (3 rd Tranche)	3,875,340	1,565,789	2,309,551

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under / (over) spending R
Inventory Valuation: Stock variance	0	(2,224,887)	2,224,887
Agency Fees for External Collection Agencies	4,656,300	0	4,656,300
Implementation of TASK Job Evaluation	5,199,990	(671,935)	5,871,925
Uniforms and Protective Clothing	9,588,470	7,431,687	2,156,783
Ward Councillors Discretionary Allowances	6,000,000	3,945,963	2,054,037
Experiential Learning (NDR)	2,200,110	6,689,134	(4,489,024)
Off-Grid Electrification	1,211,900	4,346,956	(3,135,056)
Wireless Network	6,428,490	9,545,996	(3,117,506)
Unauthorised Expenditure – no budget	0	2,992,560	(2,992,560)
Youth Unemployment	0	2,736,887	(2,736,887)
Cellular Telephones	10,212,910	12,904,971	(2,692,061)
System Adviser	4,627,690	0	4,627,690
TOTAL	973,831,380	301,073,774	672,757,606

Conclusion:

The Municipality recorded an operating surplus of R5.66 million for the 2015/16 financial year. The 2015/16 Financial Year has been restated in the 2016/17 Consolidated Annual Financial Statements to a surplus amounting to R37,706,215 as at 30 June 2016. It was recognised that an amount of R52,011,251 for Public Contributions and Donations could not be recognised as operating revenue as it funded capital budget projects.

The Audited 2016/17 Consolidated Annual Financial Statements reflected an operating deficit in the amount of R235,310,036. Compared to the deficit provided for in the 2016/17 Consolidated Adjustments Budget in the amount of R 470,854,944, it

would appear that the financial performance has improved, considering what was anticipated. However, the introduction of an actuarial valuation in respect of the Provision for Long Service Awards and Long Services Bonuses for the first time during the 2016/17 financial year, turned the surplus position into a deficit position. The impact of the introduction of the actuarial valuation was that an amount of R587,604,257 more was expensed than the budgeted R82,988,640. Total expense was therefore R670,592,897 for the provision. It is therefore clear that the Municipality has in fact improved its performance over the 2016/17 financial year.

Statement of Financial Position

Net Assets:

Net Assets have increased from R12.72 billion (2015/16) to R13.46 billion (2016/17), as a result of the following:

Non-current Liabilities:

Long-term liabilities decreased from R1.38 billion in 2015/16 to R1.29 billion in 2016/17, due to the redemption of loans. No loans were taken up during the 2016/17 financial year.

Deferred Income relates to the disclosure obligation for operating leases. Deferred Income increased by R23,347 from R865,885 in 2015/16 to R889,232 in 2016/17.

The Employee Benefit Obligation increased during the 2016/17 financial year, based on an actuarial valuation. The Obligation consequently increased from R1.472 billion in 2015/16 to R1.989 billion in 2016/17. The Employee Benefit Obligation consists of three categories, namely Gratuity Benefits, Post-Retirement Benefits, and Long Service Awards and Long Service Bonuses. Long Service Awards and Long Service Bonuses contributed R520.6 million towards the overall increase. This increase was not anticipated in the 2016/17 Adjustments Budget and therefore created a Non-cash unauthorised expenditure under Employee Related Costs – Long Service Bonus. This matter effectively resulted in the NMBM reflecting a deficit position in the statement of Financial Performance. It includes the following provisions: -

- Gratuity Benefit – R10.18 million
- Post-Retirement Benefits – R1.342 billion
- Long Service Awards and Long Service Bonus – R637.23 million

Other Non-Current Provisions, however, decreased by R93,69 million from R462,20 million to R368.51 million. It includes the following provisions: -

- Rehabilitation of Swartkops River – R77.16 million
- Rehabilitation of Landfill Sites – R291,35 million

The net result is that the increase of R336,18 million from R3.312 billion in 2015/16 to R3.648 billion in 2016/17 in respect of Non-current liabilities impacted negatively on the Net Assets or Equity of the Municipality.

Current liabilities:

Provisions:

The current Employee Benefit Obligation provision increased by R84.98 million, whilst the other current provisions increased by R44.41 million from the 2015/16 financial year to the 2016/17 financial year. The current Employee Benefit Obligation was mainly impacted by -

- Post-Retirement Benefits increasing by R15.20 million from R50,41 million in 2015/16 to R65,61 million in 2016/17.
- Long service awards and long service bonuses increasing by R69.61 million from R19.34 million in 2015/16 to R88.96 million in 2016/17.
- Gratuity Liability decreasing by R0.44 million from R6.07 million in 2015/16 to R5.63 million in 2016/17.

The other current provision was impacted by the Provision for Litigation and Claims increasing by R44.41 million from R47.78 million in 2015/16 to R92.19 million in 2016/17.

The additional provisions were mainly due to more comprehensive information resulting in a more accurate determination of the liabilities that require funding.

Unspent conditional grants:

It is to be noted that unspent conditional grants decreased from R200.57 million in the 2015/16 financial year to R47.20 million in the 2016/17 financial year.

It must be noted that the following DORA Grants remained unspent as at 30 June 2017:

- Infrastructure Skills Development – R4.720 million
- Neighbourhood Partnership Development Grant – R0.562 million
- Public Transport Infrastructure Grant – R2.352 million
- Public Transport Networks Operations Grant – R0.420 million
- EPWP Incentive Grant – R0.291 million

The Public Transport Infrastructure Grant and the Public Transport Networks Operations Grant will be paid into the National Revenue fund, as DORA Grants may not be rolled over for a second year. National Treasury will therefore reduce the November Equitable Share to off-set the above unspent grants that were not approved to be rolled over. Only the EPWP Incentive Grant will be included in the 2017/18 Adjustments Budget, in accordance with the relevant National Treasury approval received during October 2017.

It must be noted that the following Non-DORA Grants remained unspent as at 30 June 2017:

- PHB Subsidies – R1.875 million
- European Union Grant (3rd Tranche) – R1.865 million
- National Lotteries – R1.660 million
- Smart Grid Initiative – R0.712 million
- CDC Walmer Intervention Funding Grant – R20.547 million
- LGSETA Discretionary Learnership Funding – R4.958 million
- Provincial Department Agency: Communication Grant – R0.873 million
- Provincial Department of Human Settlements: Accreditation Grant – R1.973 million

Creditors – Exchange Transactions:

Creditors have increased by R49.17 million from R1.702 billion in 2015/16 to R1.751 billion in 2016/17. It is still observed at financial year-end that long outstanding payments are still experienced in certain directorates. It should be noted that trade creditors reduced by R26,942,469 during the 2016/17 financial year.

Creditors consist of the following:

TABLE 1.22: Creditors – Exchange Transactions

Description	2016/17	2015/16	2014/15
		R	R
Trade Creditors	1,222,811,384	1,249,753,853	1,204,946,045
Other Creditors	3,993,406	4,176,349	7,013,040
Payments received in advance	102,933,973	67,941,056	86,734,136
Retentions	207,075,256	186,817,508	161,363,544
Operating Leases	734,123	703,715	549,433
Staff Leave	213,594,447	192,449,199	163,688,036
Total Creditors	1,751,142,589	1,701,971,576	1,624,294,234

Consumer Deposits:

Consumer deposits, consisting of electricity and water deposits, increased by R7.38 million in the 2016/17 financial year, due to the required deposits by new home owners/lessees and also adjustments to existing home owners' deposits in cases of non-payment.

VAT Payable:

VAT Payable have increased by R48.85 million from R12.02 million in 2015/16 to R60.88 million in 2016/17.

The net result is that the increase in Current liabilities resulted in a decrease of **R73.07 million** towards the Net Assets or Equity of the Municipality.

Non-current Assets:

- Property, Plant and Equipment increased by R768.02 million from R14.33 billion in 2015/16 to R15.10 billion in 2016/17.
- Heritage Assets increased by R18.14 million from R206.09 million to R224.22 million.

- Investment Property decreased by R3.65 million from R197.28 million to R193.63 million.
- Intangible Assets increased by R4.97 million from R54.18 million to R59.15 million.
- Long Term receivables increased by R39.75 million from R24.31 million to R64.06 million.

The net result is that the increase in Non-current assets saw a contribution of **R827.23 million** towards the Net Assets or Equity of the Municipality.

Current Assets:

Consumer Debtors:

The increase in consumer debtors of R276.99 million, or 21.86%, when compared to the previous financial year, is cause for concern. A debtors' collection rate of 94.3% was achieved in the 2016/17 financial year. Debt collection requires attention in order to improve the financial sustainability of the Municipality.

TABLE 1.23: Consumer Debtors

Year	Gross Balances	Impairment Allowance	Carrying Amount
	R	R	R
2015/16	3,308,098,841	(2,041,013,622)	1,267,085,219
2016/17	3,458,946,552	(1,914,876,088)	1,544,070,464
Increase	150,847,711	126,137,534	276,985,245

VAT Refund and VAT Receivable

SARS owed the Municipality an amount of R25.93 million as at 30 June 2017, which impacted on the institution's cash position at financial year-end.

Short-term Investments, Short-term Investment Deposits and Bank Balances and Cash

This component of the current assets has increased by R18,049,938 (1.12%), from R1.614,975,356 in 2015/16 to R1.633,025,294 in 2016/17. The following factors contributed towards the level of this category:

- Included in the consumers' debtors are amounts owed by the high energy users, who only paid approximately 79.23% of their monthly municipal accounts. During the 2014/15 financial year, R216.65 million was written off in respect of high energy users. The value of outstanding high energy users was R225,359,756.22 as at 30 June 2017.
- The Electricity Sales revenue not being realised as projected in the 2016/17 Adjustments Budget.
- The poor billing and/or collection of Rentals relating to Facilities and Equipment.
- An unsustainable level of bridge-funding of Housing Projects in the amount of R194 million, as at 30 June 2017, which continues to increase.
- Capital spending only at 92.20% of the Adjustments Budget.
- Operating spending only at 93.18% of Adjustments Budget.

It is to be noted that the aforementioned influenced the interest earned on Investments ultimately earned by the Municipality.

Inventory:

This component of the current assets increased by R53.02 million from R145.37 million in 2015/16 to R198.40 million in 2016/17.

The net result is that the increase in the Current Assets saw a contribution of R319.87 million towards the Net Assets or Equity of the Municipality.

Conclusion:

The Municipality's financial position has been influenced by the following factors:

- Cash and investments increased by R18.05 million (1.12%) from 1.615 billion in 2015/16 to R1.633 billion in 2016/17.
- The continued escalation in outstanding debtors poses a risk to the Municipality's financial sustainability.
- The increase in electricity losses.
- The cost coverage ratio at 2.20 months for 2016/17 was lower than the anticipated 2.25 months Adjustments Budget target. In this regard, National Treasury has set a benchmark of three months to ensure continued financial sustainability.
- The financially unsustainable level of bridge-funding for housing top structures of R194 million has negatively affected the Municipality's cash and investments. A further risk is that the Provincial Government may not honour certain of the Municipality's claims.
- Employee related costs increased by R716,916 million, from R2.344 billion to R3.061 billion. The provision for Long Service Awards and Long Service Bonuses has been increased by R587.60 million from the anticipated R82.99 million to R670.59 million, based on an actuarial valuation that was performed and implemented for the first time. This single event has contributed materially to the disclosure of a deficit position at financial year-end.
- The liquidity ratio of 0:70:1 should at least be 1:1 to ensure medium to long-term financial sustainability.

In general, the financial ratios show an improvement when compared to the previous financial years. The following ratios reflecting the Municipality's sustainability, however, require attention:

- Liquidity
- Cost coverage
- Total outstanding service debtors
- Creditors systems efficiency
- Repairs and maintenance
- Employee costs

TABLE 1.24: Financial ratio

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Liquidity ratio	0.55	0.68	0.70	0.67	0.71	0.70
Cost coverage	1.22	1.98	2.24	2.03	1.96	2.20
Total outstanding service debtors	13.36%	13.70%	20.89%	21.52%	20.99%	24.66%
Debt coverage	17.97 times	19.40 times	20.56 times	23.12 times	28.16 times	32.15 times
Creditors systems efficiency	84.0%	75.0%	75.0%	59.0%	65%	58%
Capital charges to operating expenditure	4.16%	4.20%	4.08%	3.53%	3.07%	2.71%
Employee costs	31.71%	26.84%	23.38%	26.40%	26.85%	34.32%
Repairs and maintenance	6.81%	7.36%	6.50%	6.83%	4.69%	3.84%

To further strengthen the financial sustainability of the institution, it is suggested that the targets for the aforementioned ratios be reviewed and included in the IDP and 2018/19 MTREF, subject to Council approval. The effectiveness and efficiency of the creditors' payment process must be prioritised to achieve a more efficient creditors system.

Achieving improved ratios should contribute positively towards the credit rating of the Municipality, which will in turn positively contribute towards investment in the City and lower borrowing, based on lower perceived financial risks.

TABLE 1.25: Financial Overview

Financial Overview: 2016/17			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	1,385,051	1,439,682	954,122
Taxes, Levies and tariffs	6,650,078	6,566,645	6,544,395
Other	1,500,728	1,395,345	1,420,173
Sub Total	9,535,857	9,401,671	8,918,690
Less: Expenditure	9,503,483	9,823,533	9,154,000
Net Total*	32,375	(421,861)	(235,310)
* Note: surplus/(deficit)			

COMMENT ON OPERATING RATIOS:**Liquidity Ratio:**

The liquidity ratio represents the monetary assets, divided by current liabilities. The ratio remains at a level of approximately 0.7:1 from the 2012/13 to the 2016/17 financial years. This indicates that the NMBM has become more stable. The NMBM must, however, achieve a ratio of at least 1:1 to be considered financially sustainable. The Cash and Cash equivalents increased by only R18.05 million during the 2016/17 financial year. Current liabilities increased by R73.07 million, from R2.26 billion in 2015/16 to R2.33 billion in 2016/17. The moderate increase in current liabilities is mainly due to a general decrease in unspent conditional grants over the same period. It contributed to the decrease, in the amount of R55.35 million, in respect of Trade and Other payables during the 2016/17 financial year. The major impact on the ratio is the increase in the current provisions. The provision for long service awards and long service bonuses increased by R69.61 million, following the introduction of an actuarial determination of the value of the provision. The provision for Litigation and Claims also increased by R44.41 million. **The liquidity ratio decreased from 0.7136:1 in the 2015/16 financial year to 0.7000 in the 2016/17 financial year, which still indicates a short to medium term risk to the financial sustainability of the Municipality.**

Cost coverage:

The cost coverage ratio closely follows the trends observed in the liquidity ratio. The 2016/17 ratio of 2.20 months is higher than the 2015/16 ratio of 1.958 months. Although Cash and Cash Equivalents increased by R18.05 million from R1,615 billion in 2015/16 to R1.633 billion in 2016/17, it was mainly due to the Unspent Conditional Grants as at 30 June 2017 decreasing by R198.14 million from R375.471 million in 2015/16 to R177.329 million (cash as at 30 June) in 2016/17. The annual cash payments in respect of suppliers and employees increased by only 4.64% from R7.596 billion to R7,948 billion due to various initiatives, such as the implementation of the cost containment policy. **The cost coverage ratio, therefore, increased from 1.96 months in the 2015/16 financial year to 2.20 in the 2016/17 financial year, which has had a positive influence on the financial sustainability of the Municipality. The National Treasury promotes a ratio of at least 3 months to be assessed as adequately sustainable.**

Total outstanding Service Debtors:

The ratio increased from 12.6% in 2011/12 to 24.7% in 2016/17. This trend must be viewed with caution. The gross outstanding service debtors increased by 4.56% from R3.308 billion in 2015/16 to R3.459 billion in 2016/17. The debtors' collection rate was 94.3% for the 2016/17 financial year. The provision for doubtful debtors had to be adjusted from R2.041 billion to R1.915 billion. The provisioning levels indicate that 61.70% of gross debtors for 2015/16 and 55.36% for 2016/17 are considered to be doubtful. Due to the considerable write-offs as a result of the implementation of the May 2016 ATTP Policy, it would appear that outstanding debtors has not grown as much as it has. Also a large portion of old debt has been written off, resulting in the debt profile to be considered more recoverable; hence the reduction in the estimation of doubtful debtors. Debt collection must therefore be prioritised to improve the financial sustainability of the Municipality. The high energy users are still not paying the electricity bills raised, which affect outstanding debtors as well as the debtors' collection rate and therefore the cash position of the Municipality. **The current level of outstanding service debtors is cause for concern and all credit control and other related strategies should be implemented to improve the collection rate of the Municipality, so as to arrest this ever- increasing ratio, which impacts negatively on the cash position of the institution.**

Debt coverage:

The ratio improved positively over the last financial year, from 20.3 times in 2013/14 to 32.15 times in 2016/17. This improvement is attributable to the fact that no external borrowing was raised as from the 2011/12 financial year. **In order to ensure financial sustainability over the medium to long term, the NMBM should not take up any external borrowing for at least the period 2017/18. Thereafter, external borrowing could possibly be considered for revenue generating assets.**

Creditors System Efficiency:

A ratio of 58% indicates that the NMBM is not performing at the required level and is therefore not legislatively compliant. Management reports are prepared on a monthly basis, indicating the total days each directorate takes to process payments from the date of receipt of the invoice. Most directorates are not meeting the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice. This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by each directorate until the processing of the payment through the creditors payment system. The scorecards of Executive Directors should include the legislative timeframes for processing payments. **The ratio of 58% represents a deterioration from the 65% achieved in the 2015/16 financial year.**

Capital Charges to Operating Expenditure:

The ratio has decreased from 4.2% in 2010/11 to 2.71% in 2016/17, and will further decrease until new external borrowings are taken up. Council has indicated its intention to take up external borrowing during the second half of the 2017/18 financial year.

Employee costs

Employee costs as a percentage of operating revenue increased from 26.7% in the 2015/16 financial year to 34.3% in 2016/17. The ratio has, however, been increasing annually since the 2013/14 financial year, in which the ratio was 23.38%. National Treasury has stated that there is no benchmark for employee costs for municipalities, as they operate under different circumstances. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, the filling of vacancies and the finalisation of the new organisational structure will be significant factors to manage over the 2017/18 MTREF. It must be noted that the actuarial valuation in respect of the provision for long service awards and long service bonuses contributed to the increase of employee related costs. Employee related costs increased by R758.23 million from R2.342 billion to R3.101 billion. The provision has been increased by R587.60 million from the anticipated R82.99 million to R670.59 million. If this

transaction was not taken into consideration, employee costs would have been 27.02% of operating revenue.

The increase in the ratio indicates further cash flow pressures over the short to medium term and will also negatively impact on the financial sustainability of the Municipality.

Repairs and Maintenance:

The ratio is at a low 3.84%. It is critical that the Municipality either increases its spending on infrastructural repairs and maintenance or increases its capital spending on the renewal of current assets in order to deal with the ever-growing backlog in maintaining old infrastructure. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 7% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms must be developed to address the eradication of infrastructure maintenance backlogs. The main risk associated with a low repairs and maintenance ratio is that the expected useful lives of assets will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM's current revenue base.

TABLE 1.26: Operating ratios

Operating Ratios	
Detail	%
Employee Cost	33.44%
Repairs & Maintenance	3.74%
Finance Charges & Impairment	8.29%

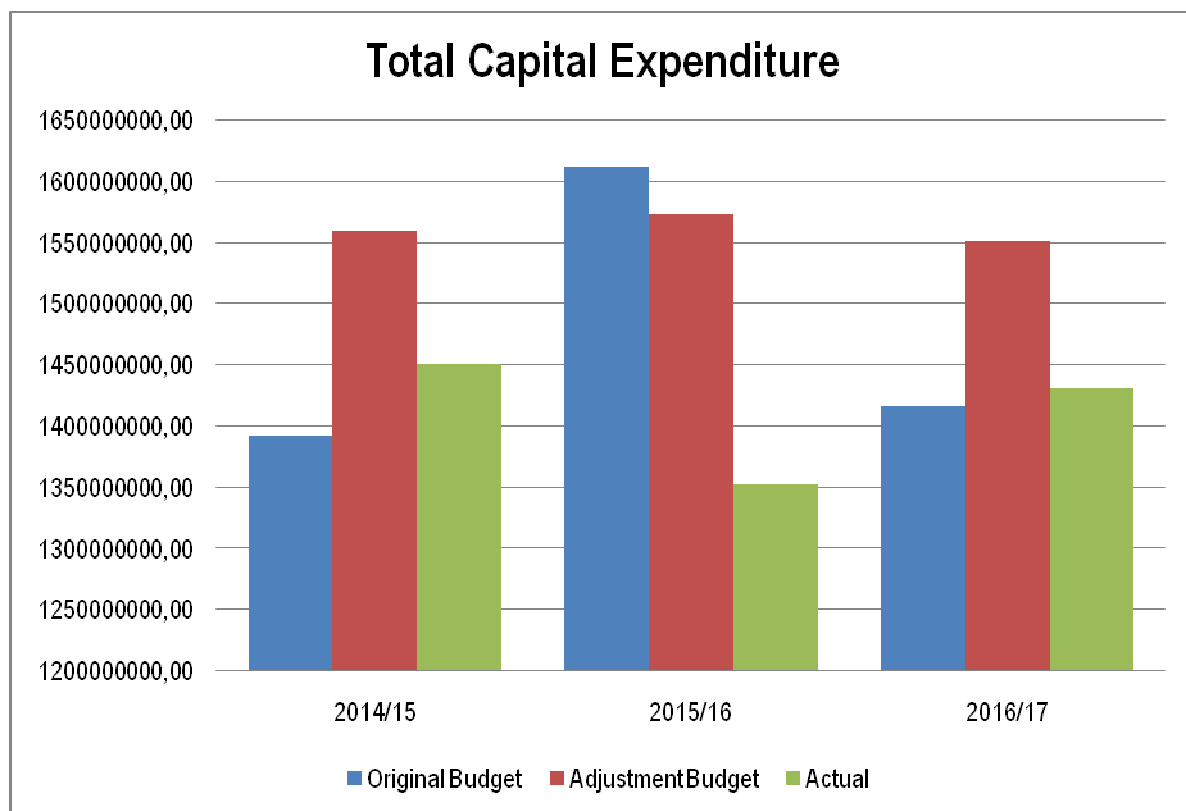
Capital Budget Spending

The Municipality has spent R1.431 billion or 92.20% of the R1.552 billion Adjustments Budget. Delays in certain SCM processes and the unavailability of certain stock/asset types resulted in lower than anticipated spending on capital projects. Theft and industrial action has also affected progress on projects in certain areas of the City.

TABLE 1.27: Total Capital Expenditure

Total Capital Expenditure: Year -2 to Year 0			
	R'000		
Detail	2014/15	2015/16	2016/17
Original Budget	1,392,230	1,612,510	1,416,400
Adjustment Budget	1,560,118	1,573,441	1,552,012
Actual	1,451,441	1,352,298	1,430,913

FIGURE 1.2: Total capital expenditure



The following indicates the spending by Directorates (including the MBDA projects) against the Capital Budget:

TABLE 1.28: Capital spending by Directorates

Directorate / Vote	Adj. budget R'000	2015/16 Actual R'000	% Spent	Reason for variance
Budget and Treasury	61,316	29,784	48.57	The variance is mainly attributable to the Systems Enhancements (EMS) Capital project and the Acquisition of Microsoft Licences. A decision was taken by the Project Manager to change the

Directorate / Vote	Adj. budget R'000	2015/16 Actual R'000	% Spent	Reason for variance
				payment structure on this project. This meant that instead of monthly payments, the Service Provider would be paid based on milestones which ultimately changed the anticipated cash flow. The unspent funds will be carried over the 2017/18 financial year to ensure that sufficient budget exists in order to honour all outstanding commitments
Public Health	73,146	67,003	91.60	The variance is mainly attributable to the purchase of Refuse Compactors. Orders were placed for 6 vehicles and only 4 were delivered during the financial year due to the high demand by other Municipalities.
Human Settlements	199,100	205,227	103.07	Good performance
Economic Development, Tourism and Agriculture	8,000	7,507	93.86	
Corporate Services	21,400	23,006	107.50	Good performance
Rate and General Services	266,588	254,428	95.43	R3,100,074 remained unspent in respect of the Rolled-over Public Transport Infrastructure Grant for 2016/17. This will be paid over to the National Revenue Fund as an amount rolled-over may not be rolled-over for a second financial year.
Water Services	175,551	202,103	115.13	Good performance. A budget amendment of R22.4 million was approved by the Executive mayor. This was brought onto the budget after the 2016/17 Adjustments Budget was approved. The total expenditure for this Directorate is now 100%.
Sanitation Services	303,500	243,900	80.36	R45.9 million of the Budget allocation was reallocated from Sanitation to other Directorates via Budget Amendments approved by the Executive Mayor. The actual performance is 96.21% for the Directorate.
Electricity and Energy	241,244	301,576	125.01	Good performance. A budget amendment was approved by Council for the increased Public Contribution Funding as well as additional allocation of USDG funding reallocated from other directorates after the approval of the 2016/17 Adjustments Budget. Spending level was 98% as at financial year-end.
Executive and Council	8,137	9,648	118.58	National Treasury approved a carry-over for the Integrated City Development Grant. This was brought onto the budget after the 2016/17 Adjustments Budget was approved. Expenditure level is therefore, 100% as at financial year-end.

Directorate / Vote	Adj. budget R'000	2015/16 Actual R'000	% Spent	Reason for variance
Safety and Security	16,611	16,495	99.30	Good performance
Nelson Mandela Bay Stadium	4,865	0	0.00	The funding was provided for the purchase of vehicles, computer and office equipment and CCTV cameras. The funds were not spent due to the new Stadium Operator Agreement between NMBM and MBDA not being concluded and signed. The SCM process cannot be started until this agreement is concluded. The unspent funds will be carried over to procure the required goods and equipment.
Strategic Programmes Directorate	19,203	18,661	97.17	The variance is due to work stoppages by the community during the implementation of the project. The contractor withdrew on 15 June 2017. New contractor was appointed on 23 June 2017.
Sports, Recreation and Cultural services	60,558	50,948	84.13	The projects that contributed to the underspending were the KwaNobuhle Sports Complex and the Astroturf Surfaces. The Astroturf project experienced delays in terms of the appointment of a Social Facilitator. Rioting in the area led to delays in starting the project. The KwaNobuhle Sports Complex project experienced delays in the procurement process. The letter of appointment was only issued to the contractor in May 2017.
Mandela Bay Development Agency	1,504	636	42.32	Less was spent than originally anticipated.

Performance of the five largest capital projects

Fishwater Flats Waste Water Treatment Works – This is a long-term capital project that focuses on the restoration and upgrade of the Waste Water Treatment Works. The project is scheduled to be concluded by 2030, and will follow a phased approach, subject to budget availability.

Some of the challenges experienced, included work stoppages by EMEs, as well as time delays as the existing ageing infrastructure needs to be assessed before certain work can continue. The Adjustments Budget for this project was increased by about R15 million. Work was accelerated on this project because of savings identified within the Sanitation Capital Budget and the cash flow was then managed accordingly to ensure maximum benefit.

Tarring of Gravel Roads – This is an annual project that is geared towards eradicating the backlog of roads that still need to be tarred, especially within

previously disadvantaged areas. The budget allocation per annum is determined by the funding availability as well as the ward-based priorities determined in the IDP. The work is then executed in line with budget availability. Future budget requirements and work to be undertaken will be determined by the individual ward priorities.

Nooitgedagt/Coega Low Level System - Work on the civil contracts was expected to accelerate during 2015/16. However, delays were experienced, as sub-standard materials had to be returned to the manufacturer. The original budget of R40 million for 2016/17 was insufficient to conclude the planned contracts as well as the outstanding work component from the previous financial year. The budget was then increased by R24,5 million in order to accommodate all the planned works.

Kelvin Jones WWTW Upgrade – The aim of this project is to upgrade the treatment works to treat raw effluent more effectively. This upgrade will enable the Municipality to produce an effluent that is within the required environmental standards and legislation. This is a multi-phased project, limited by funding availability per annum. The spending for the 2017 financial year was in line with the projected cash flows.

Reinforcement of Electricity Network (Coega)– The plan is to move the Transnet Manganese Tanks from Humewood to the Coega IDZ. In order to be able to provide sufficient electricity to Coega Main, it was important that the electricity network be reinforced. Furthermore, more industrial business tenants have come to Coega Zone 3, hence the requirement for reinforcement. This is an ongoing project that is dependent on developments within the Coega IDZ.

The 2016/17 Capital Budget was funded as follows:

TABLE 1.29: Capital spending

Funding Source	% of Original Budget	% of Adjustments Budget	% of Actual Expenditure
Grant Funding	58.65%	55.84%	59.76%
Internal Funding	37.61%	40.10%	32.73%
Borrowing	0.00%	0.00%	0.00%
Public Contributions	3.74%	4.06%	7.51%
Total	100.00%	100.00%	100.00%

The following accounts for the performance of capital grants and explains the variance:

DORA Capital Grants:

1. Urban Settlements Development Grant

This grant serves to assist metropolitan municipalities in improving urban land production, to the benefit of poor households, and improving spatial integration and densities by supplementing their budgets.

DORA Allocation: R851,282,000

Amount of Grant Received: R851,282,000

Expenditure to date: R851,282,000

Unspent as at 30 June 2017 R 0

As at 30 June 2017, the DORA allocation was fully spent.

2. Public Transport Infrastructure Grant

This grant provides for the accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

DORA Allocation rolled-over: R66,505,614

Amount of Grant Received: R 0

Expenditure to date: R64,153,951

Unspent as at 30 June 2017: R 2,351,663

As at 30 June 2017, 96.46% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury does not allow roll-over funds to roll over for a second year, and therefore the unspent funds will be paid back to National Treasury.

3. Neighbourhood Development Partnership Grant

This grant supports and facilitates the planning and development of Neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation: R21,476,000

DORA Adjustments Budget R10,390,000

Amount of Grant Received: R10,390,000

Expenditure to date:	R 9,827,778
Unspent as at 30 June 2017:	R 562,222

As at 30 June 2017, 94.6% of the Adjusted DORA allocation was spent. An application was submitted to National Treasury for the roll-over of the committed funds to the 2017/18 financial year. However, National Treasury did not approve the roll-over.

The Neighbourhood Development Partnership Grant has been reduced by National Treasury by R11 million. The Njoli project, placed on hold until the Precinct Plan, which has already been commissioned, has been redone.

4. Integrated National Electrification Programme

This grant provides funding to municipalities to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and the rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.

DORA Allocation:	R35,000,000
Amount of Grant Received:	R35,000,000
Expenditure to date:	R35,000,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Capital Grants

5. CDC Walmer Intervention Funding Grant

This grant is used to speed up service delivery intervention in the Walmer Gqebera township.

Received 2015/16:	R 5,546,957
Received 2016/17	R15,000,000
Expenditure to date:	R 0
Unspent as at 30 June 2017:	R20,546,957

No spending was incurred against this grant.

Applications were submitted to National Treasury for roll-overs to the 2017/18 financial year in respect of all unspent conditional DORA grants. Notification of

approval of the roll-over funds was received during October 2017. National Treasury did not approve any DORA Capital Grant roll-overs.

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met.

6. CDC Coega Grant

This grant is used to speed up service delivery intervention in the Walmer Gqebera township.

Amount of Grant Received:	R	0
Expenditure to date:	R50,451,940	
Debtor as at 30 June 2017:	R50,451,940	

A debtor was raised for the R50,451,940 spending that was incurred. The amount owed by Coega should be collected as a matter of urgency.

Applications were submitted to National Treasury for roll-overs to the 2017/18 financial year in respect of all unspent conditional DORA grants. Notification of approval of roll-over funds is anticipated by 31 October 2017.

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

On 30 June 2017, the Nelson Mandela Bay Municipality had a workforce of 5 833 permanent employees, 529 temporary employees, 8 Section 57 appointments and 203 EPWP contractual employees. Most senior managerial positions in terms of Section 56 have been filled, except for the positions of Executive Director: Public Health and the Executive Director: Electricity and Energy. The administration of these positions is expected to be concluded in the 2017/18 financial year.

The process of reviewing the organisational structure commenced in 2016/17 with the political structure approved on 27 October 2017. The functional structure and the Service Delivery Model reviewing process were completed in 2016/17 and a Job Architecture Matrix Model has also been rolled out to ensure that there are libraries to develop job descriptions for all positions. The post establishment will be completed

in 2017/18 and will be aligned to the service delivery model and the Five-year strategic plan of the Metro.

Efforts to develop a new service delivery model organisational structure and Staff Establishment aligned to the current / new IDP are underway.

Employees' pension and medical aid as at 30 June 2017.

TABLE 1.30: Employees' pension and medical aid

Names of Pension Fund	Number of Members	Names of Medical Aids	Number of Members
Consolidated Retirement Fund	3008	LA Health	1782
SALA	2651	Bonitas	1769
SAMWUMED	78	Key Health	254
LA Retirement Fund	74	Hosmed	421
		SAMWUMED	730

1.6 AUDITOR-GENERAL'S REPORT

The Municipality received a qualified audit opinion for the 2016/2017 financial year, and the basis of the qualified audit opinion as per the Auditor-General's report was as follows:

Property, plant and equipment (PPE)

The Municipality did not assess whether there were any indications that its expectations about the useful lives of PPE had changed, as required by SA Standard of GRAP 17, Property, plant and equipment. I was also unable to confirm PPE balance, alternative means. Consequently, I was unable to if any further adjustments to PPE disclosed at R15,1 billion in the consolidated and separate statement of financial position and depreciation stated at R589,1 million in the consolidated and separate statement of financial performance were necessary.

Creditors - exchange transactions

I was unable to obtain sufficient appropriate audit evidence for retention creditors due to the poor status of accounting records. I was unable to confirm these retentions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to retentions stated at R207,1 million (2016: R186,8) in note 7 to the consolidated and separate financial statements.

Irregular expenditure

The Municipality did not include all irregular expenditure in the notes to the consolidated and separate financial statements, as required by section 125(2)(d) of the MFMA. This resulted from payments made in contravention of the supply chain management requirements. Additionally, I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure included in the note 44.2 to the consolidated and separate financial statements. I was unable to confirm irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R11,5 billion (2016: R3,4 billion) in the consolidated and separate financial statements.

The Auditor-General also identified the following emphasis of matter:

- Restatement of corresponding figures
- Unauthorised expenditure
- Fruitless and wasteful expenditure
- Material losses and impairments

The Municipality is in the process of drafting an action plan to address the findings by the Auditor-General.

The Auditor-General's Audit Report in its entirety is stated in "Volume III" of this Annual Report.

1.7 STATUTORY ANNUAL REPORT PROCESS

TABLE 1.31: Statutory annual report process

NO.	ACTIVITY	TIMEFRAME
1	Finalisation of the Fourth Quarter Report for the 2016/17 financial year.	July 2017
2	Drafting and submission of the 2017/18 Strategic Planning Time Schedule to Council.	August 2017
3	Submission of the Fourth Quarter Report for the 2016/17 financial year to Internal Audit.	August 2017
4	Drafting and submission of first Draft 2016/17 NMBM Annual Report to Internal Audit and Auditor-General.	August 2017
5	Auditor-General audits Consolidated Financial Statements and Performance Data.	October 2017
6	Receipt of Auditor-General's Audit Report and commencing with addressing findings.	December 2017
7	Submission of second Draft 2016/17 Annual Report to the Auditor-General.	January 2018
8	Executive Mayor tables NMBM 2016/17 Annual Report and audited Financial Statements to Council, complete with the Auditor-General's Report.	January 2018
9	Audited NMBM 2016/17 Annual Report is made public and representations are invited.	January/February 2018
10	Municipal Public Accounts Committee concludes assessment of NMBM 2016/17 Annual Report.	February/March 2018
11	Council adopts Oversight Report on 2016/17 Annual Report.	March 2018
12	Oversight Report is made public.	March 2018
13	Oversight Report is submitted to relevant Provincial and National Departments.	March 2018

CHAPTER 2 - GOVERNANCE

INTRODUCTION

Good governance supports service delivery and performance excellence. Similarly, decision-making processes that incorporate good governance attributes, produce better outcomes. When decision-making is conducted in an open, transparent and accountable manner and in accordance with other good governance attributes, municipalities are more likely to conduct their business in compliance with and meeting constitutional and statutory responsibilities.

The Nelson Mandela Bay Municipality therefore has an obligation to not only report back to communities on performance, but also involve them in planning and decision-making processes.

Stakeholder consultation is therefore key when reporting on the annual performance of the Municipality, as well as consulting stakeholders on the development and review of the Integrated Development Plan and Budget to ensure that communities provide input in these key strategic documents.

Extensive public participation was undertaken by the political and administrative leadership during the 2016/17 financial year in terms of the development of the 2017/18 IDP and Budget. These consultations with the public and the various sectors in Nelson Mandela Bay provided valuable input into the decision-making processes of the institution.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipal structure is made up of both political and administrative structures.

2.1 POLITICAL STRUCTURE

The Nelson Mandela Bay Municipality is governed by a coalition government, comprising the following political parties: The African Christian Democratic Party (ACDP), the Congress of the People (Cope), the Democratic Alliance (DA) and the United Democratic Movement (UDM).

The political structure of the Nelson Mandela Bay Municipality comprises the Council, the Executive Mayoral Committee, the Portfolio Committees and the Municipal Public Accounts Committee (MPAC), as described below.

2.1.1 Council

The role of a council in local government is that of lawmaker and, as such, it focuses on legislation, participation and oversight. In addition, municipal councils facilitate political discussions and debate in order to assist in decision-making.

The Council of the Nelson Mandela Bay Municipality is headed by the Speaker and comprises 120 Councillors, elected through a mixed-member proportional representation system. Altogether 60 of those Councillors were elected through a voting process in the 60 wards that make up Nelson Mandela Bay. The remaining 60 Councillors were selected from party lists, on the basis that the total number of party representatives must be proportional to the number of votes received.

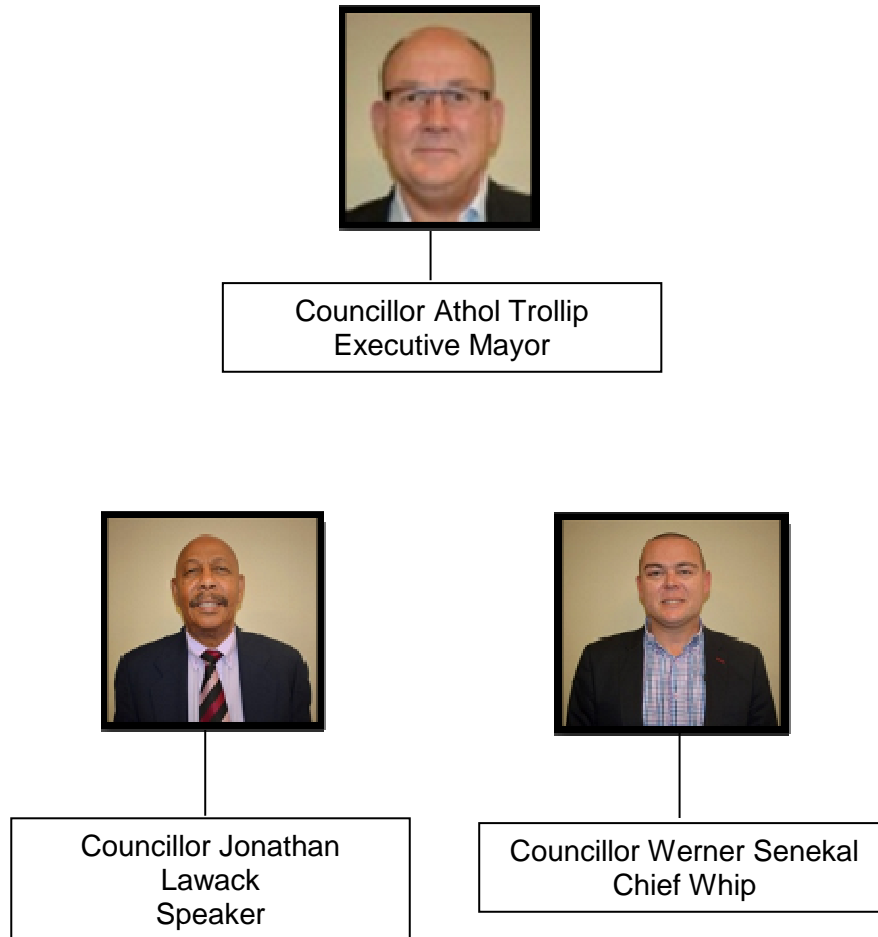
Of the 120 Councillors serving in Nelson Mandela Bay, 34 are female and 86 are male. The Democratic Alliance has the largest number of seats (57), followed by the African National Congress (ANC) (50 seats); the Economic Freedom Fighters (EFF) (6 seats); the United Democratic Movement (2 seats); and the Congress of the People, the Patriotic Alliance (PA), the United Front Eastern Cape (UFEC), African Christian Democratic Party (ACDP) and the African Independent Congress (AIC) (1 seat each).

2.1.2 Executive Mayoral System

The Executive Mayor's role and responsibilities include identifying and prioritising community needs and drafting strategies to deliver on those needs. In addition, he has oversight of the delivery of services by the administrative structure of the City.

The Executive Mayor is supported by the Speaker, the Chief Whip and a Mayoral Committee that comprises 10 members, each of whom chairs a Portfolio Committee. The Municipality has a functional Municipal Public Accounts Committee (MPAC) in place, which performs an oversight role in respect of both the political and administrative structures.

FIGURE 2.1: POLITICAL LEADERSHIP



COUNCILLOR

PORTFOLIO



Councillor Retief Odendaal

Budget and Treasury



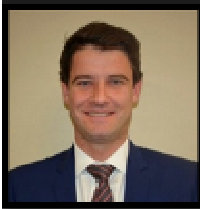
Councillor Shirley Sauls

Constituency Services



Councillor Annette Lovemore

Corporate Services



Councillor Andrew Whitfield

Economic Development,
Tourism and Agriculture



Councillor Nqaba Bhanga

Human Settlements



Councillor Masixolo Zinto

Infrastructure and
Engineering, Electricity
and Energy

COUNCILLOR

PORTFOLIO



Councillor Lance Grootboom

Public Health



Councillor John Best

Safety and Security



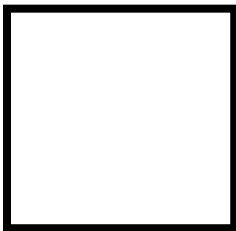
Councillor Rano Kayser

Roads and Transport



Councillor Siyasanga Sijadu

Sports, Recreation,
Arts and Culture



Vacant

Municipal
Public Accounts
Committee (MPAC)

2.1.3 Office of the Chief Whip

The Office of the Chief Whip of Council has existed in the Nelson Mandela Bay Municipality since 2003. Its primary purpose, namely maintaining discipline amongst Council members, has evolved over many decades, through custom and precedent in many legislatures around the world. The Office of the Chief Whip has been adapted to local conditions since the inception of parliamentary democracy in 1994. The contact point between the executive and legislative spheres of the Municipality is the Office of the Chief Whip.

The Office of the Chief Whip focuses on the following:

- Building better relations between the various political parties represented in Council.
- Political management of Council meetings.
- Management of the majority and Coalition caucuses.


The relationship between the political parties is enhanced through bi-monthly internal meetings, as well as multi-party Whippery meetings. The multi-party Whippery is the forum in which all parties represented in Council discuss the order of business in Council and determine which items serving before it will require debate.

The Office is also responsible for recommending to the Executive Mayor Councillors to serve on Committees and represent the institution on external bodies. In being a responsive coalition government, the Office also deals with addressing and resolving complaints that come directly from communities or through the Municipality's Petitions Office.

2.2 ADMINISTRATION

The Administration of the City is headed by the City Manager, Mr Johann Mettler, who is also the Accounting Officer.

FIGURE 2.2: Administrative head

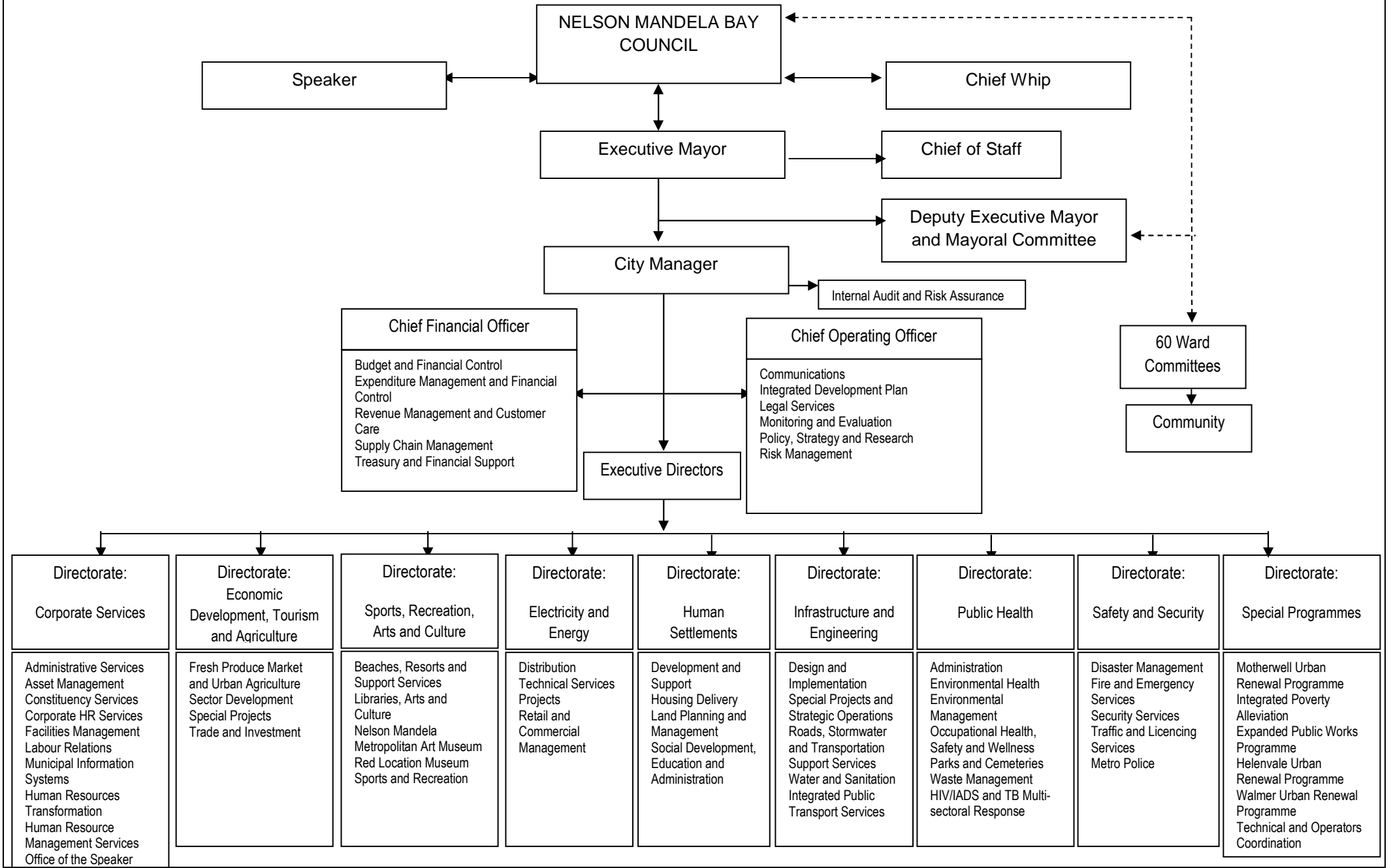
ACCOUNTING OFFICER	TITLE	
	Mr Johann Mettler	City Manager

The City Manager is appointed by the municipal Council and appoints an Executive Management Team to assist him in running the administration. He is, *inter alia*, responsible for implementing the IDP, which is the institution's five-year service delivery plan.

The Executive Management Team comprises 10 senior managers, each responsible for a portfolio, which largely matches the corresponding political portfolio.

The organisational structure of the City is presently being reviewed. The current organisational structure is as follows:

FIGURE 2.3: ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY



INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

As enshrined in the Constitution, the Nelson Mandela Bay Municipality has adopted a democratic model of cooperative governance, which provides the foundation for its intergovernmental relations. Intergovernmental relations are intended to promote and facilitate cooperative decision making and ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National Intergovernmental Structures

The External Relations Unit participates in the Consultative Forum on International Relations (CFIR). The CFIR is an inter-governmental co-ordinating structure comprising senior officials from all three spheres of government and other relevant stakeholders that meets twice annually to ensure proper information sharing and coordination. As such, it provides measures and guidelines for the enhanced coordination of South Africa's international engagements.

The objective/purpose of this Consultative Forum is:

- Information sharing: Sharing of information regarding all stakeholders' international involvements, i.e. policy statements, visits abroad, conferences, summits and incoming visits.
- Foreign policy guidance on international issues.
- Planning and co-ordination of international visits (incoming and outgoing).
- Discussion of pressing issues to enable Government to convey information on key foreign policy issues to various levels of government, in a consistent and principled manner.
- Possible private sector/civil society engagement and national outreach programmes.

This Forum is not a policy-making mechanism (policy remains the mandate of the International Cooperation, Trade and Security (ICTS) Cluster). In fact, the CFIR has sprung from and provides feedback to the ICTS Cluster. An CFIR meeting was held in Pretoria on 27 June 2017; this was the first time that the Forum met since November 2015.

2.3.2 Provincial Intergovernmental Structures

The Municipality's External Relations Unit participates in the East Cape Consultative Forum on International Relations and Cooperation, coordinated and supported by the Office of the Premier. The Forum emulates the National CFIR Forum and shares information with local authorities on matters discussed at the CFIR. It seeks to mitigate against the risk in the management of international relations in the Province by creating a shared responsibility amongst stakeholders, thus creating a shared vision and information on international activity in the Province in order to promote the shared implementation of best practices. It also seeks to leverage on existing nodes of concentrated international relations capacity in the Province, as well as build a platform for international relations and official development assistance (ODA), capacity and competency in the Province.

2.3.3 NMBM IGR Forum

The Nelson Mandela Bay IGR Forum was launched on 5 July 2012 during the Premier's EXCO outreach. The last meeting of the Forum took place on 2 February 2016. A meeting was scheduled to take place on Thursday, 17 March 2016 and was later postponed to Thursday, 24 March 2016. This meeting was subsequently cancelled. It was requested that an IGR Strategy be developed before further meetings could be considered. The IGR Strategy is in draft and it is envisaged that the Strategy will be adopted by NMBM Council in the first quarter of the 2017/18 financial year, which will ensure better coordination of intergovernmental relations activities in NMBM. Furthermore, the External Relations office will review and submit for adoption a revised NMBM IGR Policy during 2017/18.

2.3.4 Inter-municipal partnerships

A key priority of the Municipality is to share experiences, knowledge and support with its surrounding municipalities. In this regard, the Municipality has concluded partnerships with Nxuba and Cacadu, as well as a co-operative arrangement with the Sunday's River Municipality.

In the past, the support provided to the Nxuba Local Municipality and the collaboration with the Sarah Baartman District Municipality (Cacadu) took place on an *ad hoc* and uncoordinated basis. It was therefore felt that it would be important to have a more coordinated approach to the inter-municipal cooperation, with more focused interaction, guided by the implementation of activities that would be of benefit to all participating institutions and would deliver outcomes

that are measurable within a specific timeframe. It is envisaged that the new agreed to Memorandums of Understanding will be guided by a three-year implementation framework within which to reach the objectives, as set out in the MOUs.

The External Relations Unit was advised to keep work with the Nxuba Local Municipality in abeyance, pending the conclusion of the proposed amalgamation of the Nxuba and Nkonkobe Municipalities. The new structure was required to be functional by the time of the 2016 local government elections. No further engagement has taken place between the NMBM and Nxuba since the local government elections.

With regard to the agreement with the Sarah Baartman District Municipality, there has been engagement between the Economic Development Units of the two institutions on broadening the focus of economic development to include the Green Economy. The Infrastructure and Engineering units of the two institutions were therefore requested to, on the basis of the new approach, reconsider potential areas of collaboration. Since the 2016 Local Government elections, attempts have been made to revive the relations between the NMBM and Sarah Baartman District Municipality; however, no feedback has been forthcoming from the latter institution.

2.3.5 Presidential Hotline Complaints

The Presidential Hotline became functional in 2009. The Hotline is run from a web-based system called the ITSM7 system, which is managed by the State Information Technology Agency (SITA). Locally, this function is managed by the NMBM External Relations Unit.

The performance standard of the Presidential Hotline, as set out by the Department of Planning, Monitoring and Evaluation, stipulates that a minimum of 80% resolved cases must be achieved by South African municipalities. The Nelson Mandela Bay Municipality is currently sitting at 96% (as at June 2017).

There are instances where cases cannot be resolved, for the following reasons:

- Complaint is meant for a different municipality – it is then re-assigned
- Complaint is removed, as the contact details are not correct – a complaint cannot be investigated if a contact number is not provided for the collection of information.
- Complaint is removed, as NMBM official has investigated all areas, but a favourable outcome was not achieved for the complainant.

In the case of NMBM Human Settlements related rectification cases and the Department of Human Settlements` new policy, no funding from the Human Settlements Development Grant may be utilised for rectification. Houses not older than five years can be rectified through the NHBC. This means that all the NMBM`s rectification cases have to be closed, as those houses are older than five years.

- A breakdown of the progress made by the NMBM External Relations Unit in handling Presidential Hotline Complaints in the 2016/17 financial year is as follows:

TABLE 2.1: Presidential Hotline Complaints

Total Number of Complaints as at 29 July 2016	16
Total Number of Complaints as at 30 August 2016	12
Total Number of Complaints as at 28 September 2016	12
Total Number of Complaints as at 25 October 2016	11
Total Number of Complaints as at 28 November 2016	11
Total Number of Complaints as at 13 December 2016	11
Total Number of Complaints as at 30 January 2017	11
Total Number of Complaints as at 28 February 2017	10
Total Number of Complaints as at 31 March 2017	9
Total Number of Complaints as at 28 April 2017	9
Total Number of Complaints as at 31 May 2017	9
Total Number of Complaints as at 30 June 2017	16

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability is the cornerstone of democratic governance. Accountability is the acknowledgment and assumption of responsibility for actions, decisions and policies, including the administration, governance and implementation of projects and programmes, and the delivery of services to communities.

The Nelson Mandela Bay Municipality is committed to being responsive, caring, transparent and accountable to its residents in its decisions and delivering quality services to the communities. The Municipality is also committed to ensure public engagement and participation in planning and decision-making processes.

2.4 PUBLIC MEETINGS

The Nelson Mandela Bay Municipality strives to ensure optimal community participation in municipal planning, community development and decision-making processes.

With regard to the IDP and Budget development and review processes of the Municipality, the following role-players and stakeholders play an important role:

- Communities of Nelson Mandela Bay
- Organised stakeholder groupings, e.g. Chambers of Commerce; NGOs; civic groupings; unions; and ratepayers' associations
- Institutions of Higher Learning and government sector departments
- Surrounding municipalities
- Special sectors (youth, women, elderly people and people with disabilities)
- Municipal Councillors and officials; and
- Ward Committees

The series of IDP public engagement sessions held during the analysis phase was preceded by the establishment of Ward Committees in all 60 wards in the City and the hosting of Ward Committee meetings to give effect to the principle of participatory governance. During the first series of Ward Committee meetings, the service delivery needs of all wards were analysed and then used as a basis for the public engagement sessions. In most of the poorest, disadvantaged wards, the priorities identified were the building of decent houses and the rectification of existing low income (RDP) houses, infrastructure development (streets and stormwater) and the initiation of Local Economic Development (LED) projects, focusing on job creation. Additional Ward Committee meetings were held to allow Ward Councillors and Ward Committee members the opportunity to prioritise needs, in order to differentiate between burning service delivery issues and the so-called "wish list"/nice-to-have issues, prior to the drafting and prioritisation of the institution's Capital and Operational Budgets.

The main consideration during the IDP development process relates to the approving of projects that reflect and address the changing needs of communities and the minimum internal operational demands required to keep the Municipality functional. However, the balancing factor for the successful implementation of this Plan will always be the availability of funds for capital projects within the municipal budget.

Details of public participation on the IDP and Budget during the review period are listed below.

TABLE 2.2: Public participation

Nature and purpose of meeting	Date of events	Number of community members attending	Issue addressed (Yes/No)
IDP and Budget Public Participation	19 September-27 October 2017	5928	Yes
IDP and Budget Public Participation	10-25 April 2017	3639	Yes

2.5 IDP PARTICIPATION AND ALIGNMENT

TABLE 2.3: IDP participation and alignment

IDP Participation and Alignment Criteria	Yes/No
Does the Municipality have impact, outcome, input and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	Yes
Does the Budget align directly to the KPIs in the strategic plan?	No
Do the KPIs in the IDP align to Section 57 managers?	Yes
Do the KPIs in the IDP lead to functional area KPIs, as per the SDBIP?	Yes
Do the KPIs in the IDP align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes (IDP, SDBIP and Annual Reports are open for inspection and municipal libraries, Centres of Higher Learning, Customer Care Centres and on Municipal Website)
Were the four quarter aligned reports submitted within stipulated timeframes?	The four quarter aligned reports were submitted within the following timeframes: First Quarter: 8 November 2016

IDP Participation and Alignment Criteria	Yes/No
	<p>Second Quarter: The Mid-Term performance report was tabled in Council on 31 January 2017</p> <p>Third Quarter: 16 May 2017</p> <p>Fourth Quarter: The fourth quarter performance report was submitted to Internal Audit and the Auditor General on 31 August 2017.</p>

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

The Executive Management of the Nelson Mandela Bay Municipality (NMBM) recognises that it is accountable for the establishment and maintenance of an effective risk management system. The risk management system comprises a risk management policy and procedures for identifying, assessing, monitoring and reporting on all material risks facing the Municipality.

The Executive Committee ensures that governance, risk management and internal control systems are regularly reviewed for adequacy and effectiveness. The latest review was conducted by Internal Audit for the 2016-17 financial year period and included the adequacy and effectiveness of enterprise risk management (ERM) within the NMBM.

Risk monitoring and management is a continuous process. However, to enable transparency and adequate oversight, formalised risk reporting structures and requirements are defined and aligned with the NMBM's Risk Management Committee responsibilities, as stipulated in the Risk Management Committee Charter.

The Risk Management Unit conducts a quarterly analysis of the NMBM's identified risks. Workshops and interviews with Executive Directors and their Management Team members were conducted to assist in gathering the necessary information.

Internal control

The Risk Management Unit provides independent oversight and systems for the management of all categories of risks.

As part of the overall management of risks, management has put in place internal controls to ensure that they have reasonable assurance that the Municipality is operated in line with legislative requirements, policies and procedures and contributes to the achievement of institutional strategic objectives.

A Chief Risk Officer has been appointed to drive the implementation of risk management processes and to improve the risk maturity level of the Municipality. The Chief Risk Officer reports to the Risk Management Committee and Audit Committee (through the Risk Committee Chairperson) on a quarterly basis on the status of risk management in the institution.

The Enterprise Risk Management Policy has been reviewed to ensure that it is in line with institutional changes and the Public Sector Risk Management Framework, as issued by National Treasury.

Management is also in the process to implement appropriate risk monitoring tools to proactively alert management of material risks that may materialise. This will be done by the setting of risk tolerance levels for all key risk categories.

Setting of risk tolerance levels is aimed at preventing and detecting any significant risk from materialising and to minimise any negative consequences thereof.

Control Self-Assessment

Management annually performs a control-self assessment to provide an opinion of the effectiveness of internal controls put in place to mitigate risks.

Internal financial controls

Internal financial controls are based on established policies and procedures. Management is responsible for implementing internal financial controls, ensuring that employees are suitably qualified, that there is appropriate segregation of duties, and that appropriate reviews are performed.

Internal assurance providers

The NMBM Internal Audit Unit is the main internal assurance provider of the Municipality. Internal audit provides objective and independent assurance to management and the Council of the NMBM, through the Audit Committee, about risk management and internal control processes. Internal Audit is governed by an Internal Audit Charter, approved by the NMBM's Audit committee, and is reviewed annually. The Charter defines the purpose, authority and responsibility of the Internal Audit Activity.

External audit

The Office of the Auditor General is engaged on an annual basis to provide stakeholders with an independent opinion on whether the annual financial statements fairly present, in all material respects, the financial position of the Municipality.

To eliminate duplication of effort, there is regular communication with Internal Audit to understand the scope of their work and the results of their audits.

The external and internal auditors attend Committee meetings and have unrestricted access to the Audit Committee and its Chairperson at all times, ensuring that their independence is not compromised.

Risk disclosure

The integrated ERM process is still at initial stages of risk maturity, as measured using the National Treasury's Local Government Risk Management Maturity Framework. Efforts are under way to embed ERM into the daily operations of the Municipality and to foster a culture of continuous improvement.

Top Risks

The five key risks of the institution are:

- Water scarcity and water losses
- Theft of electricity
- Fraud and corruption (in conclusion of contracts)
- Sub-standard work by contractors in housing delivery
- Infrastructure backlogs

2.7 ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

The NMBM Anti-Fraud and Anti-Corruption Strategy was approved by the Council on 31 March 2011. It was reviewed during the 2015/2016 financial year in order to accommodate uniformity in respect of the reporting of matters in respect of alleged financial misconduct and the investigation thereof, as provided and referenced in the Regulations issued by the Minister of Finance in terms of Section 175 of the Municipal Finance Management Act, No 56 of 2003. The Strategy, which was approved by Council during 31 March 2011 and reviewed, is in the process of being converted into a policy document, to be considered for approval and adoption during the 2017/2018 financial year.

The above referenced and envisaged policy document makes provision for the appointment of individuals to a “*disciplinary board*”, to which all allegations of financial misconduct are to be reported. These must then be reviewed and assessed, and preliminary assessment reports must then be submitted to Council, whereafter matters are submitted for investigation to an independent investigator, who must issue a forensic report within 30 days. The last mentioned obliges the Council to conclude investigative processes within specific timeframes in order to address immediate prevalent financial crime trends/modus operandi and at the same time mitigate further risk and financial prejudice to the Council.

Whilst such a disciplinary board has been constituted within the Municipality, it does not conform with the provisions as per the Regulations in terms of addressing the actual mandate as required in terms of these Regulations, which as a matter of regulatory compliance impairs the actual purpose of such Board, as described in the respective Regulations. Internal Audit requested the rescinding of the disciplinary board, with the view of complying with the MFMA and relevant Regulations, but the last mentioned has not been executed as requested.

The envisaged policy document intends to regularize the content of the above Regulations in compliance with the MFMA on the one hand; and on the other hand the policy document intends to introduce an additional approach of combating financial impropriety by means of a “*continuous preventative auditing*” approach. Such a preventative approach would secure obligatory internal inspections within directorates, not only conducted by Internal Audit, but also through the continued participation of the Executive and delegated staff in promoting a culture of compliance and accountability. Such approach enhances the continuous identification of financial impropriety, which would be subjected to immediate reactive

investigative processes, thus contributing to the immediate addressing of risk and mitigating/limiting further financial prejudice to the Council.

During November 2016, the Council launched its Ethics Hotline as an additional medium to report alleged financial impropriety/misconduct by the broader community, staff and third parties on the basis of confidentiality, which is operationally managed externally by KPMG. Such reports are furnished to the NMBM Internal Audit Directorate for investigation. Whilst the Municipality endeavours to investigate such reports/matters, it must be noted that the majority of reports are service delivery related and/or related to the misuse of assets and illegal electricity connections, which are referred to the respective directorates for their execution and feedback. Whilst such a Hotline is indeed another medium of reporting, the Council must also ensure that it avails over a well capacitated and skilled investigative function, which currently is not the position. Matters are outsourced and/or co-sourced at considerable financial implication in respect of *ad hoc* forensic assignments, yet the municipal investigative function urgently needs to be assessed.

A considerable impairment to the investigative mandate of the Internal Audit Directorate is the fact that its forensic staffing is seriously under-capacitated, whilst the lack of skills and other factors impair the desired performance, which is further affected by non-compliance with the recommendations contained in forensic reports over an extended period, resulting in an undesired state of non-consequence management or impunity.

An Anti-Fraud and Anti-Corruption Awareness Workshop was presented with the assistance of the Executive Director: Corporate Services. External stakeholders included the Office of the Premier, COGTA and South African Police Services. Whilst the event was attended by the Executive Mayor, Councillors, Executive Management and middle management, a separate programme must be initiated in order to communicate the Municipality's stance on financial impropriety to the lowest operational levels in promotion of a culture of service delivery based on the highest levels of integrity and accountability. It is expected that the Executive Management should take responsibility and ownership to drive such awareness and education programme within their own respective directorates

Whilst the will to root out financial impropriety in whatever form may exist and/or may be communicated during a single workshop and media, the Municipality requires a MFMA compliant foundation, which is vested in the formulation, approval and roll-out of Section 79 delegations to the lowest operational levels, as non-compliance with such delegations only is deemed "*criminal conduct*" in terms of Section 171 and 173 of the MFMA. Additionally, the

disciplinary board composition is not compliant with the Regulations in terms of Section 175 of the MFMA. The investigative staff complement vested within Internal Audit must be capacitated with skilled and competent experienced commercial investigators. Investigations must be concluded within prescribed timeframes as per the Regulations and referred to Council for reporting purposes and eventual judicial process and recovery where financial prejudice has been incurred by the Municipality. In conclusion, the Executive management and middle-management functionaries should venture into a culture of “prevention” as a cure, as compared to placing reliance on reactive investigative processes, hence legislative provisions governing “financial management” in all governmental spheres.

2.8 SUPPLY CHAIN MANAGEMENT

Brief narrative of SCM policies and processes

The NMBM has an adopted SCM Policy, version 4 of 2013, approved by the municipal Council. The Policy is in line with the Municipal Supply Chain Management Regulations. The SCM Policy is currently under review. All municipal procurement processes are performed in line with the Policy and supplemented with the revised regulations. A procurement manual was developed, giving step by step guidance on procurement processes. In July 2017, the SCM office embarked on information sharing: all relevant SCM role-players were trained and their roles in the SCM process were thoroughly explained.

All bids that are above R200 000 follow a competitive bidding process and are advertised in the local newspapers for a period of 30 days.

All bids between R30 000 – R200 000 follow the informal bidding process and are advertised on the municipal website and notice-boards. These bids are advertised for a period of 7 days.

All bids between R10 000 – R30 000 are tendered for through written price quotations and the quotations must be sourced from 3 different service providers.

Improvements contributing to effective service delivery

Proper procurement processes have contributed effectively to service delivery in that the Municipality is able to provide the required services, to the right people and at the right price. The Municipality is therefore receiving value for money. The SCM Office appointed a service provider to develop and implement a quality management system.

Challenges experienced to attain standards set out in Section 112 of the MFMA:

- (i) Filling of vacancies is a major challenge in attaining the set standards.
- (ii) Outdated job descriptions or lack thereof requires revision and alignment to a proper organisational structure.
- (iii) The absence of Demand Management and Contracts Management Sections, - To be implemented in the 2017/18 financial year.
- (iv) Lack of regular performance of service providers - The Contracts Management Section established, will be implemented during the 2017/18 financial year.
- (v) Lack of continuous training of SCM practitioners – A number of SCM personnel were trained, also on ISO 9001:2015.
- (vi) Absence of a SCM implementation plan – SCM is compiling and submitting quarterly reports on implementation and performance.

Long-term Contracts

A number of consultant appointments for Infrastructure related projects are in excess of three (3) years. These appointments relate to longer-term projects, i.e. the Nooitgedaght Dam.

Remedial Action

These appointments are presently being reviewed and the process of terminating some of the contracts has started.

2.9 BY-LAWS

The By-law Implementation Coordinating Committee of the Nelson Mandela Bay Municipality was established in January 2017 with the intension of coordinating all issues relating to the implementation of By-laws, their monitoring and reporting. The Committee is chaired by the Chief Operating Officer. It has, since its establishment, held 9 committee meetings, used as a platform for discussing the effectiveness of the work conducted by the Committee in enforcing and monitoring the implementation of by-laws.

A draft By-law Implementation Framework has been developed with the intention of guiding the process of implementing and monitoring By-laws in the Metro. Of note, the key components of the By-law Implementation Framework tabled to the Nelson Mandela Bay Municipality are as follows:

- Development of a municipal code of by-laws.
- Educating local communities about the existence and importance of by-law observance.
- Training of municipal officials and Councillors on by-law implementation; and
- By-law implementation, including enforcement.

This By-law Implementation Coordinating Committee comprises representatives from the following directorates/department/entity:

- Economic Development, Tourism and Agriculture
- Sports, Recreation, Arts and Culture
- Public Health
- Mandela Bay Development Agency
- Human Settlements
- Electricity and Energy
- Infrastructure and Engineering
- Budget and Treasury
- Corporate Services
- Safety and Security
- Office of Chief Operating Officer (Coordinator)
- Mayor's Office
- Traffic Services and South African Police Service Departments.

Key roles and responsibilities of the Nelson Mandela Bay Municipality's By-law Committee are to hold site visits and undertake joint operations pertaining to the infringements of municipal by-laws and, subsequent to that, to discuss issues or concerns relating to By-law transgressions and complaints in the communities of municipal jurisdiction. The Committee has undertaken 6 Site visits and Joint Operations to date in different geographical areas of the Metro that are identified to have the highest number of by-law transgressions. These Joint Operations are followed by Committee meetings that are utilized to deliberate on the progress of each site visit and to consider necessary actions emanating from the visits.

The table below shows the number of site visits that the By-law Coordinating Committee undertook over the period February to 22 September 2017.

TABLE 2.4: Site visits

Name of Site Visited	Date
1. Kenako and Ziyabuya Mall	February 2017
2. Parliament Street	13 April 2017
3. Durban Road, Korsten	30 May 2017
4. Uitenhage CBD and 30 John Street	2 June 2017
5. Swartkops, Strand street and Pier 14	4 July 2017
6. Heugh Road, Walmer and 8th Avenue	7 September 2017
7. William Moffat, Buffelsfontein, 8 th Avenue and Main Road, Walmer	22 September

The By-law Committee meets on a regular basis to consider if specific actions need to be taken by relevant directorates on the by-law transgressions that have been identified. One of the key functions of this Committee is to monitor whether directorates implement the decisions that are taken in relation to the specific transgressions that are identified through the different channels. In this regard, a By-law Register has been developed, with the main intention of capturing all decisions of the Committee that require directorates to act.

The table below shows the overall meetings that were held by the By-law Implementation Coordinating Committee from 8 February to 14 September 2017.

TABLE 2.5: By-law Implementation Coordinating Committee meetings

Venue of Meeting	Date
3 rd Floor Boardroom, Noninzi Luzipho Building	8 February 2017
Committee Room No.1, City Hall	22 February 2017
Ground Floor Boardroom, Noninzi Luzipho Building	16 March 2017
Ground Floor Boardroom, Noninzi Luzipho Building	7 April 2017
4 th Floor Boardroom, Noninzi Luzipho Building	17 May 2017
4 th Floor Boardroom, Noninzi Luzipho Building	13 June 2017
4 th Floor Boardroom, Noninzi Luzipho Building	6 July 2017
3 rd Floor Boardroom, Noninzi Luzipho Building	27 July 2017
Ground Floor Boardroom, Noninzi Luzipho Building	14 September 2017

The By-law Complaints Register was developed to capture all transgressions of by-laws reported to municipal directorates or offices. The By-law Complaints Register entails various components; with its key components outlined below:

- a) Complaints received
- b) Sources of complaints
- c) Complainants
- d) Decisions taken by the Committee
- e) Directorates with the mandate to implement such decisions
- f) Status of implementation of decisions

As the By-law Implementation Coordinating Committee operates, there are a number of strategic issues emanating from its implementation and coordinating activities. Below are the issues that require institutional discussion as per the By-law Committee:

- After joint operations by the By-law Implementation Coordinating Committee are undertaken to different sites, as shown above in this report, the Committee has identified that there is little or no monitoring of the sites visited, which encourages the reoccurrence of by-law transgressions in those sites. This therefore does not help the Committee to reach one of its goals, which is to eliminate transgressions of by-laws in the metro. This effectively relates to the sustainability of the work done by the Committee.
- Another issue that has been identified by the By-law Committee as needing institutional attention is the need for shelter for informal traders in various locations and communities in the Metro, as they form part of the economic needs of the Metro and the country. In adhering to this issue, the Nelson Mandela Bay Municipality has developed an Interim Informal Trading Management Committee with the key responsibility of discussing the issues pertaining to informal trading in the Metro, especially the issue of providing alternatives for informal traders. This Committee is also formed by key service delivery directorate representatives.
- In terms of the focus areas of the framework outlined above, the Committee has until now only focused on the last element, which is enforcement. In order for the Committee to be more effective, other areas of the framework should be addressed, including education to communities and training of municipal officials and Councillors on by-laws.

2.10 WEBSITE

TABLE 2.6: Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current Annual and Adjustments Budgets and all budget-related documents	Yes	2016/17 Adjustments Budget:6 March 2017 2017/18 Draft Budget: 10 April 2017 2017/18 Final Budget:29 May 2017
All current Budget-related policies	Yes	29/05/2017
The previous Annual Report (Year -1 = 2015/16)	Yes	31/01/2017
The Annual Report (Year 0 = 2016/17)	No	To be published by 31 January 2018
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (Year 0 = 2016/17) and resulting scorecards	Yes	2017/18: 07/07/2017 2016/17: 19/07/2016
All service delivery agreements (Year 0 = 2016/17)	N/A	No agreements entered into during the review period
All long-term borrowing contracts (Year 0 = 2016/17)	N/A	No agreements entered into during the review period
All supply chain management contracts above a prescribed value (give value) for Year 0	No	Not as yet implemented
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year	Yes	20/10/2016 21/01/2017 24/04/2017
Contracts agreed in Year 0 (2015/16) to which Subsection (1) of Section 33 apply, subject to Subsection (3) of that section	Yes	12/06/2013
Public-private partnership agreements referred to in Section 120 made in Year 0 (2016/17)	Yes	12/06/2013
All quarterly reports tabled in the Council in terms of Section 52(d) during Year 0 (2016/17)	Yes	Qtr 1: 13/10/2016 Qtr 2: 31/01/2017 Qtr 3: 14/08/2017 Qtr 4: 14/08/2017

2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

CUSTOMER SATISFACTION SURVEY

The Nelson Mandela Bay Municipality is now undertaking customer satisfaction surveys on an annual basis. These surveys are going to gauge the level of satisfaction of residents of Nelson Mandela Bay with the services received. The outcome of such surveys will inform the decisions taken by the Municipality on measures to improve on the services provided to communities.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

Service delivery performance highlights over the review period are reflected below:

- **Provision of integrated, sustainable human settlements.**
 - 2 188 state subsidized housing units provided.
 - 346 social housing units provided.
 - 4 004 erven provided with permanent water and sanitation services.
 - 601 households relocated from stressed informal settlements and other servitudes to Greenfield development areas.

- **Provision of quality potable water and reliable water supply.**
 - 1 130 state subsidized houses provided with water connections.

- **Provision of sanitation services.**
 - 1 130 state subsidized houses provided with sewer connections.

- **Provision of energy and electricity.**
 - 3 432 electricity connections provided.

- **Provision of solid waste management services.**
 - 100% households within the urban edge receiving a weekly domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development).

Other key focus areas of the Municipality include:

- Sports development
- Promoting arts and culture
- Economic development
- Creation of jobs, *inter alia* through Expanded Public Works Programme
- Ensuring a safe environment

INTRODUCTION TO THE CITY PILLARS

The Nelson Mandela Bay Municipality has adopted a delivery approach that is based on six pillars. These pillars are outlined below:

- The Well-run City
- The Opportunity City
- The Safe City
- The Inclusive City
- The Caring City
- The Forward Thinking City

As part of determining the delivery programme and the respective priorities for each pillar, the City undertook an extensive process of introspective analysis. The outcome of this analysis was an outline of key objectives identified for each pillar. These pillar objectives are outlined below.

1. Priorities for the Well-run City

- Transforming the institutional systems, processes and organisational structure to high performance in order to effectively deliver basic services to a well-run city.
- Changing the way, we think about and approach our work and ensuring that the Municipality is staffed with the right people for the right jobs with the right attitudes.
- Ensuring financial prudence and transparent governance and working towards eradicating corruption.

2. Priorities for the Opportunity City

- Growing and diversifying the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.
- Facilitating and promoting infrastructure-led growth, development and tourism.
- Executing existing and designing and implementing new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.
- Developing an effective integrated public transport system that promotes access to opportunity through mobility.

3. Priorities for the Safe City

- Delivering well-resourced and capacitated policing and emergency services in order to ensure the safety of all communities and visitors.
- Providing infrastructure that improves the safety of communities and visitors.
- Improving the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.

4. Priorities for an Inclusive City

- Ensuring responsive governance through consistent public participation, effective functioning and support of Ward Committees and the creation of an environment in and systems through which participatory and responsive governance can thrive.
- Spatial and built environment developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay.
- Delivering on transformation objectives, promoting redress and fostering social cohesion.

5. Priorities for a Caring City

- Providing for the social needs of communities and the empowerment of vulnerable people through the provision of access to social services, social development programmes and indigent support.
- Promoting the health and well-being of all communities through the spatially equitable provision of social infrastructure.
- Providing effective general environmental and public health services.
- Providing dignified housing and sanitation and accelerating access to improved services to indigent households in order to create safe and decent living conditions for all residents.

6 Priorities for a Forward Thinking City

- Ensuring multi-generational planning that promotes sustainable economic growth through research and development, innovation and the optimal use and development of technology.
- Developing an environmentally sustainable city through proactive planning.

The Service Delivery report of the Municipality will be presented below based on these six priorities and their stated objectives.

PILLAR 1:
THE WELL RUN CITY

PILLAR 1: THE WELL RUN CITY

This pillar pertains to all initiatives that cater for meeting the standard operational expectations of the Municipality, including initiatives that address the Human Resources component, systems, accountable governance and the financial viability of the institution. In The Well Run City, monitoring and evaluation informs decision making and provides information for accountability and performance improvement.

A culture of excellence among staff and institutional systems and processes is strived for. In the Well Run Nelson Mandela Bay, all basic services are delivered to expectation and the City sets the benchmark for transparent governance, financial viability and the eradication of corruption.

There are a number of municipal functions that ultimately contribute towards the attainment of the intended outcomes of the Well Run City. As part of our reporting on the work done in moving towards meeting the objectives of a Well Run City, we will report on the following areas:

- Water provision
- Wastewater (sanitation) provision
- Electricity and energy,
- Waste management
- Stormwater drainage
- Executive Council services
- Financial services
- Human resources services
- ICT services
- Legal services and risk management

3.1 WATER PROVISION

The Water Services Development Plan provides the general water services requirements of the NMBM. The Water Master Plan (WMP) gives effect to these needs and forms the basis of water provision for the NMBM.

The priorities in terms of water provisions can be grouped into three areas:

Basic Water:

The provision of basic water remains critical for the NMBM and in this regard the citizens located within the urban edge have 100% access to water. The challenge of water supply to communities located on private land in the peri-urban area remains. The target to provide access to water to all is contained in two areas of the Capital Budget:

- *Upgrading of the seven water treatment facilities:* To meet the demand and legislative compliance (this upgrading includes the Nooitgedagt Low Level Scheme).
- *Bulk water infrastructure:* To support the Housing Programme that directly speaks to the upgrading of informal settlements and access to water for the poor.

Water Augmentation:

The Water Master Plan document contains recommendations that affect the augmentation of the system and progress is set out in the table below:

TABLE 3.1: Water augmentation

No	Recommendation	Progress	O/S
1	Remove the restricted yield on the bulk supply system.	Churchill pipeline in the vicinity of Driftsands was doubled up to reduce the friction losses and thereby increase the yield in the system. In addition the Gamtoos booster pump station was upgraded to both be an inline booster and also to transfer about 20 Ml/d into the Loerie – Chelsea pipeline.	Nil.
2	Plan to implement a return effluent scheme from FWF to Coega.	Designs for the scheme are completed, including the issuing of an EIA. However the funding of ±R600 million is still to be acquired or appropriate arrangements must be made with Coega or an investor.	On-going
3	Next Augmentation scheme to be agreed with DWS.	NCLLS was agreed upon and Phase 1 (pipeline & pump stations) complete and Phase 2 at the end of 2016/17 was 88% complete. Phase 3 is being implemented by Amatola Water as the implementing agent and funded by DWS.	Phase 2 scheduled for completion in Nov. 2017 and Phase 3 by 2019.

The water supply area has been in a drought over the last two years and the completion of Phase 2 of the NCLLS has been critical in making the additional 50 MI of water available for the NMBM.

As part of the NMBM water interventions, the abstraction of groundwater to augment the current water supply system has been identified as critical. Tenders have been called for the drilling of these holes ± 200 m deep and the subsequent treatment of the water, as it is high in iron and manganese. This project is estimated to be completed in 2019.

DWS is currently updating and reviewing the Algoa Water Supply System reconciliation strategy. This strategy evaluates the water availability for the future of the supply regions and makes recommendation appropriately. This information will be used for the review of the Water Master Plan going forward.

Efficient Water use:

This is essentially focused on water operations and the reduction of water losses. The progress of the work-streams adopted has produced the savings as set out in the table below.

TABLE 3.2: Water savings

	2012/13	2013/14	2014/15	2015/16	2016/17
Treated volume (MI)	99 216	107 655	109 299	109 876	101 298
Billed volume (MI)	57 013	62 110	60 420	62 139	63 262
NRW %	41,9	42,3	44.7	43.4	37.5
Real Losses %	28,2	36,3	38.4	37.3	29.4

Planning and implementation of projects to augment water supply, expand coverage and rehabilitate water infrastructure are identified on the Capital Budget to speak to the provision of water for both social and economic good.

As reported in the last annual report, a deliberate decision was made to set aside funding for the Nooitgedagt Low Level Scheme. This has now resulted in Phase 2 of the project being 88% complete and the first water from the scheme is expected in July 2017.

No further Blue Drop Report has been distributed since the 2014 report. However, as regularly reported to the Infrastructure Engineering and Energy Committee Meetings the NMBM is compliant with the parameters as set out in SANS 241, which is the basis for Drinking Water compliance.

TABLE 3.3: Total Use of Water by Sector mega litres

Total Use of Water by Sector mega litres					
	Agriculture	Forestry	Industrial & Commercial	Domestic	Unaccountable water losses
Year -1			35204	74672	37.3%
Year 0			22142	41120	29.4%

FIGURE 3.1: Water use by sector

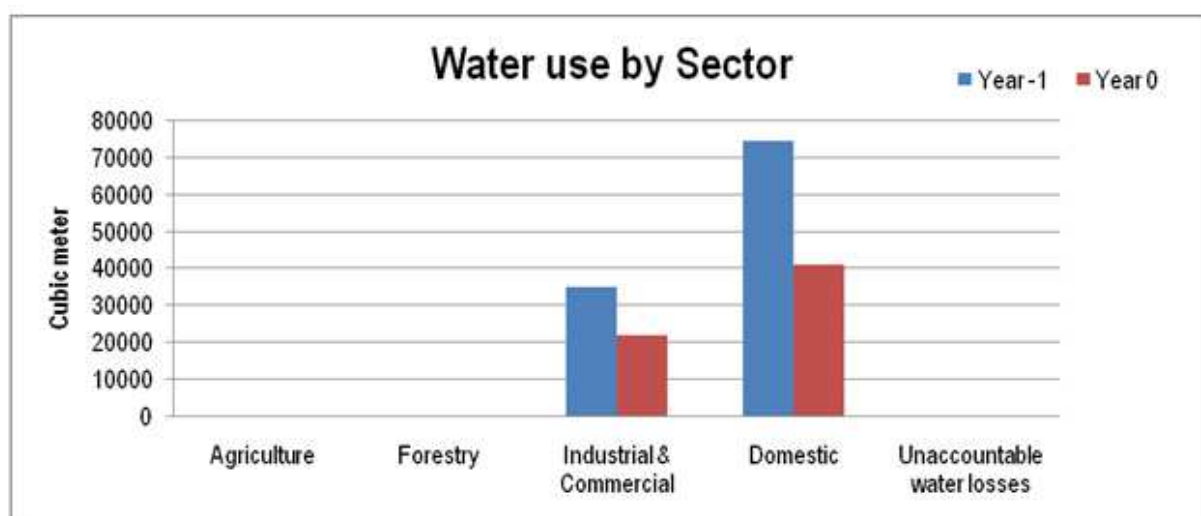


FIGURE 3.2: Water (above min level)

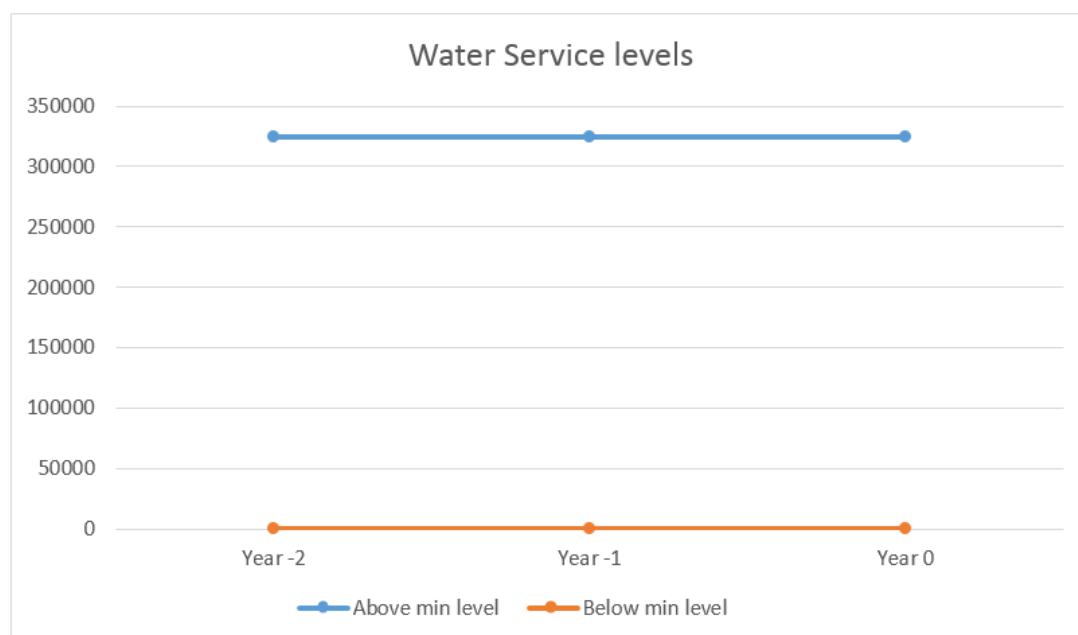


TABLE 3.4: Water Service Delivery Levels

Water Service Delivery Levels						
Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Actual	Actual	Actual
	No.	No.	No.	No.	No.	No.
Water: (above min level)						
Piped water inside dwelling	304849	305890	307665		1396	309061
Piped water inside yard (but not in dwelling)						
Using public tap (within 200m from dwelling)	19443	18402	16627			15231
Other water supply (within 200m)						
Minimum Service Level and Above sub-total	324292	324292	324292			324292
Minimum Service Level and Above Percentage	1	1	1			1
Water: (below min level)	0	0	0			0
Using public tap (more than 200m from dwelling)	0	0	0			0

Households						
	Year -3	Year -2	Year -1	Year 0		
Description	Actual	Actual	Actual	Actual	Actual	Actual
	No.	No.	No.	No.	No.	No.
Other water supply (more than 200m from dwelling)						
No water supply						
Below Minimum Service Level sub-total	0	0	0	0	0	0
Below Minimum Service Level Percentage	0	0	0	0	0	0
Total number of households	324292	324292	324292	0	0	324292

TABLE 3.5: Household access to water

Year	Proportion of households with access to water points	Proportion of households with access to piped water
Year -2	18402	305890
Year -1	16627	307665
Year 0	15231	309061

TABLE 3.6: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city and KPE: Water and Sanitation	% informal households within the urban edge provided with access to a basic potable water supply within a 200 m radius	100%	100%	100%	100%	100%
	Number of state subsidised households provided with direct access to water and sanitation	N / A	N / A	N / A	N / A	3000
	% compliance with the drinking water standards in line with South African National Standards 241 (SANS 241)	N / A	N / A	100%	100%	100%
	% reduction in year-to-year water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)	1%	1.1%	2%	7.8% decrease in water losses	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Water and Sanitation	% real water losses as defined by the International Water Association (physical losses of water from the distribution system, including leakage and storage overflows)	N/A	N/A	N/A	N/A	29.3%
	% formal households within the urban edge provided with access to a basic potable water supply	100%	100%	100%	100%	N/A
	% Completion of Nooitgedagt Water Treatment Works - (Phase 2)	N / A	N / A	90%	88%	100% of Phase 2 completed by 30 September 2017

TABLE 3.7: Employees: Water services

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	185	250	175	0	0%
4 - 6	96	160	93	0	0%
7 - 9	50	79	48	2	2.53%
10 - 12	29	54	29	8	14.8%
13 - 15	5	30	3	6	20%
16 - 18	0	2	3	10	500%
19 - 20	0	0	0	0	0%
Total	365	575	351	26	4.52%

TABLE 3.8: Financial performance: Water services

Financial Performance Year 0: Water Services					
Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	815,329	795,576	873,529	967,772	17.79%
Expenditure:					
Employees	130,695	147,584	152,917	177,060	16.65%
Repairs and Maintenance	79,171	105,960	118,074	96,398	-9.92%
Other	492,970	478,523	635,983	453,742	-5.46%
Total Operational Expenditure	702,836	732,067	906,974	727,200	-0.67%
Net Operational Expenditure	(112,493)	(63,509)	33,446	(240,571)	73.60%

TABLE 3.9: Capital expenditure: Water services

Capital Expenditure Year 0 : Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	176,551	175,551	202,103	12.64%	
Purchase New Vehicles	3,000	3,000	2,255	-33.02%	
Nooitgedagt/Coega Low Level System	40,000	64,500	70,991	43.65%	
Water Service Maintenance Backlog: Dams	1,500				
Groendal Dam: Rock Stabilization and Improved Outlet		335	390	100.00%	
Loerie Treatment Works: Rehabilitation	6,000	2,000	3,635	-65.07%	
Upgrading of Churchill Water Treatment Works	5,000	5,000	3,666	-36.38%	
Upgrading Groendal Treatment Works	2,000	2,000	1,343	-48.86%	
Desalination Augmentation	4,000	1,000	1,648	-142.64%	
Elandsjagt - Upgrade to Restore Capacity	15,000	14,000	16,071	6.66%	
Seaview Pump Station: Upgrade	5,000	1,000	1,393	-259.03%	
Seaview Bulk Water	5,000	1,000	1,219	-310.15%	
Coega Reclaimed Effluent Scheme	1,000	250			
Jagtvlaakte: Bulk Water Supply Pipeline	2,000	500			
Kwanobuhle: Upgrading of	500				

Capital Expenditure Year 0 : Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
water reticulation					
Non Revenue Water Interventions	8,551	8,551	6,932	-23.35%	
Water Services Maintenance Backlog: Pipelines	6,000	5,000	4,245	-41.34%	
Rehabilitation of Reservoirs	4,000	1,000	1,953	-104.78%	
Reservoir Fencing	500	500	565	11.57%	
Kwanobuhle Reservoir Link Watermain	500	500			
Balmoral Reservoir and Bulk Pipeline	1,000				
Construction of Amanzi Reservoir and Pipeline	2,000	1,000	863	-131.76%	
Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	2,000	300	72	-2663.42%	
Office Accommodation: Water	3,000	3,000	3,110	3.53%	
Access Roads: Upgrade	2,000	500			
Metro Water: Master Plan	1,000				
Telemetry Systems Upgrade	2,000	2,000	1,294	-54.52%	
Groundwater Investigation	10,000	1,665	8,295	-20.56%	
Rudimentary Service: Water	1,000	500	148	-575.22%	
Bulk Water Metering and Control	2,000	2,000	1,452	-37.71%	
Improvements to System - General	20,000	30,950	46,012	56.53%	
Water Service Maintenance	5,000	7,000	7,401	32.44%	

Capital Expenditure Year 0 : Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Backlog: Pump Stations					
Purchase of Water Meters - Metro	8,000	14,000	14,743	45.74%	
Installation of Zone Water meters	3,000	2,000	2,274	-31.91%	
Rehabilitation of Pipe Bidges	3,000	500	131	-2192.87%	
Cathodic Protection of Steel Pipelines	2,000				

3.2 WASTEWATER (SANITATION) PROVISION

The Water Services Development Plan provides the general water services requirements of the NMBM. The Sanitation Master Plan (SMP) gives effect to these needs and forms the basis of water provision for the NMBM. This has provided the implementation framework for projects to meet the housing programme, but also the guide for the upgrade of wastewater treatment works to create the additional capacity to treat wastewater to the ever more stringent discharge standards.

The three service delivery priorities for sanitation are as follows:

- **Bucket eradication:** This is the single biggest sanitation challenge that the NMBM faces in providing services to the poor. At the beginning of the 2016/17 financial year, the independent buckets count was recorded as being 16317. The latter formed the benchmark for the roll-out of the Bucket Eradication programme. On 1 December 2016, the NMBM Council adopted a revised strategy for the Bucket Eradication Programme. During the financial year, the Mayor engaged on a public consultation process for the implementation of the strategy. During this time parallel efforts such as plumbing &

drainage repairs and the roll-out of the housing programme, resulted in the reduction in the number of buckets to 14476.

- **Bulk wastewater pipelines:** In order to meet the needs for the upgrading of informal settlements, bulk pipe networks are required to serve these areas. The capacities created also cater for the economic activities earmarked in these areas.
- **Upgrading of wastewater treatment works:** Once again, the upgrading of informal settlements requires the treatment of wastewater, for which a huge capital investment is required. Three strategic wastewater treatments works (Driftsands, Fishwater Flats & Kelvin Jones) are targeted for upgrades that will create the capacity for the proposed developments. In this regard, at the end of the financial year, the new inlet works of Fishwater Flats was being tested for commissioning, while sludge handling measures were being implemented at Kelvin Jones to improve the final effluent.

Planning remains the key to create the preparedness for the sanitation service to receive any proposed development. In this regard, the upgrade of wastewater treatment works, expansion for coverage and the rehabilitation of wastewater infrastructure are identified on the Capital Budget to speak to the provision of water for both social and economic good.

TABLE 3.10: Sanitation service delivery levels

Sanitation Service Delivery Levels						
*Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)						
Flush toilet (connected to sewerage)	304849	305890	307975			309816
Flush toilet (with septic tank)						

	Year -3	Year -2	Year -1	Year 0		
Description	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Chemical toilet						
Pit toilet (ventilated)						
Other toilet provisions (above min. service level)						
Minimum Service Level and Above sub-total	304849	305890	307975	0	0	309816
Minimum Service Level and Above Percentage	0.9400448	0.9432548	0.9496842			0.95536
Sanitation/sewerage: (below minimum level)						
Bucket toilet	19443	18402	16317			14476
Other toilet provisions (below min. service level)			0			
No toilet provisions			0			
Below Minimum Service Level sub-total	19443	18402	16317	0	0	14476
Below Minimum Service Level Percentage	0.0599552	0.0567452	0.0503158			0.04464
Total households	324292	324292	324292	0	0	324292

TABLE 3.11: Households – sanitation service delivery levels below the minimum

Households - Sanitation Service Delivery Levels below the minimum						
Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	324292	324292	324292			324292
Households below minimum service level	0	0				
Proportion of households below minimum service level	0	0	0			0
Informal Settlements						
Total households	324292	324292	324292			324292
Households below minimum service level	19443	18402	16317			14476
Proportion of households below minimum service level	0.059955226	0.05674516	0.050315765			0.044638782

TABLE 3.12: Household access to sanitation

	Proportion of households with access to sanitation
Year -2	305,890
Year -1	307,975
Year 0	309,816

FIGURE 3.3: Access to sanitation

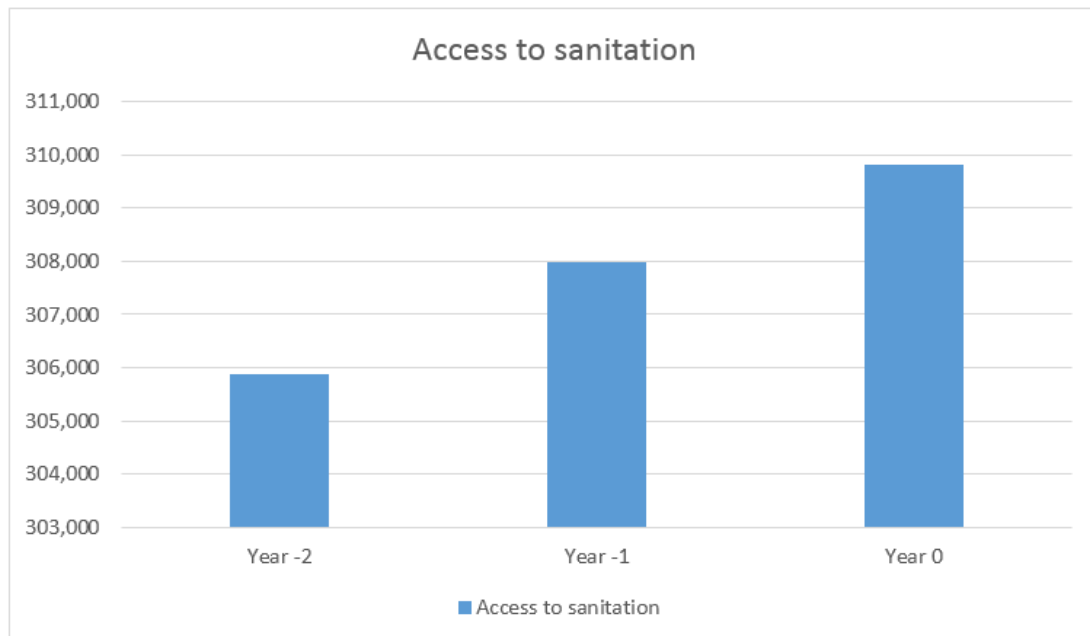


TABLE 3.13: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Water and Sanitation	% of households (both formal and informal) with access to basic level of sanitation	94%	100%	96%	100%	100%
	Number of state subsidized housing units provided with access to water and sanitation	1293	1749	3000	1130	3000
	% completion of the Fishwater Flats upgrade (Phase 1)	N/A	N/A	100% completion of Inlet works by March 2017	100% completion of Inlet works by March 2017	N/A
	% reduction in the number of buckets in circulation within Nelson Mandela Bay	N/A	N/A	5%	11.3%	N/A

TABLE 3.14: Employees: Sanitation Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	230	310	211	0	0%
4 - 6	117	188	81	0	0%
7 - 9	47	55	49	2	3.63%
10 - 12	23	41	29	8	19.5%
13 - 15	9	18	6	6	33%
16 - 18	2	2	2	10	500%
19 - 20	0	0	0	0	0%
Total	428	614	378	26	4.23%

TABLE 3.15: Financial Performance 2016/17: Sanitation Services

Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	526,606	753,435	734,840	707,008	-6.57%
Expenditure:					
Employees	130,591	135,177	134,741	187,785	28.02%
Repairs and Maintenance	108,772	113,882	97,679	54,792	-107.84%
Other	194,272	242,861	303,713	214,109	-13.43%
Total Operational Expenditure	433,635	491,919	536,134	456,686	-7.71%
Net Operational Expenditure	(92,970)	(261,515)	(198,706)	(250,322)	-4.47%

TABLE 3.16: Capital Expenditure Year 0: Sanitation Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	306,750	303,500	243,900	-25.77%	
Office Accommodation: Sanitation	2,000	2,000	334	-499.08%	
Bucket Eradication Programme	42,000	38,450	13,136	-219.73%	
Sewers: Maintenance Backlog	5,000				
Sewer Replacement and Relining	9,000	9,000	586	-1435.32%	
Improvements to Sewerage System	15,000	17,000	13,708	-9.42%	
TEI: Sampling Stations	400	400	168	-138.68%	
Rehabilitation of Kwazakhele Collector Sewer	4,000	2,700	684	-484.50%	
Markman - Replace 600mm Sewer	500	2,500	418	-19.68%	
Motherwell North Bulk Sewerage	3,000	3,000	3,434	12.63%	
Paapenkuijs Main Sewers Augmentation	3,000	4,000	5,127	41.49%	
Lorraine - Bulk Sewerage Augmentation	500	250			
Colchester - Bulk Sewerage Infrastructure & WWTW	500				

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Sewer Protection works for collector sewers	2,500	2,500	524	-377.28%	
Jagtlakte Bulk Sewerage	1,000	1,000	1,466	31.80%	
Augment Collector Sewer for Walmer Heights and Mt Pleasant	2,000	2,000	1,795	-11.43%	
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	20,000	20,000	15,447	-29.48%	
Motherwell Main Sewer Upgrade	5,000	1,000			
Swartkops Low Level Collector Sewer Upgrade	9,000	4,000	711	-1165.10%	
Seaview Bulk Sewer	2,000	500			
Driftsands Collector Sewer - Augmentation	8,000	8,000	9,491	15.71%	
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	13,000	10,600	4,967	-161.75%	
Industrial Site (Airport Valley) - Bulk Sewer	3,000	500			
Motherwell/Coega WWTW and outfall sewer	4,000	6,000	2,890	-38.41%	
KwaNobuhle Area 11 - Link Sewer	1,000	500	175	-470.24%	
Sewerage Pump Station : Maintenance Backlog	10,000	15,000	19,189	47.89%	
Rocklands PHB Housing project WWTW	1,000	1,000	1,772	43.57%	

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Kelvin Jones WWTW: Upgrade	31,000	40,000	46,473	33.29%	
WWTW: Improve access roads	1,000	2,000	1,981	49.51%	
WWTW: SCADA / Telemetry Links	100				
Telemetry - Pump Stations	2,000	2,000	3,366	40.58%	
Brickfields: Upgrade	9,000	9,743	9,396	4.21%	
Driftsands WWTW Phase 3 extension	8,000	8,000	2,839	-181.82%	
Fishwater Flats WWTW Upgrade	65,000	77,257	72,942	10.89%	
KwaNobuhle WWTW : Upgrading	17,000	5,000	2,420	-602.41%	
Cape Recife WWTW : Upgrade	1,000	2,000	2,983	66.47%	
Upgrade Despatch Reclamation Works	1,000	2,000	2,152	53.53%	
Witteklip Bulk Sewerage	2,000	600	213	-839.03%	
Replacement of Sewerage Collection Vehicles	3,000	3,000	3,116	3.72%	
Sewerage Master Plan Updating	250				

COMMENT ON SANITATION SERVICES PERFORMANCE:

The overall target to provide basic sanitation to all is contained in two areas of the Capital Budget:

- Upgrading of the seven wastewater treatment facilities, to meet both the demand and legislative compliance requirements.
- Bulk wastewater infrastructure to support the Housing Programme that directly speaks to the upgrade of informal settlements and sanitation for the poor.

3.3 ELECTRICITY AND ENERGY**Universal access to electricity**

One of the main objectives of the Electricity and Energy Directorate is ensuring access to an electricity connection for all residents/communities in Nelson Mandela Bay.

The current programme under the Department of Energy's Integrated Electrification Programme (NEP) provides funds for the Municipality to electrify homes in line with the NMBM's Seven-year Housing Programme.

These funds are utilised for formal erven that contain formal or informal structures. The number of homes intended to be electrified within the NMBM under this programme for the 2017/18 financial year is 2550.

A plan to eliminate illegal connections has been developed and needs implementation. This will require an innovative funding model and a technology solution that allows for both grid and non-grid electricity. A clear distinction is required between formal and "never to be formalised" erven. The latter are those structures situated on road reserves, servitudes, flood-plains, etc. that will not attract any future formalisation. It is this category of erven that requires an innovative, low-cost but safe electricity supply.

A business plan to the value of R150 million over three years was developed and has been submitted to the Minister of Energy for funding. The final approval letter is awaited. As an interim, a tender is being prepared that will allow for the rapid deployment of such a project.

TABLE 3.17: Electricity Service Delivery Levels				
Households				
Description	Year -3- 2013/2014	Year-2 2014/2015	Year -1 2015/2016	Year 0 2016/2017
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	27937	26748	25850	24569
Electricity – prepaid (min.service level)	284863	243728	256748	267983
Minimum Service Level and Above sub-total	312800	270476	282598	292552
Minimum Service Level and Above Percentage	0.08931266	10.1120084	0.091473	0.083982
Energy: (below minimum level)				
Electricity (< min.service level)	123544	123544	216644	214050
Electricity - prepaid (< min. service level)	564865	486568	65954	78502
Other energy sources	28213	54215	13778	13557
Below Minimum Service Level sub-total	716622	664327	296376	306109
Below Minimum Service Level Percentage	2.290991	2.456140286	0.511899	0.511323
Total number of households	312800	270476	282598	292552

TABLE 3.18: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Electricity and Energy	Number of state subsidised housing units provided with access to electricity	1293 (State subsidised)	450	N/A	N/A	2550
	Number of informal households connected to electricity	1945 (Informal)	1945	N/A	N/A	N/A
	% of all households on officially surveyed sites provided with access to electricity	95%	100%	95%	100%	100%
	% electricity losses (the difference in energy purchased and energy sold) in line with NERSA standards	10%	12.68%	10%	13.60%	5.5%
	Renewable energy production as a percentage of total energy consumption	N/A	N / A	N/A	N/A	5%
	Number of new area lights installed	N/A	N / A	480 Amended to: 600	646	600

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1	Year -1	Year 0	Year 0	Year 1
		TARGET	ACTUAL	TARGET	ACTUAL	TARGET
		2015/16	2015/16	2016/17	2016/17	2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Electricity and Energy	% reduction in monthly electrical power outages on the high voltage network	N/A	N/A	8%	7.22%	8%
	Average turnaround time for installing a standard 3-phase business electricity supply (from the date of receipt of payment to the date of electricity installation)	N/A	N/A	N/A	N/A	45 days
	Number of reported illegal connections addressed through the replacement with a cheaper alternative (either an off-grid photo voltage system or a basic 20 amp electrical supply)	N/A	N/A	N/A	N/A	1300
	Number of informal households on non-proclaimed erven provided with a temporary alternative electricity supply (either an off-grid photo voltage system or a basic 20 amp electrical supply)	N/A	N/A	N/A	N/A	1000
	Number of main road street lights installed / repaired	N/A	N/A	20	69	40
	Number of residential street lights installed / repaired	N/A	N/A	100	204	160

TABLE 3.19: Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	82	210	82	129	61.4%
4 – 6	263	592	254	338	57.09%
7 – 9	17	55	35	20	36.36%
10 - 12	182	260	190	70	26.92%
13 - 15	18	24	19	5	20.83%
16 - 18	5	8	5	3	37.5%
19 - 20	1	3	3	1	33.33%
Total	568	1152	588	566	49.13%

TABLE 3.20: Financial Performance 2016/17: Electricity Services					
Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3,598,086	3,903,338	3,882,483	3,681,434	-6.03%
Expenditure:					
Employees	269,931	284,827	285,866	337,577	15.63%
Repairs and Maintenance	45,141	56,409	55,658	45,560	-23.81%
Other	3,171,999	3,345,227	3,207,506	3,214,647	-4.06%
Total Operational Expenditure	3,487,071	3,686,463	3,549,029	3,597,784	-2.46%
Net Operational Expenditure	(111,016)	(216,875)	(333,454)	(83,651)	-159.26%

TABLE 3.21: Capital Expenditure Year 0: Electricity Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	226,244	239,244	299,570	24.48%	
Private Township Development	15,000	10,000	12,702	-18.09%	
Miscellaneous Mains and Substations	20,000	20,000	19,185	-4.25%	
Meters and Current Transformers	2,000	2,000	2,789	28.28%	
Peri-Urban Network	1,500	1,500	1,044	-43.70%	
Relocation of existing electrical services	4,500	5,500	6,417	29.87%	
NMBM-Amat Prepaid meter project	4,000	3,000	3,000	-33.35%	
Non Electrification Areas - Service Connections	3,000	3,000	3,599	16.64%	
HV Network Reinforcement - Overhead Cabling	29,000	29,000	30,120	3.72%	
HV Network Reinforcement - New Substations	2,000	2,000	2,000	0.00%	
Reinforcement of Electricity Network - Coega	15,000	30,000	72,027	79.17%	
Reinforcement of Electricity Network - Western	2,000	2,000	1,650	-21.24%	
Reinforcement of Electricity Network - Hunters Retreat	2,000	500	272	-634.17%	
Reinforcement of Electricity Network- Despatch	500	500	537	6.88%	
Reinforcement of Electricity Network- Mount Road	1,000	1,000	698	-43.35%	
Reinforcement of Electricity Network - Uitenhage	2,592	4,292	1,455	-78.09%	
Reinforcement of Electricity Network - Ibhayi	1,500	1,100	663	-126.30%	
Reinforcement of Electricity Network- Swartkops	2,000	1,500	1,539	-29.99%	
Reinforcement of Electricity Network- Korsten	1,000	1,000	525	-90.45%	
Reinforcement of Electricity Network- Bethelsdorp 11kV	1,000	1,000	388	-157.56%	
Reinforcement of Electricity Network Wells Estate	1,000	1,000	2,229	55.14%	
Reinforcement of Electricity Network - Newton Park	1,000	750	183	-447.29%	
Reinforcement of Electricity Network- Walmer Lorraine	3,500	3,500	4,829	27.52%	
Reinforcement of Electricity Network-	1,400	650	626	-123.73%	

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Redhouse					
Reinforcement of Electricity Network - Summerstrand	1,200	1,200	1,103	-8.78%	
Reinforcement of Electricity Network - Malabar/ Helenvale	800	800	309	-158.61%	
HV Network Reinforcement - Underground Cabling	3,000	3,000	3,000	0.00%	
Low Voltage Reticulation Improvement	800	800	705	-13.55%	
Radio & Test Equipment	2,000	2,000	1,034	-93.50%	
Substation Fibre Optic Backbone	2,000	2,000	1,714	-16.71%	
Substation Security Alarm Upgrade	4,000	9,500	11,081	63.90%	
Supervisory Control Systems Upgrade	2,500	2,500	2,053	-21.75%	
Control Room Upgrade	2,500				
North Depot Improvements	3,000	1,000	967	-210.18%	
New/Replacement of Plant and Motor Vehicle	4,500	6,500	6,551	31.31%	
Distribution Kiosk Replacement	2,000	2,000	2,052	2.54%	
Cable Replacement 6.6kV	2,000	1,000	1,840	-8.70%	
MV and HV Switchgear replacement	9,000	9,000	8,581	-4.88%	
Relay Replacement	3,000	3,000	3,811	21.28%	
Replace Switchgear in Mini susbs - KwaNobuhle	250	450	434	42.42%	
Overhead Lines Refurbishment	4,000	2,000	3,045	-31.37%	
HV Line Refurbishment (66 & 132kV)	6,000	5,000	5,144	-16.64%	
Fairview Refurbishment	2,000	2,000	1,886	-6.07%	
Refurbishment of Power Transformers	5,000	5,000	5,900	15.25%	
Gas Turbine Refurbishment	3,000				
Electricity Buildings improvements	3,000	2,000	743	-303.70%	
Informal Housing Electrification	32,702	30,702	32,169	-1.66%	
Informal Settlement Electrification in Walmer		3,000			
Walmer Intervention Programme			17	100.00%	
Public Lighting	11,500	20,000	33,363	65.53%	
Undeclared Informal Electrification			3,594	100.00%	

3.4 WASTE MANAGEMENT

The function performed by the Waste Management Sub-directorate is mandated by the IDP of the Nelson Mandela Bay Municipality and subject to the relevant national legislation, with the main objective being the provision of quality sustainable waste management services to the residents within the municipality area. The implementation of Waste Management functions is guided by the Council's Integrated Waste Management Plan, which is currently under review and will be considered by Council in the 2017/18 financial year. The Strategy for the Elimination of Illegal Dumping was adopted by the Council in 2010 and important components of Phase 1 of this strategy have been implemented successfully.

There are three main areas of service delivery:

Collection of domestic waste:

A total of 356 502 households were provided with a weekly refuse removal service during 2016/17.

A weekly black bag collection service was rendered to approximately 15 765 households in informal areas where collection vehicles could not get access during 2016/17.

It is anticipated that this number will increase drastically by adding forty-three (43) areas in 2017/18.

Disposal of Waste:

The Waste Management Sub-directorate is responsible for the operation and maintenance of our four landfill sites, of which two sites are active, one site in the rehabilitation stage, and one site in the maintenance stage.

Although certain challenges were identified, the overall compliance levels are still acceptable, with the Arlington Landfill Site currently at 87.2% (increased from 85% in 2015/16); Koedoeskloof at 78.8% (decreased from 89.7% in 2015/16); Ibhayi at 53.6% and KwaNobuhle at 74.7%. Provision has been made on the 2017/18 Capital Budget for improvements towards a better audit level in 2017.

The expected lifespan of Arlington is 15 years and of Koedoeskloof 4½ years, within current footprints.

In accordance with the directive of the NMBM Illegal Dumping Strategy, a number of Waste Drop-off Centres have been provided in certain areas of the NMBM, at which residents are allowed to dispose of certain categories of waste not normally removed by the kerbside collection service.

There are currently a total of 19 such drop-off centres in the municipal area. Consultants have been commissioned to prepare a Master Plan on drop-off centres during 2016/17, which Master Plan has to indicate the condition of existing sites, the need for and potential position of future sites, and a preliminary prioritized implementation plan for the future. This Master Plan has been finalised and submitted for comments through SALT process. Provision is made on the 2016/17 Capital Budget for the construction of at least two drop-off sites per annum for the next three years.

Illegal Dumping:

One of the components of the NMBM Elimination of Illegal Dumping Strategy is to improve on the formal waste collection service by increasing the frequency of collection to once a week in those areas that receive a fortnightly service. To this end, the bi-weekly service was converted to a weekly frequency. This placed an unacceptable load on the current, and ageing, vehicles available for such collections.

To this effect, Council approved a programme to systematically increase/replace its collection fleet. Although provision of R8 000 000 was made on the 2015/16 Capital Budget for replacement, this amount was increased to R21 000 000 during the Budget adjustment process in January 2016. Additional orders for six new vehicles were placed in the 2016/17 Financial Year. Four (4) Refuse Compactors were delivered during 2016/17.

TABLE 3.22: Solid Waste Service Delivery Levels

	Households			
	Year -3	Year -2	Year -1	Year 0
Description	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	168430	200022	307811	359633
Minimum Service Level and Above sub-total	168430	200022	307811	359633
Minimum Service Level and Above percentage	0.5193776	0.61679597	0.93128184	0.96313843
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	133308	101716	0	0
Using communal refuse dump	15662	15468	14968	10865
Using own refuse dump	0	0	0	0
Other rubbish disposal	6852	6852	6852	0
No rubbish disposal	40	234	893	2899
Below Minimum Service Level sub-total	155862	124270	22713	13764
Below Minimum Service Level percentage	0.4806224	0.38320403	0.06871816	0.03686157
Total number of households	324292	324292	330524	373397

TABLE 3.23: Households - Solid Waste Service Delivery Levels below the minimum

Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	280744	280744	285228	359304	359304	359304
Households below minimum service level	135068	42582	0	380	380	380
Proportion of households below minimum service level	0.481107	0.151676	0	0.001058	0.001058	0.001058
Informal Settlements						
Total households	36696	36696	39064	13764	13764	13764
Households below minimum service level	14154	14154	15921	13764	13764	13764
Proportion of households below minimum service level	0.38571	0.38571	0.407562	1	1	1

TABLE 3.24: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Waste Management	% households within the urban edge receiving a weekly domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development)	99%	100%	99%	100%	100%
	Number of households within the urban edge receiving a weekly waste collection service (service converted from a bi-weekly to a weekly service)	57 000	90 677	N/A	N/A	N/A
	% Compliance to the permit conditions of Arlington Waste Disposal Site	N/A	N/A	85%	85%	N/A
	% Compliance to the permit conditions of Koedoeskloof Waste Disposal Site permit conditions	N/A	N/A	74%	89.7%	N/A

TABLE 3.25: Employees: Solid Waste Management Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	136	156	130	26	16.67%
4 – 6	67	76	64	12	15.79%
7 – 9	0	0	0	0	0%
10 – 12	13	13	13	0	0%
13 – 15	2	3	2	1	33.33%
16 – 18	0	1	0	1	100%
19 – 20	0	0	0	0	0%
Total	218	249	209	40	16.06%

TABLE 3.26: Employees: Waste Disposal and Other Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	333	401	310	91	22.69%
4 – 6	15	21	20	1	4.76%
7 – 9	3	4	1	3	75%
10 – 12	13	23	12	11	47.83%
13 – 15	0	2	0	2	100%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	364	451	343	108	23.95%

TABLE 3.27: Financial Performance 2016/17: Solid Waste Management Services

Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	282,275	305,077	291,737	304,836	-0.08%
Expenditure:					
Employees	70,721	83,322	80,389	100,472	17.07%
Repairs and Maintenance	327	1,457	1,319	1,418	-2.72%
Other	197,990	131,613	231,908	116,320	-13.15%
Total Operational Expenditure	269,037	216,392	313,616	218,210	0.83%
Net Operational Expenditure	(13,238)	(88,685)	21,879	(86,626)	-2.38%

TABLE 3.28: Capital Expenditure Year 0: Waste Management Services

Capital Projects	R' 000				
	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	17,500	35,374	24,737	29.26%	
Waste Management Containers	3,000	50			
Development of Waste Disposal Facilities	3,000	10,755	8,099	62.96%	
Replacement of Refuse Compactors	8,000	16,176	8,339	4.06%	
Urban Refuse Transfer/Recycling Station	3,000	393	365	-722.35%	
Upgrade of Public Toilets	500	500	1,585	68.45%	
Waste Beneficiation and Diversion		7,500	6,350	100.00%	

3.5 STORMWATER DRAINAGE

A Stormwater, Bridge and Culvert Management Systems Assets Register for Nelson Mandela Bay was completed and is updated continuously, in terms of which an inventory of all stormwater infrastructure was undertaken. The project entailed the development of the basic computer interface for the logging of stormwater information and the logging of piped, lined and unlined stormwater reticulation. All major river 1:100 year floodlines have been determined to give guidance on developable areas.

During the financial year, specific high risk areas of flooding were identified and a maintenance program drawn up to reduce flooding risk. These plans give guidance to priority areas as well as the installation of bulk stormwater and flood risk elimination in informal areas.

Inadequate funding, human resources, plant, material, long procurement processes, EME development, unreasonable expectations, ageing infrastructure, etc. remain among the key challenges faced.

TABLE 3.29: Stormwater Infrastructure

Kilometres		
	New stormwater measures	Stormwater measures upgraded
Year -2	1.00	1.00
Year -1	1.00	1.00
Year 0	2.47	2.47

TABLE 3.30: Cost of Construction/Maintenance

R' 000		
	Stormwater Measures	
	New	Upgraded
Year -2	42,957	12,132
Year -1	36,191	13,411
Year 0	37,714	5,774

FIGURE 3.4: Stormwater infrastructure costs

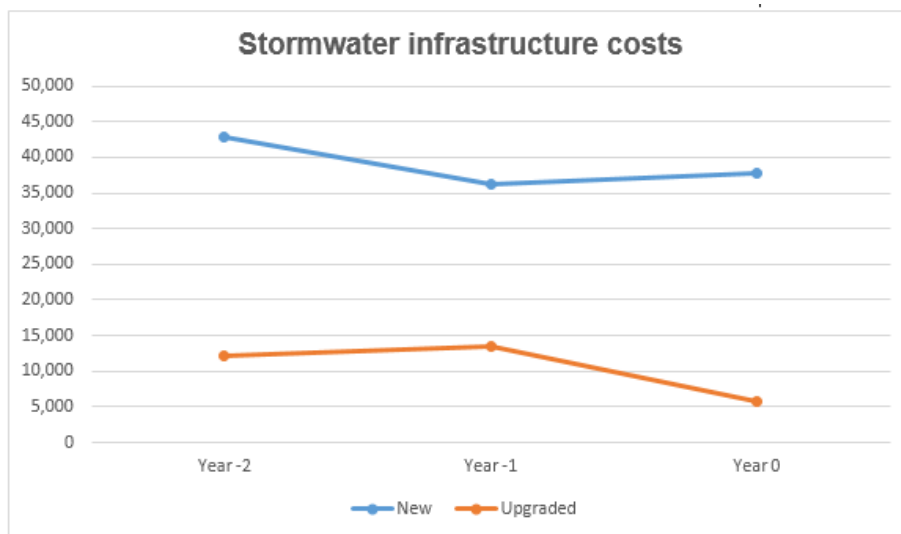


TABLE 3.31: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city	Km of stormwater drainage installed	1 km	1km	1.4km by March 2017	2.46km by March 2017	N/A
KPE: Stormwater	% completion of the Coega Kop Boreholes exploration	N/A	N/A	N/A	N/A	15% Phase 1

TABLE 3.32: Employees: Road & Stormwater Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	198	203	203	0	0%
4 - 6	42	147	43	0	0%
7 - 9	19	35	22	2	5.71%
10 - 12	19	39	19	8	20.51%
13 - 15	4	15	3	6	0.4
16 - 18	1	3	1	10	333%
19 - 20	0	0	0	12	0%
Total	283	442	291	38	8.56%

TABLE 3.33: Financial Performance 2016/17: Stormwater Services

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue				6,640	100.00%
Expenditure:					
Employees					
Repairs and Maintenance	31,640	21,042	21,042	16,185	-30.01%
Other	21,691	19,733	21,326	20,361	3.08%
Total Operational Expenditure	53,331	40,774	42,368	36,546	-11.57%
Net Operational Expenditure	53,331	40,774	42,368	29,906	-36.34%

TABLE 3.34: Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	56,500	53,220	44,325	-27%	
Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	1,000	1,000		0%	
Flood Risk Improvements: Chatty River	500	500		0%	
Flood Risk Improvements (All other rivers)	500	500		0%	
Miscellaneous - Roads and Stormwater	2,000	1,500	417	-380%	
Blue Horizon Bay Bulk Stormwater	500	500	303	-65%	
Groundwater Problem Elimination Northern Areas	500	150		0%	
Summerstrand Bulk Stormwater	12,500	12,500	12,022	-4%	
Cannonville/Colchester: Stormwater improvements	2,500	2,500	2,460	-2%	
Greenbushes: Stormwater Improvements	250	250		0%	
Theescombe/Gqebera Bulk Stormwater	17,000	17,000	14,420	-18%	
Lorraine Stormwater Control	6,500	6,500	5,783	-12%	
Paapenkuis Canal Rehabilitation	250	250		0%	
Zwide Bulk Stormwater	3,000	500	302	-894%	
Stormwater Improvements Ikamvelihle	500	500	438	-14%	
New Brighton/Kwazakhele: Bulk Stormwater	2,000	2,000	1,643	-22%	
Stormwater Improvements	2,500	2,500	2,495	0%	
Chatty: Stormwater Improvement	2,000	2,000	343	-483%	
Rehabilitation of Stormwater Ponds	2,000	2,000	3,279	39%	
Motherwell Canal Wetlands	500	570	421	-19%	

The following projects were implemented by the Municipality during the 2016/17 financial year:

- Stormwater Improvements: Ikamvelihle
- New Brighton / Kwazakhele: Bulk Stormwater
- Stormwater Improvements: Walmer / Gqebera
- Summerstrand Bulk Stormwater

COMPONENT B: CORPORATE POLICY AND OTHER SERVICES

3.6 EXECUTIVE AND COUNCIL

The institution is governed in terms of an Executive Mayoral System. It has a functional Executive Mayoral Committee in place, headed by the Executive Mayor, supported by the Members of the Mayoral Committee. The Committee, *inter alia*, comprises Councillors who serve as Chairpersons of the following Portfolio Committees:

- (a) Budget and Treasury
- (b) Economic Development, Tourism and Agriculture
- (c) Public Health
- (d) Human Settlements
- (e) Human Resources and Corporate Administration
- (f) Infrastructure, Engineering and Energy
- (g) Sport, Recreation, Arts and Cultural Services
- (h) Safety and Security
- (i) Transport
- (j) Municipal Public Accounts Committee
- (k) Rules and Ethics Committee

In addition to the above, the Municipality also has a Constituency Coordinator, whose responsibilities revolve around public participation in Council processes and programmes.

The NMBM Council is the highest decision-making authority in the institution and is chaired by the Speaker. The Municipality has a functional Whippery system in place.

TABLE 3.35: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Effective City Governance KPE: Councilor Development	Number of Councillors provided with training in line with the Skills Development Plan for Councillors	N/A	N/A	N/A	N/A	60

Job Level	Year -1 (2015/16)	Year 0 (2016/17)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
<p>The NMBM has 120 Councillors in office (60 are Portfolio Councillors and 60 are Ward Councillors). Council has an Executive Mayoral System, which comprises 13 Councillors. Councillors are remunerated in accordance with the Government Gazette, which is promulgated annually. The regulations in this Gazette determine the upper limits of salaries, allowances and benefits of different members of the municipal Council.</p>					

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	116	67	184	56	-18.03%
Expenditure:					
Employees	65,721	74,245	60,613	59,285	-25.23%
Repairs and Maintenance	197	621	329	163	-281.82%
Other	121,768	139,528	130,184	116,909	-19.35%
Total Operational Expenditure	187,685	214,394	191,126	176,357	-21.57%
Net Operational Expenditure	187,570	214,328	190,942	176,300	-21.57%

TABLE 3.38: Capital Expenditure Year 0: The Executive and Council					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9,787	14,652	12,341	20.69%	
Integrated City Development Programmes	8,137	8,137	9,648	15.67%	
Upgrade Infrastructure: Metro Integration	1,650	1,650	2,692	38.72%	
NMBM Multi-Purpose Stadium		4,865			

Note: The Speaker's Office did not implement / execute any Capital Projects during this reporting period.

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Over the review period (1 July 2016 to 30 June 2017), altogether 13 Council meetings were held. Council meetings are convened in accordance with Council's Calendar of meetings, which is adopted annually by Council in December. Special Council meetings are convened by directive of the Speaker to address urgent / special matters. Special Council meetings are additional to the meetings set in Council's calendar of meetings. The current term of office for Councillors serving in local government commenced on 4 August 2016.

3.7 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

Financial management supports the IDP of the Municipality by striving to provide a stable and sustainable financial environment from which Council can deliver services to all residents. This is done mainly through the following specific strategic priorities for the Budget and Treasury Directorate within an overall five-year development plan:

- Ensuring a legally compliant IDP-based budget that enhances financial sustainability.
- Ensuring sustainable and improved revenue generation and collection.
- Expanding the revenue base by identifying additional sources of revenue and ensuring sustainable growth in the revenue base.
- Providing efficient and effective Cash Management and Asset Risk Management systems.
- Providing efficient and effective expenditure management and control processes.
- Ensuring a sound and legally compliant system of financial management, advice, control, accounting and reporting.
- Providing effective and efficient Supply Chain Management processes.
- Providing effective and efficient customer service centres.
- Ensuring that Council approves and implements a Cost Efficiencies Framework.
- Developing a long-term financial model and strategy to assist Council in developing a long-term and strategic planning framework.
- Implementing a priority rating system that allows Council strategic decision-making when funding is limited.

TABLE 3.39: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Financial sustainability and viability KPE: Revenue Management and Customer Care	% billed revenue collection rate (before write-offs)	94%	91.4%	94%	94.30%	94%
KPA: Municipal Financial Viability and Management KPE: Cash and Risk Management	Credit rating achieved	Rating of A1.za with stable outlook maintained by June 2016	Rating of Aa1.za achieved	N / A	N/A	N/A
KPA: Financial sustainability and viability KPE: Budget and Financial Accounting	Debt coverage ratio (debt servicing costs to annual operating income)	10%	3.57%	8%	2.79% <u>Amended to</u> 32.15 times	4%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
	% outstanding service debtors to revenue	20%	21.59%	20%	24.11% <u>Amended to</u> 24.70% in line with Audited Annual Financial Statements	20%
	Cost coverage ratio (excluding unspent conditional grants)	1.5 months	2.04 months	2 months	2.32 months <u>Amended to</u> 2.20 months in line with Audited Annual Financial Statements	2 months
	% of the Municipality's Capital Budget actually spent on capital projects identified in terms of Municipality's IDP	100% Amended to: 95%	88.55%	95%	97.5% <u>Amended to</u> 92.2% in line with Audited Annual Financial Statements	95%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
	% of the Municipality's approved Budget spent on implementing its institutional Workplace Skills Plan	0.01%	0.084%	0.114%	0.063%	0.0945%
	% of the Municipality's approved Budget spent on repairs and maintenance	5.94%	4.37%	5.94%	3.32% <u>Amended to</u> 3.84% In line with Audited Annual Financial Statements	2.9%
KPA: Financial sustainability and viability KPE: Revenue Management and Customer Care	% implementation of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 Implementation Plan	N / A	N / A	100% by December 2016 (Full Go-Live of the Enterprise Resource Planning - ERP Solution)	58%	N/A
KPA: Financial Sustainability and Viability KPE: Revenue Management	% revenue collection from traffic fines (as per the set budget target)	94%	87%	100%	94%	100%
	% revenue collection from traffic and licensing services (excluding fines) as per the set budget target	100%	343%	100%	89%	N/A

TABLE 3.40: Employees: Financial Services

Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	21	22	21	1	4.55%
4 - 6	305	390	324	66	16.92%
7 - 9	114	148	119	29	19.59%
10 - 12	89	123	90	33	26.83%
13 - 15	26	36	33	3	8.33%
16 - 18	16	19	18	1	5.26%
19 - 20	3	4	3	1	25%
Total	574	742	608	134	18.06%

TABLE 3.41: Financial Performance 2016/17: Financial Services

Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,658,335	2,611,549	2,445,856	2,639,671	1.07%
Expenditure:					
Employees	388,702	336,606	295,585	790,994	57.45%
Repairs and Maintenance	58	181	22	(156)	215.88%
Other	367,523	354,555	521,317	411,349	13.81%
Total Operational Expenditure	756,282	691,342	816,925	1,202,186	42.49%
Net Operational Expenditure	(1,902,052)	(1,920,207)	(1,628,932)	(1,437,485)	-33.58%

TABLE 3.42: Capital Expenditure Year 0: Financial Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	27,966	49,316	29,784	6.10%	
Upgrade and Furnishing Customer Care Centres	2,016	2,016	496	-306.53%	
System Enhancements - Various	24,000	46,000	28,715	16.42%	
ETB Office Renovations	600	500	342	-75.38%	
Replacement Handheld Devices - Meter Reading	750	400	75	-905.36%	
Replacement of Vending POS Equipment	600	400	156	-284.91%	

Capital

The main Capital Project within the Budget and Treasury Directorate is the Systems Enhancements Capital Project. This relates to the Enterprise Management Solution (EMS), which is still in development. The Capital Budget was not fully spent in the 2016/17 financial year, due to a change in the payment structure to be in line with project deliverables. It is planned that the unspent portion will be carried over to the 2017/18 financial year in order to conclude all development work that still needs to be undertaken.

Operating

TABLE 3.43: Budget and Treasury

Description	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Property Rates	-1 519 447 233	-1 638 303 910	-1 599 356 754	-1 619 001 250	19 644 496
Interest Earned - External Investments	-109 233 827	-88 095 160	-118 764 015	-93 034 360	-25 729 655
Interest Earned - Outstanding Debtors	-54 183 715	-58 070 280	-65 130 497	-58 070 280	-7 060 217
Government Grants and Subsidies	-420 836 797	-409 407 640	-295 625 999	-261 962 040	-33 663 959
Rental of Facilities and Equipment	-1 239	0	0	0	0
Other Income	-575 974 457	-415 023 750	-570 257 910	-414 319 870	-155 938 040
Total	-2 679 677 268	-2 608 900 740	-2 649 135 175	-2 446 387 800	202 747 375
Employee Related Costs	375 286 231	322 270 350	787 303 424	282 085 600	505 217 824
Impairment - Receivables	190 418 563	141 059 360	198 527 551	279 693 090	-81 165 539
Contracted Services	67 887 301	88 986 530	125 204 031	132 427 780	-7 223 749
Depreciation	31 672 947	32 696 930	33 165 479	18 907 750	14 257 729
Impairment - OTHER	76 267	0		0	0
Repairs and Maintenance	53 583	158 920	2 035	0	2 035
Finance Cost	1 685 068	1 612 930	1 554 254	1 612 930	-58 676
Grants and Subsidies Paid	0	0	0	0	0
General Expenses	56 949 741	67 277 680	31 606 458	62 687 130	-31 080 672
Total	724 029 701	654 062 700	1 177 363 232	777 414 280	399 948 952
(Surplus) / Deficit	-1 955 647 567	-1 954 838 040	-1 471 771 943	-1 668 973 520	197 201 577

Net operating expenditure reduced to R1.47 billion compared to the Adjustments budgeted amount of R1.96 billion. This is attributable to the following:

Property Rates

Property rates revenue raised, amounted to R1.599 billion, compared to the Adjustments budgeted amount of R1.619 billion. It is, however, important to note that revenue raised has been reduced by an amount of approximately R102.55 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Property Rates Revenue raised was approximately R19.64 million less than anticipated, mainly due to the unexpected impact of the ATTP Policy implementation.

Interest earned – External Investments

Interest earned – External Investments were R25.73 million higher than anticipated in the 2016/17 Adjustments Budget, mainly due to slightly higher interest rates being available for investment purposes, as well as a higher level of unspent conditional grant funding during the financial year. Interest earnings were also influenced by the extent of the Municipality's investment portfolio throughout the financial year. The interest earned could, however, have been significantly higher, if it was not for the bridge-funding of housing projects in the amount of approximately R194.38 million. Management should focus on reducing the bridge-funding below R100 million over the short term, as it impacts significantly on the cash position of the Municipality.

Government Grants and Subsidies

Government grants and subsidies were R33.66 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 3.43: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
E Share ATTP	260,912,040	244,142,646	16,769,394
GRAP 23 Revenue	0	50,452,423	(50,452,423)

Other Income

Other Income was R155.94 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 3.44: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Fuel Levy	339,355,820	353,336,055	(13,980,235)
GRAP 23 Revenue	0	3,107,409	(3,107,409)
Transfer of credit balances Billing Accounts	0	9,058,612	(9,058,612)
VAT: Government Grants – Capital	0	112,037,768	(112,037,768)
VAT: Government Grants – Operating	0	12,143,470	(12,143,470)

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Reconnection Fees: Electricity	13,775,830	19,975,311	(6,199,481)
Legal Costs Received	21,953,770	11,706,464	10,247,306
Reconnection Fees: Water	30,034,640	33,705,436	(3,670,796)
Old Unallocated Deposits	0	3,499,945	(3,499,945)
Clear Liability Report – Stock/Auto Adjustments	0	2,937,261	(2,937,261)

Fuel levy income in the amount of R13.98 million was not allocated to other directorates, due to lower actual costs incurred by the relevant directorates in respect of fuel levy funded expenditure. This does not imply additional revenue for the NMBM. Furthermore, VAT on capital grants was required to be recognised as own revenue once claimed from SARS, and amounted to R112.04 million.

Operating expenditure matters:

Employee related costs

Employee related costs were R505,22 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 3.45: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Long Service Bonus Provision	8,263,600	438,405,872	(430,142,272)
Post-Retirement Benefits Provision	6,046,630	107,075,095	(101,028,465)
Provision for Leave Pay	19,269,930	27,357,665	(8,087,735)
Gratuity Provision	2,109,650	(17,401,271)	19,510,921
Basic Remuneration	160,287,990	147,651,581	12,636,409

This is mainly attributable to the adjustment of the level of the provision for Post-Retirement Benefits by R107.08 million. The adjustment to the provision for Long Service Awards and Long Service Bonuses was R430.14 million more than anticipated in the 2016/17 Adjustments Budget.

Impairment – Receivables

Impairment – Receivables was R81.17 million less than anticipated in the 2016/17 Adjustments Budget. The decrease is due to the reduction in Doubtful Debt Provision as a result of the approximately R599 million of old debt written off mainly because of the implementation of the May 2016 Indigent Policy.

TABLE 3.46: Impairment - receivables

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Bad Debts	0	240,325,207	(240,325,207)
Provision for Doubtful Debts	279,693,090	(41,802,709)	321,495,799

Contracted Services

Contracted Services was R7.22 million less than anticipated, mainly due to the following: -

TABLE 3.47: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Business and Advisory – Project Management	61,834,610	78,220,381	(16,385,771)
Additional disconnections: Water	6,360,000	2,334,441	4,025,559
Meter Reading Contractors	13,096,400	6,067,362	7,029,038
Legal Cost – Issue of Summons: Sheriff	5,245,510	0	5,245,510
Unauthorised Expenditure – no budget	0	2,733,023	(2,733,023)
Legal Cost: Collections	17,190,880	12,154,305	5,036,575
Prepaid Electricity Vendors	6,418,210	4,964,864	1,453,346

Depreciation

Depreciation was R14.26 million more than anticipated in the 2016/17 Adjustments Budget.

General Expenses

General Expenses were R31.08 million less than anticipated, due to the following: -

TABLE 3.48: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Provision for Litigation Claims	0	(14,677,240)	14,677,240
Inventory valuation: Stock Variance	0	(2,224,887)	2,224,887
Postage and Revenue Stamps	13,479,280	10,798,087	2,681,193
Buildings Rental	9,921,250	8,565,206	1,356,044
Agency Fees for External Collection Agents	4,656,300	2,450,728	2,205,572

3.8 HUMAN RESOURCES MANAGEMENT SERVICES

The Human Resources Management Services rendered by the Municipality aim to achieve the following:

- Attend to the human resources requirements of the various municipal directorates.
- Establish and maintain a working environment that encourages personal growth, development, enrichment and job satisfaction.
- Ensure that human resources policies and procedures are administered in such a way as to protect the interests of both the Municipality and its employees.

To accomplish this purpose, professional support services are rendered in respect of the following functional areas:

- Recruitment and selection
- Induction of newly appointed staff
- Personnel administration – administration of staff benefits and maintaining employee records
- Maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and Council policies

- Placement at the behest of the institution
- Staff movement
- General administration

Performance is measured against the time it takes to fill a vacancy (from when the recruitment notification was submitted to the actual filling of the vacancy). The target is to fill a vacancy within a period of three months.

A moratorium on the filling of all vacancies was placed by Council on 18 June 2015. It should be noted that the moratorium prevented many positions from being finalized. The moratorium was lifted and the implementation of the filling of critical vacancies could only commence on 1 April 2016.

This had a major impact on the workload of the Human Resources Management Services, as the bulk of these positions were only processed during the 2016/17 financial year. During the process of filling these critical vacancies, 80 posts with 170 positions were advertised. Certain positions were withdrawn and Council continued with the filling of 54 posts. It should be noted that 91 (85%) of the 107 positions were filled during the period under review.

In addition to the above, 102 normal posts (consisting of 464 positions) became vacant as a result of resignations, promotions and terminations. These vacancies were advertised and 412 positions (89%) were filled as at 30 June 2017.

The Human Resources Sub-directorate further finalized a total number of 191 placements and 208 contractual appointments during this period. A total of 60 138 applications were received and processed during the financial year.

The capturing, shortlisting, interviewing and appointment processes are being administered on an on-going basis. However, lack of resources and inadequate office space are hampering most aspects of the recruitment process. This has also necessitated in the working of several hours of overtime by the HR Practitioners and capturing staff. The Directorate is currently investigating the implementation of an E-Recruitment system, which may be implemented during the 2017/18 financial year, subject to funding. Council has also revised its advertising strategy by limiting advertising to internal advertising only for positions at lower levels, unless in circumstances where operational requirements and/or the non-availability of scarce skills from within dictate otherwise. This intervention should also reduce the number of applications received, as well as the processing thereof.

In an effort to improve turnaround time, additional resources (data capturers and HR practitioners) must be incorporated into the “to be” structure for the HR Management Services Sub-directorate. The rationalization process undertaken by the institution at present must therefore address the lack of resources in this very critical operational area.

Due to the large volume of vacant posts caused by the moratorium that was in place prior to the 2016/17 financial year and the lifting thereof only in the fourth quarter of the said year (April 2016), the recruitment turnaround time exceeded the three months’ turnaround period in almost all instances, as the bulk of critical vacancies had to be administered simultaneously.

A number of HR policy directives were included for HR Management Services towards the latter part of the 2015/16 financial year (after the mid-term report), based on new directives and priorities identified and implemented from December 2015 until 30 June 2016.

Due to the moratorium that was in place prior to the 2015/16 financial year, and which persisted until the fourth quarter of the said year (April 2016), all recruitment processes exceeded a three (3) month turnaround time in 2016/17, due to the bulk of critical vacancies having to be administered simultaneously.

TABLE 3.49: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Institutional and capacity development KPE: Human Resource Transformation	Number of Career Expos for Grades 9 - 12 students and unemployed individuals hosted	1 by September 2015	1 Career Expo held in Uitenhage on 22 - 24 July 2015 (Annual target achieved in first quarter)	N/A	N/A	N/A
	Number of people participating in the Electricity and Energy Bursar Mentorship Programme	4 mentees and 1 mentor	4 mentees and 1 mentors	N/A	N/A	N/A
	Number of people participating in the Electricity and Energy and Infrastructure Skills Development Programme	43 mentees Electricity and Energy - 11 Infrastructure and Engineering - 20 Human Settlements – 12 5 mentors Electricity and Energy - 2 Infrastructure and Engineering - 1 Human Settlements – 2	41 mentees Electricity and Energy - 11 Infrastructure and Engineering - 18 Human Settlements – 12 2 mentors in Electricity and Energy	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Institutional and capacity development KPE: Human Resource Transformation	Number of unemployed graduates placed across the Nelson Mandela Bay Municipality's functional areas	40 by December 2014	62 graduates placed	40 by December 2015	N/A	N/A
	Number of unemployed persons completing the NMBM Skills profile process	600	4420	N/A	N/A	N/A
	Percentage of staff that has undergone a skills audit (including competency profiling)	N/A	N/A	70%	53%	30%
	% recruitment completed within a 3 months' turnaround period spanning from the date of receipt of recruitment notice to the date of actual appointment	100% of cases completed	1,35%	100%	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Institutional and capacity development KPE: Human Resource Transformation	Number of people from employment equity target groups employed in the three highest levels of management (City Manager Section 56 Managers and Strategic Skilled Level Managers) in compliance with the Municipality's approved Employment Equity Plan	50 African Male: 19 African Female: 12 Coloured Male: 4 Coloured Female: 3 White Male: 6 White Female: 4 Indian Male: 2 Indian Female: 0	0	47 African Male - 25 African Female - 7 Coloured Male - 3 Coloured Female - 2 White Male - 5 White Female - 4 Indian Male - 1 Indian Female - 0	61 African male (27); African female (9); Coloured male (6); Coloured female (2); White male (11); White female (3); Indian male (1); Indian female (2).	71 Black Males - 27; Black Females - 18; Coloured Males - 6; Coloured Females - 3; Indian males - 1; Indian females - 2; White males - 11; White females - 3

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	% of people with disabilities in the total municipal workforce	2%	Data couldn't be verified	N/A	N/A	N/A
	Number of managers trained to conduct disciplinary and grievance hearings	20	0	N/A	N/A	N/A
	Number of unemployed individuals attending skills programmes in line with Local Government SETA skills plan	N/A	N/A	586 unemployed	563 unemployed	N/A
	Number of unemployed residents participating in the Nelson Mandela Bay Municipality Adult Basic Education and Training (ABET) Literacy Programme	N/A	N/A	N/A	N/A	400
KPA: Municipal Transformation and Organisational Development KPE: Facilities	Developing a strategy for the provision of integrated office accommodation for municipal staff and Councillors	N/A	N/A	N/A	N/A	Integrated office accommodation strategy approved by Council

TABLE 3.50: Employees: Human Resource Services

Job Level	Year -1 (2015-16)	Year -1 (2015-16)	Year 0 (2016-17) details for HR Management staff only			
	All NMBM employees	HR Management Services staff only	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	No.	%
0 - 3	2279	4	4	2	0	50%
4 - 6	1859	19	21	7	4	19%
7 - 9	833	3	3	3	1	25%
10 - 12	1174	11	11	9	0	0%
13 - 15	232	2	2	1	1	0%
16 - 18	85	2	2	2	0	0%
19 - 20	56	0	0	0	0	0%
Total	6518	41	43	24	5	31%

Note: The main reason for the discrepancies (variances) in the totals between the two financial years is based on the fact that the Payroll Section was separated from the Human Resources Management Services Sub-directorate during the 2016/17 financial year.

TABLE 3.51: Financial Performance 2016/17: Human Resource Services

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	10,031	1,558	3,076	5,455	71.45%
Expenditure:					
Employees	32,865	36,500	40,648	39,747	8.17%
Repairs and Maintenance	189	186	142	9	-1980.29%
Other	20,444	12,987	16,717	17,795	27.02%
Total Operational Expenditure	53,498	49,672	57,508	57,551	13.69%
Net Operational Expenditure	43,467	48,114	54,431	52,096	7.64%

NOTE: No capital projects were administered or implemented by the Human Resources Management Services sub-directorate during the 2016/17 financial year.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES MANAGEMENT SERVICES

The commencement of the 2016/17 financial year saw the said Sub-directorate operating without a Director, as the same was on suspension. An HR Director in another portfolio acted as a Director: HR Management Services as well for a period of 6 months, after which another HR Director was requested to take over the reins from April 2017 until June 2017 and beyond.

This saw new priorities being identified for the said Sub-directorate, which included the implementation of the critical vacancy project, the implementation of the placement of contractual workers, the continued development of SAP and mSCOA HR related processes, as well as policy development and/or the review of existing policies.

The filling of critical vacancies has been administered in the main by only eight (8) HR practitioners for the institution, which consists of ten (10) Directorates and various Offices (City Manager's Office and COO's Office, amongst others). These same resources administer most of the HR related matters for the staff complement of approximately 7000 people in the NMBM.

The lack of resources as well as the lack of adequate office space has been detrimental to this Sub-directorate, especially during the implementation of the critical vacancy processes.

3.9 ICT SERVICES

The institution is committed to providing a reliable and sustainable ICT environment that supports its goals and objectives, as defined in the Integrated Development Plan.

ICT services can be classified into four categories: Application Development; Technical Support Services; Enterprise Programmes; and ICT Governance.

- (a) In terms of Application Development, application programmes are provided that not only match the user directorate's exact needs, but allow all such directorates to utilise these application programmes for achieving their specific objectives, as set out in the IDP, harmoniously, efficiently and timeously.
- (b) In terms of Technical Services, the hardware infrastructure that enables all directorates to electronically communicate both internally and externally, is provided and maintained.
- (c) In terms of Enterprise Programmes, all new requirements identified by the various directorates within the Municipality are researched and developed, in conjunction with the Application Development and Technical Services functions.
- (d) The aim of ICT Governance is to assist in ICT risk management, the alignment of ICT to the IDP, ICT performance management, value creating and accountability.

TABLE 3.52: Employees: ICT Services

Job Level	Year -1 (2015/16)	Year 0 (2016/17)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	4x Data Capturers; 3x Computer Operators; 1x Admin Assistant	11	8	2	
7 - 9	1x Service Desk; 2x Computer Operations Supervisors; 1x Security Services Administrator	3	4	2	
10 - 12	8x End User Support Technician; 1x Application Servers Administrator; 5x Network Controller; 2x Stores Controller; 11x Analyst Programmer;	8	27		
13 - 15	2x Application System Specialist; 1x Manager ICT Governance; 1x Manager Technical Service; 1x Snr Manager Projects	3	5		

Job Level	Year -1 (2015/16)	Year 0 (2016/17)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	1x Deputy Director Enterprise Programs; 1x Deputy Director TSS, 1x Deputy Director App Dev	3	3		
19 - 20	1x Director Information Technology	1	1		
Total		29	48		

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	10,143	27	27	9	-194.37%
Expenditure:					
Employees	21,755	23,699	29,476	28,680	17.37%
Repairs and Maintenance	9,018	3,687	3,069	1,187	-210.52%
Other	15,719	58,248	85,922	21,078	-176.34%
Total Operational Expenditure	46,492	85,634	118,467	50,945	-68.09%
Net Operational Expenditure	36,349	85,607	118,440	50,936	-68.07%

MIS managed capital projects in relation to Application Software as well as Computer Enhancements during this reporting period (2016/17). The computer enhancement aspects consisted of various separate project streams, which were all implemented concurrently, due to the nature of the IT environment within the NMBM.

TABLE 3.54: Capital Expenditure Year 0: ICT Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13,500	19,000	5,902	-128.72%	
Acquisition for Licenses for System Migration		12,000			
Replacement of Revenue Sub Directorate Computer Equipment	500				
Corporate GIS Applications	2,000				
Computer Enhancements - Corporate	5,000	4,000	3,850	-29.87%	
Computer Systems Upgrade	2,000	2,000	2,006	0.29%	
Fleet Management System	2,000				
Upgrade and replacement of Computers	1,000				
Computer and Office Equipment	500	500	47	-974.03%	
Laboratory Information System	500	500			

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Two key ICT Capital Projects in the institution relate to Application Software and Computer Enhancements. Both these projects are under-funded and need to be considerably enlarged in order to meet new technological needs in an ever-changing environment. The advent of Windows 7 and 10 has created a unique set of challenges in the specific municipal ICT environment that will necessitate substantial investment in order to maintain the current high standard of service. MIS is also in a process of desktop standardisation to improve user experience and productivity by migrating to Microsoft. This project needs considerable funding.

3.10 LEGAL SERVICES AND RISK MANAGEMENT

Public confidence in local government is vital and can only be achieved if municipalities carry out their duties legally, effectively, efficiently, economically and, most importantly, in accordance with set rules and regulations. The Nelson Mandela Bay Municipality has a Legal Services Unit in place, which provides the institution with a full spectrum of legal advisory and litigation services.

The key role and accountability of the Department in essence is –

- to provide quality legal assistance and support to Council in order for it to deliver on its constitutional mandate.
- to ensure compliance with legislative requirements in order to limit and manage the legal risk.

The aforesaid functions are performed by way of rendering a support service to the Municipal Directorates and Council Committees on legal related matters.

Effective risk management is imperative to the Municipality to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the institution itself. The realisation of the Municipality's strategic objectives depends on the institution being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders.

Sound management of risk will enable the Municipality to anticipate and respond to changes in its service delivery environment, as well as make informed decisions under conditions of uncertainty, within the bounds of rule of law.

The Nelson Mandela Bay Municipality has a Risk Management Unit in place. An overview of functions of this key Unit is listed below:

- Development and Implementation of the institution's Risk Management Policy.
- Performing risk management activities in accordance with relevant legislation, policies and guidelines.
- Coordinating risk management skills transfer within the institution.

- Facilitating and overseeing the compilation of both Strategic and Operational risk registers (and record identified and inherent unidentified risks).
- Monitoring the effectiveness and adequacy of existing controls.
- Facilitating the process of evaluating and assessing identified risks.
- Facilitating the adoption of an appropriate risk response.

TABLE 3.55: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Effective City Governance KPE: Risk Management	Achieving Risk Maturity Level 3 in line with National Treasury Standards	N/A	N/A	N/A	N/A	Maturity Level 3 achieved
KPA: Effective City Governance KPE: Communications	% increase in the number of year-to-year visitors to the municipal website	12% by June 2016	27.6% decrease	N/A	N/A	N/A
KPA: Effective City Governance KPE: Communications	Number of communication initiatives implemented in line with Nelson Mandela Bay Municipality's Communication Strategy	33	36	60	171	N/A
KPA: Effective City Governance KPE: Internal Controls	Receipt of Unqualified Audit Report issued in respect of the 2015/16 financial year	Receipt of Unqualified Audit Report by December 2015	Qualified Audit Report received at the end of the second quarter	Receipt of Unqualified Audit Report by December 2016	Target Met in December 2016 (Qualified Audit Report received)	Unqualified Audit Report received by December 2017

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Effective City Governance KPE: Customer Satisfaction	Conducting a customer satisfaction survey in respect of services rendered by Nelson Mandela Bay Municipality	N/A	N/A	Customer satisfaction survey on services rendered by NMBM conducted	Customer satisfaction survey on services rendered by NMBM conducted	Customer satisfaction survey conducted and report submitted to the office of the City Manager
KPA: Effective City Governance KPE: Customer Satisfaction	% of customers satisfied with services rendered by Nelson Mandela Bay Municipality	N/A	N/A	N/A	N/A	50%
KPA: Effective City Governance KPE: Spatial Information Infrastructure	Updating the Nelson Mandela Bay Municipality's Geographic Information System with the latest imagery	N/A	N/A	By September 2016 <u>Amended to</u> Imagery updated	Imagery updated by 30 June 2017	N/A

TABLE 3.56: Employees: Legal Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	4	2	4	2	50%
16 - 18	3	2	3	2	67%
19 - 20	0	0	0	0	0%
Total	11	8	11	4	36%

The position of Deputy Director: Litigation and two Legal Advisor positions are going through recruitment processes. These positions will be filled in the 2017/18 financial year.

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	2	1	33%
13 - 15	0	0	0	0	0%
16 - 18	0	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	1	2	3	1	25%

The position of a Risk Specialist is vacant and is currently going through the recruitment process. The position will be filled in the 2017/18 financial year.

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	26,517	24,714	18,992	19,587	-26.17%
Expenditure:					
Employees	137,546	150,789	150,935	136,970	-10.09%
Repairs and Maintenance	46,091	38,569	39,963	45,318	14.89%
Other	6,984	150,633	133,361	60,850	-147.55%
Total Operational Expenditure	190,620	339,992	324,259	243,137	-39.84%
Net Operational Expenditure	164,103	315,278	305,267	223,550	-41.03%

COMMENT ON THE PERFORMANCE OF LEGAL SERVICES AND RISK MANAGEMENT

Legal Services functions in a fast paced and high-volume environment and is subject to excessive public and internal scrutiny due to the type of work conducted. The Legal Services Unit provides legal services to a diverse spectrum of clients, committees, EXCO members, departmental heads and other staff virtually at all levels. Clearly one of the challenges working in this context is attaining and maintaining a high degree of efficiency and effectiveness, while keeping the commitment to clients as the top service priority. Staff shortages is a challenge, hampering the effectiveness of Legal Services. Budget has been secured to fill the positions of Deputy Director: Litigation and two Legal Advisors in the 2017/18 financial year.

Similarly, a critical challenge faced by the Risk Management Unit is the issue of insufficient human resources to assist Directorates with risk related matters, and to ensure the effective implementation of the Risk Management Policy and Strategy within the institution. During the latter part of 2016/17, two Risk Specialists were appointed, with budget secured for a third Risk Specialist, to be appointed in the 2017/18 financial year.

Notwithstanding these challenges, the Risk Management Unit has prioritised service delivery units and, gradually over the financial year, extended its support to other directorates. As at 30 June 2017, risk assessments were concluded for Electricity and Energy; Infrastructure and Engineering, Budget and Treasury; Human Settlements; MIS: Corporate Services; Sport, Recreation, Arts and Culture; Public Health, Safety and Security, Economic Development, Tourism and Agriculture, and the Office of the Chief Operating Officer.

PILLAR 2:
THE OPPORTUNITY CITY

PILLAR 2: OPPORTUNITY CITY

The primary task of the Municipality under the Opportunity City pillar is to deliver on well-planned initiatives to enable and cultivate job creation and economic opportunity, develop competitive advantage, and ensure access to skills. The Opportunity City is competitively differentiated as a destination city for business, tourism and investment. Strategic partnerships with the private and non-profit sectors thrive. Opportunity City initiatives secure the development of a diversity of sectors, which range from marine manufacturing, urban agriculture and agri-processing, to the cultural and creative industries. Infrastructure-led growth which is properly planned and invested in, as well as effective service provision for roads, public transport and mobility will ensure universal access to the Opportunity City.

Entrepreneurship is encouraged in an Opportunity City; the informal economy should be supported and serviced in order to facilitate economic growth. Informal traders should feel safe to conduct business in clean and well defined public spaces, where by-laws are enforced and adhered to.

Report on the work done in moving towards meeting the objectives of an Opportunity City will focus on initiatives implemented under the Municipality's Economic Development, Tourism and Agriculture Directorate.

3.11 ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE

The Economic Development, Tourism and Agriculture Directorate is responsible for the development and implementation of the Economic Development Strategy for Nelson Mandela Bay. The Economic Development Strategy aims to achieve long-term and sustainable growth in GDP per capita to improve residents' quality of life. The Strategy provides a high-level statement of the Nelson Mandela Bay Municipality's medium- to long-term economic intentions for the City.

The Directorate is responsible for the provision of economic / production infrastructure (water, electricity and ICT). It further provides enterprise development and support to foster innovation and entrepreneurial activity. The Directorate provides skills development to ensure industry skills availability and alignment. It also provides competitive business support to reduce red tape. The strategic intent of the Directorate is to provide enterprise development support and foster innovation to grow successful companies, build and retain a

thriving economic base to attract skills, talent and investment, drive business productivity through the effective delivery of economic infrastructure, and create a sustainable workforce with the necessary skills to meet business and industry requirements. The Directorate's aim is to accelerate economic growth, job creation and empowerment.

Nelson Mandela Bay is faced with a high rate of unemployment and poverty. The majority of the people live within poverty-stricken areas, and rely on government grants for their livelihoods. The Municipality is committed to address unemployment and poverty through inclusive economic development and job creation. The Municipality therefore focused on accelerating economic growth, job creation and empowerment during the 2016/2017 financial year.

The percentage (%) of the Local Economic Development Budget spent of Local Economic Development activities was as follows:

Budget allocation: R16 805 540

Actual spent: R16 443 873

Therefore, an expenditure rate of 98% was recorded in terms of Local Economic Development activities during the 2016/2017 financial year.

The National Department of Public Works implemented EPWP, as per the National Development Plan vision. The EPWP is a government-wide programme aimed at creating jobs and imparting skills through public spending. The EPWP involves orientating line functions budgets so that government expenditure results in more work opportunities, particularly for unskilled labour. Annually, the Municipality signs incentives agreements with the National Department of Public Works. Furthermore, both the New Growth Path and the National Development Plan have highlighted the importance of job creation, which includes the implementation of EPWP, which has been extended to 2030.

Altogether 2 986 work opportunities for the 2016/2017 financial year was created through the EPWP programme.

During 2005, a Strategic Tourism Development Plan (Tourism Master Plan) was developed for Nelson Mandela Bay. The Plan was commissioned as an integral part of the implementation framework of the Economic Growth and Development Strategy which identified a number of key and strategic development initiatives and prioritised the need for a planning framework that would position Nelson Mandela Bay as a unique and competitive visitor destination within South Africa and in the African continent. A final Tourism Master Plan was produced and accepted by Council in 2009.

The percentage of Tourism SMME's that have benefitted from the SMME support programme were as follows:

- A total of 23 Tourism SMME's were supported
- The Nelson Mandela Bay Municipality through the Investment Incentive Programme administered by the Directorate: Economic Development, Tourism and Agriculture has been able to assist six (6) investors with incentives.
- The investment incentive programme has contributed in the creation of 1 830 work opportunities in Nelson Mandela Bay.
- SMMEs trained to be tourist guides
- 15 Tour operators were trained on universal accessibility (sign language)
- 16 Trainees (4 established) were trained on responsible tourism
- A total of 35 SMMEs were therefore provided with training

TABLE 3.59: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Economic Development	Value of new investment/ expansions attracted to the Nelson Mandela Bay	R40 million by June 2016	R 52 718 979.99	N/A	N/A	R100 million
	Number of youth employed through the implementation of municipal funded youth employment projects	N/A	N/A	N/A	N/A	800
	Number of Small Medium and Micro Enterprises (SMMEs) provided with training through the Export Development and Promotion Programme	N/A	N/A	N/A	N/A	35
	Value of new export contracts concluded for businesses within Nelson Mandela Bay	R1,5 million by June 2016	R 2 203 213.32	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
	Number of emerging businesses supported through either training or financial or technical support in entrepreneurship development	500 entrepreneurs	775 entrepreneurs	N/A	N/A	N/A
	Number of SMMEs in the SEDA incubation programme	N/A	N/A	50	53	N/A
	Number of Small Medium and Micro Enterprises (SMMEs) graduating from the Nelson Mandela Bay Municipality (NMBM) - Small Enterprise Development Agency (SEDA) Information Communication Technology Incubation (ICT) Programme	N/A	N/A	N/A	N/A	4
	Number of Small Medium and Micro Enterprises (SMMEs) in the Nelson Mandela Bay Municipality (NMBM) - Small Enterprise Development Agency (SEDA) Construction Incubation Programme obtaining additional construction grade(s)	N/A	N/A	N/A	N/A	15

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
	Number of livestock farmers supported through the provision of either farming equipment and/or other production input	N/A	N/A	N/A	N/A	10
	Number of food gardens supported through the provision of either farming equipment and/or other production input	N/A	N/A	N/A	N/A	15
KPA: Inclusive Economic Development and Job Creation	Number of export development sessions held	N/A	N/A	4	11	N/A
KPE: Economic Development	Developing an Ocean Economy Strategy and Implementation Plan for Nelson Mandela Bay	N/A	N/A	Ocean Economy Strategy developed Implementation Plan approved by Council	Target not met (Tender cancelled)	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Economic Development	Number of Full Time Equivalent (FTE) jobs created	3596	376	1830	776	4117
	Number of Work Opportunities (WO) created	11584 Amended to: 11586	1933	6009	2986	13172
	Percentage satisfaction with cleansing services in Port Elizabeth and Uitenhage Central Business District	85% satisfaction by June 2016	88.5%	N/A	N/A	N/A
	Percentage satisfaction with security services in Port Elizabeth Central Business District	65% satisfaction by June 2016	74%	N/A	N/A	N/A
	% completion of the Nelson Mandela Statue project	N/A	N/A	N/A	N/A	100% (Phase 1: Concept design and development of business plan)

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	Percentage completion of inner city renewal capital development projects	70% of Tramways Building Phase 2 redevelopment completed (in line with project plan) - Walkway, parking area, landscaping, fencing and garages	95% of Tramways Building Phase 2 redevelopment completed (in line with project plan) - Walkway, parking area, landscaping, fencing and garage	N/A	N/A	N/A
		15% of Vuyisile Mini Square Phase 1 development completed (in line with project plan)	0% of Vuyisile Mini Square Phase 1 development completed	N/A	N/A	N/A
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	% completion of precinct plan for Bayworld upgrade	N/A	N/A	100%	10%	N/A
	% completion of the Nelson Mandela Bay Metropolitan Stadium Precinct Plan development	N/A	N/A	N/A	N/A	100%
	% completion of Schauderville/ Korsten Recreational Park development	N/A	N/A	N/A	N/A	50%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
	% completion of the Njoli Square precinct plan development	N/A	N/A	N/A	N/A	100%
	% completion of the remedial work of the exterior structure of the Campanile	N/A	N/A	90%	100%	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	% completion of Singaphi Street/ Red Location Museum Precinct development (Phase 3)	90% of Red Location Singaphi Road upgrade Phase 2 completed (in line with project plan)	99%	70%	73%	95% (Phase3)
	% completion of Township rejuvenation projects	100% of Veeplaas Business Incubator Building upgrade completed (in line with project plan)	63%	N/A	N/A	N/A
		25% of New Brighton Swimming Pool completed (in line with project plan)	0%	N/A	N/A	50%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	Number of Helenvale precinct areas upgraded through construction of sidewalks and pedestrian walkways	3 (Gaat to Hillcrest Primary School, Fitchard Street to Bayview Primary School, Reginald to Helenvale Primary School)	0	N/A	N/A	N/A
	% completion of Helenvale precinct areas upgrade (through the construction of sidewalks and pedestrian walkways)	N/A	N/A	100%	54%	100% construction of 3 Pedestrian walkways by December 2017 50% construction of sportfield 50% construction of physical infrastructure and 3 school sportfields

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	% achievement of the Mandela Bay Development Agency's 2017/18 Key Performance Indicators reflected in the Mandela Bay Development Agency Business Plan	N/A	N/A	N/A	N/A	80%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	Number of home-based care organisations assisted through the provision of equipment or training	10	0	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Motherwell Urban Renewal Programme	% completion of Motherwell Thusong Centre (Phase 2: Traffic and Licensing Centre)	100% of phase 2 completed by June 2016	0%	100% By March 2017	81%	N/A
KPA: Inclusive Economic Development and Job Creation KPE: Facilitating Public Capital Projects	Number of people benefiting from the ward-based cleaning programme through the provision of employment opportunities	160 (20 people per ward)	408 (Ward 23 - 62 people; Ward 54 - 27 people; Ward 55 - 39 people; Ward 56 - 43 people; Ward 57 - 30 people; Ward 58 - 32 people; Ward 59 - 70 people; Ward 60 - 105 people)	N/A	N/A	N/A

TABLE 3.60: Economic Activity by Sector			
R '000			
Sector	Year -2	Year -1	Year 0
Discovery (2016/2017)	42 600	45 500	
Clover (2016/2017)	506 400	652 700	893 700
MFA (2016/2017)	6 605	4 450	0
Lighting Innovation (2016/2017)	16 207	17 017	0
FAW (2016/2017)	0	0	600 000
Aspen Pharmaceutical Company	0		800 000
La Mohair	0	1 242	0
Scan Display	0	1 306	0
Sage Kitchen	0	318	0
Small Business Incubation	0	3 500	0
PWC Centre (2015/2016)	0	0	39 200
WNS Global Services (2016/2017)	0	0	78 000
Sensational Debt Relief (2016/2017)	0	0	5 700
Aquaculture Sector	0	0	0
Total	571 812	726 033	2 416 600
Note: KPI target for the 2017/2018 financial year - R100m by the end of the 4th quarter			

TABLE 3.61: New Economic Employment by Sector

Sector	Jobs		
	Year 1	Year -1	Year 0
	No.	No.	No.
Aspen Pharmaceutical Company	0	497	0
WNS Global Service	0	0	707
Sensational Debt Relief	0	0	85
Discovery	0	0	500
Clover	0	0	100
MFA	0	0	75
Lighting Innovation	0	0	120
FAW	0	0	88
Total	0	497	1,675

Note: KPI target for the 2017/2018 financial year - R100m by the end of the 4th quarter

TABLE 3.62: Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top 3 initiatives	Work Opportunities	Jobs lost/displaced by other initiatives	Full Time Equivalent Jobs (FTE's)	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2				
Year -1				
Year 0				
Quarter 1	806	0	209	0
Quarter 2	1286	0	366	0
Quarter 3	1727	0	593	0

Total Jobs created / Top 3 initiatives	Work Opportunities	Jobs lost/displaced by other initiatives	Full Time Equivalent Jobs (FTE's)	Method of validating jobs created/lost
	No.	No.	No.	
Quarter 4	2986	0	776	0
Total:	2986		776	
Note: WO's 2015/2016 - 1259 and FTE's for 2015/2016 - 101				
2017/2018 - WO's - 780 (Including MURP and MBDA) FTE's - 200 (Including MURP and MBDA)				

TABLE 3.63: Employees: Local Economic Development Services (As per the TASK results)

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	12	10	2	17%
4 - 6	17	20	16	7	35%
7 - 9	7	7	6	0	0%
10 - 12	5	5	5	0	0%
13 - 15	4	6	4	2	33%
16 - 18	6	8	4	2	25%
19 - 20	1	1	1	0	0%
Total	52	59	46	13	22%

TABLE 3.64: Financial Performance 2016/17: Local Economic Development Services

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	151,927	182,732	167,119	145,505	-25.58%
Expenditure:					
Employees	37,945	45,764	54,181	43,509	-5.18%
Repairs and Maintenance	2,662	6,680	8,790	9,709	31.20%
Other	263,434	203,821	204,494	199,845	-1.99%
Total Operational Expenditure	304,041	256,265	267,465	253,064	-1.26%
Net Operational Expenditure	152,114	73,532	100,346	107,558	31.63%

TABLE 3.65: Capital Expenditure Year 0: Economic Development Services

Capital Projects	R' 000				
	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	8,000	8,000	7,507	-6.57%	
Fountain Road Redevelopment	8,000	8,000	7,507	-6.57%	

PILLAR 3: THE SAFE CITY

PILLAR 3: SAFE CITY

This pillar speaks to all initiatives that seek to address safety and security in the Metro. It also includes those that create environmental safety, as well as safety for residents and tourists. This pillar is also aligned with the disaster management plans of the Metro.

In the Safe City, all communities, residents and visitors of Nelson Mandela Bay enjoy the basic freedom of not only being safe, but of feeling safe. The Safe City's Metro Police are trusted, accessible, well-trained and suitably equipped, and protect the communities they serve with pride. Fire and Emergency Services in the Safe City are properly prepared to ensure that any disaster, natural or otherwise, is capably addressed. In the Safe City, the need for the urgent delivery of well-maintained street lights to all communities is of high priority. In the Safe City, the Municipality partners with communities to eradicate illegal connections - and with civil organisations to ensure that residents and visitors enjoy access to adequately life-guarded public beaches and pools.

We will report on the work done over the past year in efforts of moving towards achieving the stated objectives of a Safe City under the following functions:

- Traffic and Licensing
- Municipal police
- Safety and security
- Fire
- Disaster management

3.12 TRAFFIC AND LICENSING SERVICES

The institution seeks to enhance safe and free-flow of traffic in the municipal area. It serves the local communities and visitors with integrity, through law enforcement services, licensing services, legal process and municipal court, support services and training services. Regarding response times to emergencies, the Department performed well and on average achieved a 15-minute response time. Numerous safety initiatives were implemented during the 2016/17 financial year. Regarding the turnaround time for learners' licenses test, actual performance of 1.5 weeks was achieved, but challenges still exist in respect of the turnaround time for drivers' license testing. Several traffic safety programmes were performed in poor communities, at pre-primary schools, primary schools, community centres, as well as taxi ranks.

TABLE 3.66: Traffic & Licensing Services - Traffic Service Data

	Detail	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	24105	17000	18449	17000
2	Number of by-law infringements attended	987	1670	845	1670
3	Number of police officers in the field on an average day	38	40	36	45
4	Number of police officers on duty on an average day	48	25	46	50

TABLE 3.67: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Traffic and Licensing	Average turnaround time from booking Learner's License test to the actual test	1.5 weeks average (July 2015 – June 2016)	0.95 week average (July 2015 - June 2016)	N/A	N/A	N/A
	Average turnaround time from booking Driver's License test to the actual test	4 weeks average (July 2015 – June 2016)	2.51 weeks average (July 2015 - June 2016)	N/A	N/A	N/A
KPA: Integrated Service Delivery to a well-structured city KPE: Emergency Services	Average response time to Traffic emergencies within the Nelson Mandela Bay area of jurisdiction (from Control Centre receiving notification of emergency to dispatched officer arriving at the scene)	15 min average (July 2015 – June 2016)	6.36 min average (July 2015 - June 2016)	N/A	N/A	15 min average (July 2017 – June 2018)

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
0 - 3					
4 - 6	48	50	47	3	6%
7 - 9	126	230	121	109	47%
10 - 12	22	38	21	17	45%
13 - 15	1	1	0	1	100%
16 - 18	1	1	0	1	100%
19 - 20	0	0		0	
Total	198	320	189	131	41%

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	228,231	241,651	220,878	204,426	-18.21%
Expenditure:					
Police Officers	116,177	125,773	118,931	121,346	-3.65%
Other employees	86,580	90,457	115,074	109,585	17.46%
Repairs and Maintenance	6,522	2,712	2,259	1,271	-113.45%
Other	339,006	226,468	205,616	196,304	-15.37%
Total Operational Expenditure	548,286	445,410	441,880	428,506	-3.94%
Net Operational Expenditure	320,054	203,760	221,002	224,080	9.07%

3.13 SECURITY SERVICES

The mission of the Security Sub-Directorate is to render a service to the Council by the provision of a system whereby the needs for protection and safekeeping of Council employees, installations, buildings, equipment and other assets are met, in order to ensure secure working conditions and reduce unnecessary costs due to loss through negligence or otherwise.

The services provided by the Security Sub-Directorate, inter alia include:

- A guard force to provide access control and patrols at strategic municipal localities;
- Investigation of Council losses/thefts/damage or misuse of assets;
- Monitoring localities and rapid response to any alarm conditions;
- Supervision of all sites guarded by contract security services;
- Armed escorts and other relevant functions;
- Security surveys and recommendations to directorates to prevent loss and potential loss;
- By-law enforcement;
- Integrated firearm management.

TABLE 3.70: Security and Protection Service Data

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	N/A	N/A	N/A	N/A
2	Number of by-law infringements attended	311	150	367	150
3	Number of security officers in the field on an average day	23	16	16	23
4	Number of security officers on duty on an average day	23	16	16	23

PERFORMANCE INDICATOR (On-line Service	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
ro Police Service Precincts established	N/A	N/A	4	7	2 by December 2017
ety and security fleet procured	N/A	N/A	6	20	7 by March 2018

TABLE 3.72: Employees: Security Officers

Job Level	Year -1	Year 0			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Police	Employees				
Administrators	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	110	91	110	14	15.38%
7 - 9	15	48	8	33	68.75%
10 - 12	13	46	12	36	78.26%
13 - 15	16	13	10	6	46.15%
16 - 18	5	6	4	2	33.33%
Total	159	204	144	91	044.61%

TABLE 3.73: Capital Expenditure Year 0: Security and Protection Services

R' 000						
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
CCTV Equipment	1850000	1460200	1460141.17	0	1460200	
Vehicles for Security	2400000	2400000	2400000	0	2400000	

3.14 MUNICIPAL POLICE

Altogether 110 Metro Police Officers were appointed on 1 March 2017. Seventy-seven (77) people were arrested for various crimes, ranging from driving under the influence of alcohol; interfering with an Officer during the course of his/her duties; possession of dagga/drugs; possession of a stolen vehicle; possession of suspected stolen items; and reckless or negligent driving. 40 accident scenes were attended to. 301 notices were issued to members of the public related to By-Law offences. Metro Police is represented at the By-Law Steering Committee chaired by the Chief Operating Officer, which meets on monthly basis. 174 alcohol items were either confiscated or decanted from members of the public for Consuming Alcohol in Public. 1701 complaints were attended by Metro Police Officers. A total of 5570 fines were issued to offenders. Security services were rendered at numerous protests, including in Helenvale, Booyens Park, Addo Road Motherwell, Despatch, Joe Slovo, Kwadwesi Extension, Mission Road and Kuyga.

Joint operations were conducted with various municipal directorates via the By-Law Steering Committee as well as with all local SAPS Stations. Major events covered by the Metro Police included the Iron Man Competition, Super Rugby and International Rugby games.

Metro Police Officers underwent the following training: Liquor Board Inspectors (a Supervisory Course presented by the United States Embassy); a First Responder to Crowd Management Course, presented by the SAPS; and In Car Camera use training.

Two Metro Police Satellite Stations were officially opened: in Bethelsdorp and KwaNobuhle.

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	N/A	N/A	N/A	N/A
2	Number of by-law infringements attended to	N/A	N/A	N/A	N/A
3	Number of Police officers in the field on an average day	0	0	16	16
4	Number of Police officers on duty on an average day	0	0	18	18

TABLE 3.75: Employees: Metro Police

Job Level	Year -1	Year 0			
		Employees	Posts	Employees	Vacancies (full-time equivalents)
Administrators	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	110	91	110	14	15.38%
7 - 9	15	48	8	33	68.75%
10 - 12	13	46	12	36	78.26%
13 - 15	16	13	10	6	46.15%
16 - 18	5	6	4	2	33.33%
Total	159	204	144	91	44.61%

TABLE 3.76: Financial Performance 2016/17: Police

R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue	228231471	241650730	220878420	204899999	-17.94%
Expenditure:					
Police Officers	116177316	125773290	118931330	121346370	-3.6%
Other employees	86579602	90456830	115073980	109585092	17.46%
Repairs and Maintenance	6522431	2712480	2259160	1254306	-116.25%
Other	339006238	226467720	205615540	196873305	-15.03%
Total Operational Expenditure	548285587	445410320	441880010	429059073	-3.81%
Net Operational Expenditure	320054116	203759590	221001590	224159074	9.10%

TABLE 3.77: Capital Expenditure Year 0: Metro Police and Security Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2,400	5,600	4,628	48.15%	
Vehicles for Safety and Security (Security Only)	2,400	5,600	4,628	48.15%	

3.15 FIRE SERVICES

The Nelson Mandela Bay Municipality's Fire and Emergency Services Sub-directorate is a service orientated organisation dedicated to the saving of lives and the property of all residents within the boundaries of the Metropole. This is achieved through active consultation with communities, business, schools, non-governmental organisations and Ward Committees and via various means of communication with residents.

According to the Fire Brigade Services Act, 99 of 1987, as amended, the mandate of the Fire and Emergency Services is the following:

- (a) Preventing the outbreak or spread of a fire;
- (b) Fighting or extinguishing a fire;
- (c) The protection of life or property against a fire or other threatening danger;
- (d) The rescue of life or property from a fire or other danger;

The official bushfire season, which traditionally runs from November to April, was extremely busy. The total number of vegetation fires alone during this period was 2 592, with some of these fires lasting for several days or even a week or longer. Fire-fighting crews were not immediately available to respond to all these fires, due to staff shortages and the available staff being stretched very thin. With the purchasing of some light off-road fire-fighting vehicles, the coming bushfire season should hopefully be easier to handle, as these vehicles can reach vegetation fires quicker and more easily than the traditional larger off-road vehicles.

Although vegetation fires traditionally occur in the summer months in the Nelson Mandela Bay area, this year was an exception. Since the beginning of June 2017 to approximately 23 June 2017, the Metro, together with other areas along the coast, including Knysna and

Plettenberg Bay, experienced severe bushfires, largely as a result of very dry vegetation due to the drought conditions and strong winds. This resulted in catastrophic fires taking place simultaneously in various parts of the city including, but not limited to: The Van Stadens Gorge, Rocklands, Schoenmakerskop, Elands River, Blue Horizon Bay, Sardinia Bay, Bushbuck Ridge and Thornhill. These were huge fires, with some burning for several days at a time. The resources of the NMBM Fire and Emergency Services were thinly stretched, as many other types of emergency incidents and fires also took place at the same time.

Unfortunately, some lives were lost, as dwellings were burnt down, having been set alight by the bushfires. The Woodridge School lost several buildings due to the fires. However, many threatened properties and lives throughout the Metro were saved by the dedicated staff of the NMBM Fire and Emergency Services. Many tributes from members of the public, local businesses and various organizations were received. Executive Mayor Trollip formally thanked the overworked fire-fighters for their sacrifice and services rendered.

The top three priorities for the year were: The implementation of community fire safety educational programmes; maintaining adequate response times; and ensuring adequate and sufficient responses by staff and vehicles to emergency incidents.

Measures taken to improve performance include:

1. Active community participation programmes, school fire safety programmes and door-to-door education campaigns in informal settlement areas were among the services delivered by the Community Fire Safety Team. Such education goes a long way in assisting communities to make their environments safer, as they are provided with information and demonstrations on how to identify and deal with risks. Altogether 1 300 fire safety educational programmes were conducted during the year in all areas of the Metro. Eight hundred and seventeen (817) schools were reached, with 120 342 teachers and learners forming part of the programmes and 21 036 members of the public participating.
2. Emergency response times are monitored and where response times do not meet the required target, appropriate action is taken, whether it is due to human error or a system fault. Influences such as the time of day (traffic congestion) and incorrect or vague details are usually the reasons why response times fall outside the stipulated target.

3. A dual response system, in terms of which vehicles from different stations respond to the same incident to ensure adequate resource deployment (to make up for the shortage of fire-fighters), was introduced. This was further enhanced by placing other fire stations on standby should additional resources be required at an incident. A system of Senior Officer Response is in place to make up for the shortage of operational staff. Additionally, procedures are in place for a second station to always back up the initial responding station, in case the initial vehicle is involved in a motor vehicle accident, as well as to make sure that additional staff members are present at emergency incidents.

TABLE 3.78: Metropolitan Fire Service Data

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended to in year	4433	3000	4056	4000
2	Total of other incidents attended to in year	1086	1000	1279	1200
3	Average turnout time - (combined average of all calls, urban & rural) - in minutes	12.72	13.0	13.8	14
4	Average turnout time - rural areas	N/A	N/A	N/A	N/A
5	Fire-fighters in post at year end	250	255	244	250
6	Total fire appliances at year end	66	68	66	70
7	Average number of appliances off the road during the year	12	10	11	12

TABLE 3.79: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Emergency Services	Average response time to emergencies within the Nelson Mandela Bay (from Control Centre receiving notification of emergency to dispatched officer arriving at the scene): Fire	15 min average (July 2015 – June 2016)	11.92 min average (July 2015 - June 2016)	N/A	N/A	15 minutes

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Fire Fighters	No.	No.	No.	No.	%
Chief Fire Officer	1	1	1	0	N/A
Other Fire Officers	249	258	243	15	5.04%
0 – 3					
4 – 6					
7 – 9	73	76	71	5	6.58%
10 – 12	161	164	157	7	4.27%
13 – 15	14	16	14	2	12.5%
16 – 18	1	2	1	1	50%
19 – 20	1	1	1	0	N/A
Total	250	259	244	15	5.79%

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	704	679	955	178	-280.51%
Expenditure:					
Fire fighters	117,886	127,854	128,005	133,652	4.34%
Other employees	22,411	24,206	24,475	24,310	0.43%
Repairs and Maintenance	4,922	5,760	5,191	5,201	-10.74%
Other	15,192	14,597	14,087	13,585	-7.45%
Total Operational Expenditure	160,411	172,417	171,759	176,749	2.45%
Net Operational Expenditure	159,707	171,738	170,804	176,570	2.74%

TABLE 3.82: Capital Expenditure Year 0: Fire Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9,500	9,311	9,389	-1.18%	
Replacement of engine bay doors	2,650	2,385	1,412	-87.72%	
Fire station Motherwell- Refurbishment	2,000	2,000	2,936	31.87%	
Replacement of Off Road Appliances	1,600	1,600	3,251	50.79%	
Replacement of Radios	1,200				
Purchase of Plant and Equipment (Fire & Emergency services)	1,600	2,876	1,301	-22.94%	
Replacement of standby generator	450	450	489	7.90%	

3.16 DISASTER MANAGEMENT

The Disaster Management Unit adopts good Disaster Management (DM) practices to promote disaster resilient and safe environment. The Unit seeks to establish and maintain an all-inclusive integrated and effective Disaster Management programme to the benefit of all communities in the Nelson Mandela Bay Municipality (NMBM).

The new Disaster Management Amendment Act has clarified uncertainties in terms of the implementation of disaster management. Work has already commenced to ensure compliance with the requirements of this Act.

On 22 May 2017, the Executive Mayor of Nelson Mandela Bay, Cllr A Trollip, declared a local state of disaster for the City because of the current droughts and water shortages - the worst experienced in the Metro for many years. It is anticipated that global climate change will also significantly affect the frequency and intensity of hazards occurring in the Country.

A Disaster Management Advisory Forum (DMAF) was established so that all relevant role-players in disaster management in the municipal area can co-ordinate their actions on matters relating to disaster risk management, as provided for in Section 51 of the Disaster Management Act, 2002.

The DMAF may advise any organ of state, statutory functionary, non-governmental organisation, community or the private sector on any matter relating to disaster risk management and may make recommendations regarding disaster risk management policy. Two Advisory Forum meetings were held during the period under review (on 30 September 2016 and 29 March 2017).

The Nelson Mandela Bay Emergency Services Coordinating Committee (NMBESCC) was established in terms of a Council resolution to facilitate interaction and coordination amongst emergency services and stakeholders involved in emergency management. The Committee functions in collaboration with the Nelson Mandela Bay Disaster Management Advisory Forum (NMBDMAF).

TABLE 3.83: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city	% of surveillance cameras in Municipal buildings and/or facilities operational to facilitate safety and security of municipal resources	N/A	N/A	90% CCTV cameras operational	Target not met (specification done)	65%
KPE: Protection of Municipal Assets	Number of functional multi-disciplinary and co-operative partnerships established	4	8 (Annual target achieved in first quarter)	N/A	N/A	N/A
	Number of disaster awareness programmes held	50 disaster awareness programmes	224 disaster awareness programmes	N/A	N/A	N/A

TABLE 3.84: Employees: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, etc.

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	1	25%
4 - 6	6	7	6	1	14.29%
7 - 9	0	0	0	0	0%
10 - 12	12	15	12	3	20%
13 - 15	2	3	3	1	33.33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	25	30	26	6	20%

TABLE 3.85: Financial Performance 2016/17: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	205	119	619	225	47.10%
Expenditure:					
Employees	27,822	35,464	33,120	32,345	-9.64%
Repairs and Maintenance	1,211	775	685	387	-100.29%
Other	12,032	11,239	11,304	10,825	-3.82%
Total Operational Expenditure	41,065	47,478	45,109	43,557	-9.00%
Net Operational Expenditure	40,860	47,359	44,490	43,332	-9.29%

TABLE 3.86: Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2,200	2,200	2,976	26.07%	
Upgrade of Uitenhage Dog Pound	500	500	498	-0.37%	
Additional Satellite Offices	200	200	1,036	80.69%	
CCTV Equipment & Infrastructure	1,500	1,500	1,442	-4.02%	

PILLAR 4: THE INCLUSIVE CITY

PILLAR 4: INCLUSIVE CITY

This pillar relates to initiatives that promote equality and social cohesion and that enable informal means of mobility between communities. The objectives under this pillar strive for integrated access to and delivery of a single community city (pedestrian bridges, social cohesion promoting events, etc.). Deliverables are concerned with the promotion of redress, transformation and employment equity.

The Inclusive Nelson Mandela Bay is a well-connected city. It delivers integrated access to a single-community city. It has properly planned infrastructure and a built environment that enables informal means of mobility between communities, including pedestrian bridges and connective “corridor” routes.

In the Inclusive City, responsive governance is delivered through effective public participation and the provision of communication channels that deliver the accessibility of the Municipality to all residents. The Inclusive City is served by properly functioning Ward Committees.

In an Inclusive City, informal settlements need to be upgraded to improve the delivery of basic services and thus the quality of life of residents living in those areas.

A number of initiatives and programmes implemented over the course of this reporting period have contributed towards meeting the aspirations of an Inclusive City. Reporting will largely focus on programmes delivered under the following key municipal functions:

- Human settlements [development and support]
- Roads
- Transport
- Planning
- Ward Committees

3.17 HUMAN SETTLEMENTS - DEVELOPMENT AND SUPPORT

The Development and Support Sub-directorate co-ordinates the provision of quality infrastructure services to communities in terms of the available grant funding and provides inter-departmental technical support to the Human Settlements Directorate. In terms of this responsibility, the Sub-directorate supports the implementation of the Human Settlements Plan. This involves the prioritisation of projects based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk infrastructure, to guide the upgrading of informal settlements. The purpose of the Plan is to provide a structured upgrade to informal settlements. The Plan includes the upgrading of 105 informal settlements, which comprise *in situ* upgrades, full relocations and Greenfields developments. Altogether 47 informal settlements have been upgraded up to June 2017 (4 in the 2016/2017 financial year). This includes more than 29 029 sites serviced.

CAPITAL PROJECTS

During the 2016/2017 financial year, altogether 4004 sites were provided with permanent water and sanitation services in the following areas: Motherwell (1013); KwaNobuhle (669); Khayamnandi (554); Pola Park (145); Uitenhage (250); Walmer (317); MK Silvertown (540); Kaba Langa (54); Qaqawuli (171); Rosedale (21); Joe Modise (15); Raymond Mhlaba (48); Mandelaville (121); and Missionvale Garden Lots (86).

The Ntswalana Street, Dikiza Street, Joe Modise/Peace Village and the Pola Park Extension informal settlements were upgraded during the financial year.

In terms of actual capital expenditure, 100% of the capital budget for Human Settlements was spent during the financial year.

TABLE 3.87: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2017/18	Year 2 TARGET 2018/19
KPA: Basic Service Delivery and Infrastructure Development	Number of erven provided with permanent water and sanitation services	3000	3003	4000	5655 <u>Amended to 4000</u>	4004	3000
KPE: Integrated and Sustainable Human Settlements	Number of settlements upgraded from informal to formal	4 informal settlements upgraded	4 informal settlements upgraded	4 informal settlements upgraded	4 informal settlements upgraded	3000	TBD

TABLE 3.88: USDG Expenditure as at 30 June 2017 - Financial Year 2016/2017

Project ID	Project Title	Org Code	Amended Budget	Commitment	Actual	% Spent (Budget)	Cash Flow (over)/under
19990197	Land Release : Township Developments - Reticulation Services	415	0	0	-48,140.36		-48,140.36
20110091	Khayamnandi Extension - Roadworks (Human Settlements)	415	28,045,048.00	1,947,452.91	30,866,331.90	110.06	30,866,331.90
20110092	Missionvale Garden Lots - Human Settlements (Services)	415	24,780,968.00	73,937.95	27,676,470.51	111.68	27,676,470.51
20120030	KwaNobuhle Area 11 - Roadworks Human Settlements (Services)	415	17,618,550.00	-185,965.71	18,008,208.52	102.21	18,008,208.52
20120031	Kwazakhele: Ekhumphumleni - Roadworks (Human Settlements)	415	15,781,650.00	2,448,613.97	13,812,146.98	87.52	13,812,146.98
20120033	Jagvlakte (Chatty 11-14) Roadworks (Human Settlements)	415	5,875,000.00	87,719.30	5,785,230.65	98.47	5,785,230.65
20120043	Seaview Housing Project - Roadworks (Human Settlements)	415	497,230.00	0	497,229.23	100	497,229.23
20120047	Walmer Development - Roadworks Human Settlements (Services)	415	21,741,880.00	1,582,255.04	24,329,874.27	111.9	24,329,874.27
20120048	N2 North Development - Roadworks (Human Settlements)	415	4,460,200.00	0	4,460,123.54	100	4,460,123.54
20120052	Walmer Q Phase 3 - Human Settlements (Services)	415	212	0	211.1	99.58	211.1
20120053	MK Silvertown 2 Qaqawuli - Human Settlements (Services)	415	30,342,460.00	-46,410.18	29,524,605.83	97.3	29,524,605.83

Project ID	Project Title	Org Code	Amended Budget	Commitment	Actual	% Spent (Budget)	Cash Flow (over)/under
20120055	Motherwell NU30 - Roadworks Human Settlements (Services)	415	33,432,250.00	964,017.62	33,962,604.16	101.59	33,962,604.16
20120059	Malabar Ext 6 Phase 2 - Roadworks (Human Settlements)	415	2,343,840.00	0	2,420,766.31	103.28	2,420,766.31
20120061	Motherwell NU31- Roadworks Human Settlements (Services)	415	154,600.00	0	154,544.96	99.96	154,544.96
20120062	Kuyga Phase 3 - Roadworks Human Settlements (Services)	415	0	0	0		0
20130038	KwaNobuhle Erf 8228 - Human Settlements (Services)	415	0	44,155.91	0		0
20130040	Nkatha/Seyisi - Roadworks (Human Settlements)	415	0	0	0		0
20130041	Raymond Mhlaba/ Buyambo - Human Settlements (Services)	415	3,706,050.00	83,000.00	3,622,996.07	97.76	3,622,996.07
20130054	Bethelsdorp Ext 32, 34 & 36 - Roadworks (Human Settlements)	415	132,700.00	5,000.00	127,694.97	96.23	127,694.97
20130056	Dikisa Street - Human Settlements (Services)	415	190,000.00	184,254.74	5,661.78	2.98	5,661.78
20130057	Kleinskool Kliprand - Roadworks Human Settlements (Services)	415	16,000.00	0	56,050.00	350.31	56,050.00
20130060	Pola Park - Human Settlements (Services)	415	5,712,700.00	1,207.72	5,711,487.94	99.98	5,711,487.94
20130065	Witteklip - Human Settlements (Services)	415	0	0	0		0

Project ID	Project Title	Org Code	Amended Budget	Commitment	Actual	% Spent (Budget)	Cash Flow (over)/under
20162359	Erf 10015, Uitenhage Human Settlements (Services)	415	339,060.00	5,000.00	334,057.69	98.52	334,057.69
20162360	Erf 3179 Uitenhage (Human Settlements)	415	0	0	0		0
20162361	Erf 6480 Uitenhage (Human Settlements)	415	0	0	0		0
20162362	Erf 29669 Uitenhage (Human Settlements)	415	12	0	12	100	12
20162363	Erf 12872 Uitenhage (Human Settlements)	415	0	0	0		0
20162364	Kabah Phase 6 (Human Settlements)	415	3,432,310.00	0	3,379,486.20	98.46	3,379,486.20
20162365	Erf 12931 Uitenhage (Human Settlements)	415	0	0	0		0
20162366	Erf 7927 Uitenhage (Human Settlements)	415	0	0	0		0
20162370	ERF 818/868, Uitenhage	415	497,310.00	77,709.84	419,599.21	84.37	419,599.21
20162371	John Street (Human Settlements)	415	0	0	0		0

3.18 ROADS

The Municipality has various management systems as well as an asset register in place, providing assessment guidance for planned works. For example, the Pavement Management System (PMS) is used to manage all existing road infrastructure. The priority evaluation of the surfacing of gravel roads was approved by Council in 2006; however, the tarring of gravel roads is being reprioritised. This will give guidance in respect of which gravel roads will be tarred in the next 5 years. A Comprehensive Integrated Transport Plan (CITP) recommends new capital projects for its Capital Budget.

The implementation of such systems and priorities requires officials to adhere to legislation and codes of good practice with high quality designs and improved implementation/project management in which value for money is of the utmost importance, without compromising on quality, using corruption-free project management teams.

Regular monitoring of traffic movement patterns is assessed and congested roads have been identified for upgrading, coupled with an advanced traffic signalized system.

Inadequate funding, human resources, plant and material, long procurement processes, EME interruption, unreasonable expectations and ageing infrastructure remain among the major challenges faced.

Kilometres	
Year	Gravel roads upgraded to tar
Year -2	7.25
Year -1	10.88
Year 0	10.24

TABLE 3.90: Tarred Road Infrastructure

Kilometres	
Year	New tar roads
Year -2	7.25
Year -1	10.88
Year 0	10.236

TABLE 3.91: Cost of Construction/Maintenance

R' 000						
	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
Year -2		50347		50347		
Year -1		107682		107682		
Year 0		71088		71088		

FIGURE 3.5: Road Infrastructure costs

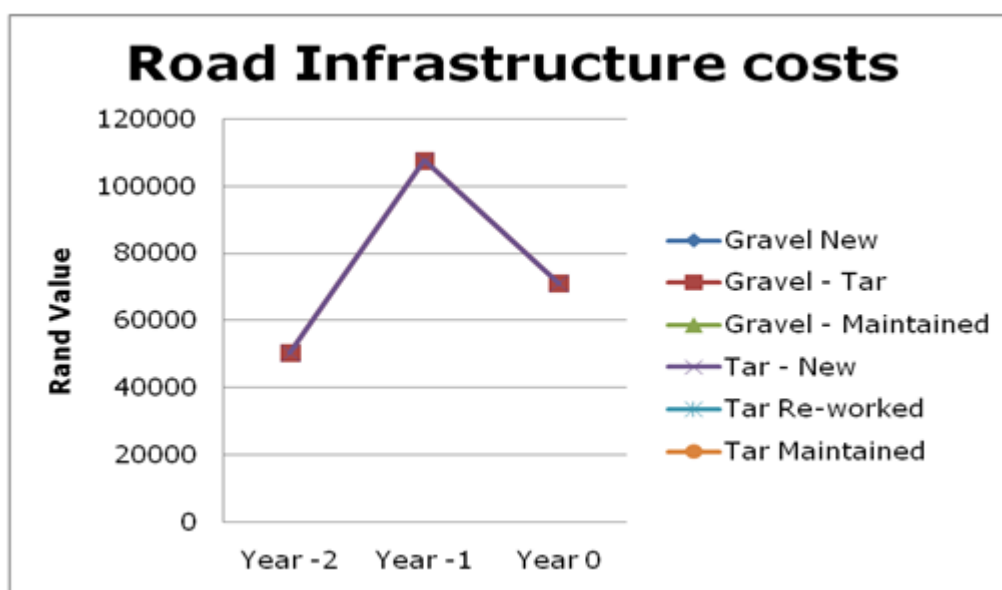


TABLE 3.92: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Roads	Km of gravel roads tarred	10.5km	10.89km	10km	10km <u>Amended to:</u> 10.12km (In line with CoAF 006)	15km
	Number of gravel culs-de-sac tarred	20	22	N/A	N/A	N/A
	Km of new sidewalks and/or cycle paths constructed	5.5km	5.81km	3.5km	3.5km <u>Amended to:</u> 3.8km (In line with CoAF 006)	4.75km
	m ² of roads resurfaced/ rehabilitated/ resealed	N/A	N/A	30 000m ²	55 820m ²	65 000m ²
	m ² of verges / sidewalks rehabilitated	N/A	N/A	650m ²	2495.20m ² <u>Amended to:</u> 2615.2m ² (In line with CoAF 006)	2500m ²
	Number of pedestrian bridges constructed	N/A	N/A	N/A	N/A	2

TABLE 3.93: Financial Performance 2016/17: Road Services

Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(7,957)	18,903	26,313	23,776	20.49%
Expenditure:					
Employees	67,562	84,640	79,782	77,812	-8.77%
Repairs and Maintenance	41,975	42,350	33,000	28,906	-46.51%
Other	144,377	239,514	224,391	250,224	4.28%
Total Operational Expenditure	253,915	366,504	337,174	356,942	-2.68%
Net Operational Expenditure	261,872	347,601	310,860	333,166	-4.33%

TABLE 3.94: Capital Expenditure Year 0: Road Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	164,789	154,530	153,730	-7.19%	
Resurfacing of Subsidised Roads	5,000	5,000	4,891	-2.22%	
Resurfacing Tar roads (non-subsidy)	9,000	8,000	7,655	-17.57%	
Rehabilitation of Verges and Sidewalks - Northern Areas	1,000	1,000	1,121	10.82%	
TM24 Guidance Signs	250	180	98	-154.14%	
Replacement Vehicles Fleet	8,250	8,250	9,399	12.23%	
Traffic Control Equipment (Subsidy and non-subsidy)	1,000	1,000	996	-0.44%	
Rehabilitate Tar Roads - Kleinskool			(1,110)	100.00%	
Rehabilitate Concrete Roads - Northern Areas	250	250	245	-2.09%	
Traffic Calming Measures	3,500	3,500	3,396	-3.05%	
Intersection Improvements	1,500	1,500	1,279	-17.30%	
Njoli Square Redevelopment	5,839		1,134	-414.82%	
Glen Hurd drive Upgrading	3,500	300	183	-1813.47%	
Magennis Street Reconstruction	6,000	5,000	6,123	2.01%	
Peri-Urban: Rehabilitation of gravel roads	1,500	1,500	1,483	-1.14%	
Upgrading Depots and Offices	3,000	3,000	3,333	9.99%	
Provision of Rudimentary Services - Roads and Stormwater	2,000	2,350	(566)	453.52%	
Facilities for the Disabled	200	200	200	-0.21%	
Tarring of Gravel Roads	72,000	72,000	71,197	-1.13%	
Public Transport Facilities	1,500	1,500	1,647	8.93%	
Provision of Sidewalks	7,000	7,000	7,990	12.39%	
Access Road to Chatty Developments	7,000	7,000	4,928	-42.03%	
New Traffic Signals	1,500	1,500	1,288	-16.45%	
Rehabilitation of roads	5,000	6,500	6,389	21.75%	
Laboratory Equipment - Scientific Services	1,500	2,500	3,315	54.75%	
Planning and Design of Main Roads	500	500			
Rehabilitation of Bridge Structures	3,000	3,000	6,050	50.41%	
Construction of Footbridges	500	500			
Seyisi Square & Daku Square Development	3,000	3,000	2,980	-0.68%	
Fleet Management - Workshop Equipment	2,000				
Rehabilitation of Workshop Buildings	2,000	2,000	3,717	46.20%	
Construction of Bloemendal Arterial	2,000	2,000			
Upgrading of Fountain Road - Walmer Township	4,000	4,000	3,950	-1.26%	
Fleet Management - Workshop Equipment	500	500	419	-19.46%	

Note: Employee statistics for the Roads Unit are included under the section covering Stormwater as Roads and Stormwater are a combined sub-directorate.

Operational budget information for the Roads Unit is included under the section covering stormwater as Roads and Stormwater are a combined sub-directorate.

COMMENTS ON PERFORMANCE

To upgrade the standard of roads within Nelson Mandela Bay, the Municipality has been engaged in a comprehensive road tarring programme for a number of years.

The following projects were implemented by the Municipality during the 2016/17 financial year:

- Tarring of Gravel Roads – R72 million
- Provision of Sidewalks and Cycle Tracks – R8.8 million
- Rehabilitation of Roads – R6.3 million

Service Delivery Priorities include:

- Tarring of Gravel Roads
- Sidewalks
- Resurfacing
- Fixing of Potholes

3.19 TRANSPORT

PUBLIC TRANSPORT STRATEGY

The institution's Public Transport Strategy is based on the vision contained in the Integrated Development Plan and Integrated Transport Plan:

"To provide an efficient, safe, affordable, sustainable and accessible multi-modal public transport system which supports social and economic development to ensure optimal mobility and improved quality of life for the residents and users of the transport system in the metropolitan area".

Strategic goals and benefits

The achievement of the vision for public transport is dependent on a reformed public transport system, based on a number of strategic goals, stated below, that need to be met in order to satisfy the demand.

Increased mobility

Increased mobility makes it easier to travel to and from work, school, and community services and recreational areas. Increased mobility should be the overall goal of the Public Transport System.

Affordable transport

The cost of travel is a financial burden for many local households and can absorb one third or half of the total household income of families in the lower income group. This has a major influence on the ability to have a job outside the area of residence or to access education. It is therefore very important to develop a transport system that is affordable to most households.

Improved accessibility

The future Public Transport System will be dependent on the location of industrial areas, schools and services. An integrated approach is important to ensure that the land use

structure supports an efficient and therefore affordable public transport system. The Public Transport System must be accessible to all people.

Support social and economic development

A well-functioning Public Transport System that gives good access to activities in the community will have a positive impact on the potential for social and economic development.

Improved safety

The current minibus taxi situation is characterised by low traffic safety and personal security. Improved public transport, with roadworthy vehicles and a safer environment, will contribute to the overall increased safety of local passengers.

Sustainable transport system

The transport system has to be sustainable, from both environmental and economic angles. An improved Public Transport System with increased ridership will also offer the benefit of decreased emissions from vehicles by:

- a) Improved utilisation of vehicles
- b) Shifting people from private to public transport.

IMPLEMENTATION OF THE STRATEGY

The erstwhile Public Transport Plan (2006) provided for short-, medium- and long-term strategies for the implementation of the Integrated Public Transport System. The following sets out the framework for the implementation of the strategies:

Short-Medium Term Strategy

The implementation of an Integrated Public Transport System (IPTS) will be done in terms of the National Transport Policy and relevant legislation. It is proposed that the IPTS will be implemented in phases in the following five Contract Areas in different parts of the Metropole:

- Contract Area 1: Motherwell
- Contract Area 2: Njoli

- **Contract Area 3: Cleary Park**
- Contract Area 4: Western Suburbs
- Contract Area 5: Uitenhage

To test the planned institutional and operational parameters, the phased roll-out of the IPTS Starter Service is planned to start in 2017 over a three-year period, depending on funding availability to complete the infrastructure required for each Contract Area and to subsidise operations. The order of implementation of the IPTS in the five contract areas was decided following an in-depth decision-making process at the beginning of 2016. The first Area to be implemented will be Contract Area 3: Cleary Park.

SHORT-MEDIUM TERM ACHIEVEMENTS

The Operational and Business Plan for the above contract area, excluding Motherwell, was completed and provides planning, institutional, operational and financial requirements for the planned starter service. The Advanced Public Transport Management System was activated and will be used for the management and monitoring of operations and contracts. Various infrastructure projects were completed. The National Land Transport Act, 2009 emphasises the need to negotiate and contract with affected operators. To date, four affected operators have signed a Memorandum of Agreement with the NMBM and established an Industry Consultative Committee (ICC) to negotiate on their behalf.

SHORT-MEDIUM TERM CHALLENGES

Institutional Capacity (Internal)

Although the IPTS organisational structure has been developed and approved by Council, the lack of capacity within the Sub-directorate hinders the implementation of the system.

Institutional Capacity (External technical support / Consultants)

The lack of service providers is key to the delivery of the system. The contract for the Public Transport Operator Verification came to an end before the completion of other components of the works.

The tender documents for the procurement of consultants for all the required streams and the automated Fare Collection System was rerouted from the Bid Specifications Committee because of the issue of its capacity to preside over IPTS tenders.

Negotiation Delays

Major delays ensued when the interaction with the public transport operators failed to secure compliance with the requirements of the national Transport and Treasury Departments for an Integrated Public Transport System.

Procurement Issues

Special arrangements must be made for procurement, within the framework of applicable legislation, to shorten procurement timeframes for the finalisation of negotiated contract for first public transport contract area, as well as the finalisation of construction and implementation of a call centre and fully integrated public transport operations centre at the South End Fire Station.

SERVICE DELIVERY PRIORITIES

There are various service delivery priorities linked to the IPTS, in addition to the Batho Pele principles.

Priority 6: Efficient, Competitive and Responsive Economic Infrastructure

Implementation of public transport facilities, including depot to enhance operations. This includes the activation of a monitoring and management system.

Priority 12: Efficient, Effective and Development Orientated Public Service and Empowered, Fair and Inclusive Citizenship

Establishment of an efficient and effective negotiation structure with the public transport operators,

Priority 1: Improved basic education

Provision of empowerment and skills development processes for the operators, including customer care training.

Public Transport Efficiencies

Not applicable, starter service will be operational in October 2017 only.

Bus Operations Approach

Not applicable

Support to Operators

The minibus taxi industry has long been running an unregulated competitive operation. The introduction of the system will upgrade their operations to scheduled services, managed by companies established by both the Algoa Taxi Association and the Northern Areas Taxi Operators Association.

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	5	5	5	0	0%
7 – 9	1	9	1	2	22.22%
10 – 12	6	16	6	8	50%
13 – 15	2	3	2	6	200%
16 – 18	0	1	0	10	1000%
19 – 20	0	0	0	0	0%
Total	14	34	14	26	76.47%

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	52,028	39,724	50,711	23,523	-68.87%
Expenditure:					
Employees	16,730	20,218	28,346	22,402	9.75%
Repairs and Maintenance	876	1,180	1,155	974	-21.24%
Other	32,763	17,515	29,537	31,932	45.15%
Total Operational Expenditure	50,368	38,913	59,038	55,308	29.64%
Net Operational Expenditure	(1,660)	(811)	8,327	31,784	102.55%

TABLE 3.97: Capital Expenditure Year 0: Transport Services

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All		58,338	56,278	100%	
IPTS - Work Package: Public Transport Facilities		3,333	3,049	100%	
IPTS - Work Package: Road Works		14,757	17,408	100%	
IPTS - Work Package: TDM and ITS		31,493	29,045	100%	
IPTS - Work Package: Sidewalks and Cycle Tracks		8,754	6,776	100%	

3.20 LAND PLANNING AND MANAGEMENT

Land Planning and Management involves the following main functions:

- Land Planning: Managing and administering the functions of Spatial Development Planning (including spatial development framework and detail layout planning); Strategic Planning and Land Use Management.
- Planning and Property Administration: Managing and administering the function of planning administration in relation to all land use and land transaction (sale, lease and acquisition) applications; as well as the management and administration of Council's immovable land assets.
- Building Control: Managing and administering the function of building control (building plan assessment; building inspections; illegal building control; and advertising control).
- Social Housing: Responsible for the management and administration of title deeds in relation to municipal housing developments; the administration of Old Age Homes and municipal Rental Housing Stock; and creating an enabling environment for the development of new Social Rental Housing Stock by accredited Social Rental Housing Institutions.

The major aspects of land planning and management that received attention in the review period were the following:

Municipal Spatial Development Framework Planning (MSDF):

The Metropolitan Spatial Development Framework forms part of a set of three interrelated strategic documents driving the spatial strategy of the Municipality. A revised Metropolitan Spatial Development Framework for the Nelson Mandela Bay Municipality was adopted by Council in December 2015. The revised SDF offers broad parameters within which initiatives at sectoral and local levels could be translated into tangible and attainable goals, targets, programmes and projects. However, the Framework requires a further review to enhance its alignment with the objectives of the NMBM Integrated Development Plan (IDP); as well as its compliance with the legal framework set by the Spatial Planning and Land Use Management Act (SPLUMA), 2013.

A preliminary assessment of the 2015 MSDF has been undertaken with the view to understand the gaps in terms of legislative and other policy frameworks guiding the

formulation of spatial development frameworks, as well as its alignment with the IDP. This analysis will inform the review of the MSDF, which will commence during the 2017/18 reporting period.

Local Spatial Development Framework Planning:

The spatial context of the Metro has been divided into 16 geographical areas, guided by the principles of “Sustainable Community Units,” as set out in the Sustainable Community Planning Methodology of the NMBM. Local Spatial Development Frameworks (LSDFs), which will guide the spatial development objectives of these geographical LSDF areas, have been developed over the last few years. A total of 15 LSDFs have now been completed, of which three have been finalised, although not finally adopted by Council in the review. These are for the Summerstrand, Bethelsdorp (including Bloemendal) and New Brighton/Kwazakhele (Ibhayi) areas.

Preparatory work in relation to briefing documents for the development of the outstanding LSDF for the Soweto-on-Sea/Veeplaas area as well as the review of the older LSDFs during the next two reporting periods also commenced during the review period.

Urban Network Strategy:

No further detailed work in relation to the NMBM Urban Network Strategy has been conducted in the current reporting period. Efforts in this regard were devoted to an improved understanding of the context of the integration zone and the cadastral capturing of the Urban Hubs, Integration Zones and Growth Areas as background layers in the NMBM Corporate Geographical Information System (CorpGIS). The formulation of detailed development and implementation plans will receive focused attention in the next two years.

Precinct Planning:

It was envisaged that detailed precinct plans for the Njoli and Chatty/ Zanemvula urban precincts would have been initiated and concluded during the past reporting period. This was, however, not achieved, due to the effect of a number of unforeseen challenges, in particular around procurement. It has nevertheless been possible to prepare preliminary precinct planning conceptual drafts, which will influence the briefing documents for the service providers that will be appointed, to assist in formulating the aforementioned Precinct Plans over the next two reporting periods.

Layout Planning:

Detailed layout planning undertaken, comprised smaller subdivision layouts for infill residential development in various areas and the planning of the proposed “Walmer 11305” Integrated Residential Development on Erf 11305, Walmer as an extension to Walmer Gqeberha. The refinement of the layout plans for the proposed Seaview Low Income Residential Project, as well as the proposed N2 North Integrated and Mixed Residential Development, based on environmental considerations, has also been attended to.

Land Use Management:

The assessment of land development applications has been aligned with Spatial Planning and Land Use Management Act, 2013 (SPLUMA) development principles. A “Pre-Consultation” process has been introduced between Municipal Town Planners and applicants in order to provide guidance with regard to the submission of land development applications. The overall turnaround timeframe for processing applications is envisaged to shorten, especially those to be adjudicated by the Authorized Official (Executive Director: Human Settlements). Approximately 500 land applications were processed in the review period.

Land Use Enforcement is largely complaint driven, and is heavily reliant on concerned neighbours, citizens and professionals who report suspected illegal land use activities. Concerted efforts were made to address reported illegal informal trading activities on municipal owned properties (Road Reserves) in Richmond Hill and some parts of Motherwell / Khamvelihle. Land Use Enforcement Officers teamed up to investigate reported unauthorized land use activities across the Metro.

Land Use Enforcement is also a key role-player in the inter-departmental Bylaw Implementation Committee, under the leadership of the Chief Operating Officer, which focuses on municipal Bylaw contraventions.

Municipal Planning Tribunal (MPT):

The NMBM Municipal Planning Tribunal has been established and been meeting on a regular monthly basis since its inception in September 2016. The names of the Tribunal members were promulgated in Provincial Government Gazette. One of the members has since resigned and one member, i.e. the Chairperson, is on permanent deployment and therefore not able to fulfil his responsibility as Chair. This function is currently performed by the Deputy Chairperson.

Policies and By-laws:

The following by-laws and policies have been drafted and adopted for public participation during the review period:

- SPLUMA By-law
- Problem Buildings By-law
- Land Invasion By-law
- Student Accommodation Policy
- Guest House Policy
- Outdoor Dining Policy
- Liquor Outlet Policy
- Tall Buildings Policy
- Disposal of Immovable Assets Policy

Land Acquisition:

A number of land parcels in “hot-spot” areas such as Colchester, Kuyga/St Albans, Lorraine and Walmer, where a critical demand exists for additional land for residential purposes, in particular informal settlements upgrading, have been assessed for possible acquisition. The feasibility and viability assessment includes, but is not limited to, planning, technical and environmental assessment, as well as the valuation of the subject land parcels. Final reports in relation hereto will be submitted during the next reporting period.

Land Strategy:

The *ad hoc* and often uncoordinated approaches followed in the identification and acquisition of land for municipal purposes, residential and other, together with similar approaches in relation to the disposal of municipal land for the developmental purposes, necessitated the formulation of a land strategy for the acquisition of land for municipal purposes and the release (disposal) of municipal land for developmental purposes.

Social Housing:

The Willowdene Social Housing project, comprising approximately 400 units, was completed in the review period, whilst a number of further projects are being prepared for implementation in coming reporting periods, such as the Steve Biko/Mumford House (former Sanlam Building), where struggle hero Steve Biko was incarcerated. The project, which will be completed in 2017/18, will yield approximately 300 units in the Inner City area.

It is also noted that the restructuring zones that designate the areas within which targeted social housing development will be implemented, were promulgated during the review period.

Title Deeds:

Approximately 1263 title deeds were handed over to beneficiaries during the current reporting period. Interventions are being considered to improve and expedite the hand-over of approximately 6700 more.

The registration of new title deeds has progressed relatively slow, with only 390 new registrations taking place (2600 are lying with the attorneys, awaiting registration).

Old Age Homes:

The management and maintenance of local old age homes was initiated in the previous reporting period. Old age homes that have been taken over include Elizabeth Stuurman (Korsten), Adcock Homes and Alan Hendricks in Korsten, as well as the Bethelsdorp Old Age Home. Maintenance work on these Homes was completed in the current reporting period.

Rental Housing Stock:

Large numbers of municipal rental housing stock have been handed over to tenants since 1994, leaving a very small number still being managed and maintained by the Municipality. These include the Culemborg, Cuylerhof, Nic Claasen and Fire Station flats.

Building Control:

Turnaround time for building plans assessment has been maintained at 14 days. Over 4 000 plans were approved for the 2016/2017 period, with an estimated value of R3 684 744 245.55.

Advertising Control:

The Advertising Bylaw is being reviewed to accommodate new advertising mediums and create a more competitive advertising environment in the City. The current Bylaw was promulgated in 2010.

The Advertising Control Committee sits every six weeks to assess advertising applications.

Redundant advertising contracts are being cancelled with the intention of improving or restructuring new contracts and to unlock the potential revenue that can be generated through advertising.

Summary and Conclusion:

In the current reporting period, the focus was on improving and enhancing compliance with the provisions of the Spatial Planning Land Use Management Act (SPLUMA) and its regulations. Evidence hereof is reflected in the operation of the Municipal Planning Tribunal; and the drafting of the SPLUMA By-law and other associated policies.

Strategic direction has been maintained in the preliminary assessment of the 2015 MSDF, with the view to understand the gaps in terms of legislative and other policy frameworks guiding spatial development frameworks. Three Local Spatial Development Frameworks have been completed and adopted and preparatory work has commenced in the development of precinct plans for the targeted growth areas in terms of the NMBM Urban Network Strategy.

The past reporting period saw improvements in efficiencies and in the administration of and turnaround times of land planning administration.

The previous review period saw a significant decline in the number of building plans approved. This trend has continued in the current reporting period, though only marginally. The value of building plans approved has, however, not declined. A Problem Buildings By-law to provide for the identification, control and management of dilapidated problem buildings in the Metro has been drafted and prepared for public participation.

Social Housing development has observed the completion of a further 400 units in the Willowdene project and the inception of further extensions in the Fairview Links project; as well as the inception of an inner-city project involving the conversion of the Steve Biko/ Mumford House (former Sanlam Building) of approximately 220 units.

The hand-over of past registered title deeds (title deeds backlog) has not progressed at the anticipated pace. This will receive focused attention in the next reporting period.

TABLE 3.98: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Integrated and Sustainable Human Settlements	Number of Local Spatial Development Frameworks (LSDF) approved by Council	3 LSDFs (Summerstrand Ibhayi and Bethelsdorp) approved Council	0	3 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) approved by Council	3 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) submitted to Mayoral Committee <u>Amended to:</u> 0 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) approved by Council (In line with COAF 006)	100% of Soweto-on-Sea / Veeplaas Local Spatial Development Framework (Phase 1) - Status quo report submitted to the Human Settlements Standing Committee

TABLE 3.99: Employees: Town Planning

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	100%
4 - 6	8	11	8	3	72.73%
7 - 9	3	7	3	4	42.86%
10 - 12	9	16	9	7	56.25%
13 - 15	7	15	7	8	46.67%
16 - 18	4	5	4	1	80%
19 - 20	0	0	0	0	0%
Total	32	55	32	23	58.18%

TABLE 3.100: Employees: Properties and Planning Administration

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	15	17	15	2	11.76%
7 - 9	6	6	6	0	100%
10 - 12	1	3	1	2	66.67%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	22	26	22	4	15.38%

TABLE 3.101: Financial Performance 2016/17: Planning Services

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	42,205	282,183	273,413	59,708	-372.61%
Expenditure:					
Employees	163,107	188,297	183,410	176,982	-6.39%
Repairs and Maintenance	3,159	3,493	3,617	1,837	-90.17%
Other	64,621	78,200	88,008	(11,504)	779.74%
Total Operational Expenditure	230,886	269,990	275,036	167,315	-61.37%
Net Operational Expenditure	188,682	(12,193)	1,623	107,607	111.33%

TABLE 3.102: Capital Expenditure Year 0: Planning Services

Capital Projects	R' 000				
	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	7,285	19,203	18,661	60.96%	
Motherwell Traffic and Licencing Centre	7,285	19,203	18,661	60.96%	

**PILLAR 5:
THE CARING CITY**

PILLAR 5: CARING CITY

In the Caring City, equality is strived for through ensuring that all residents have access to delivery that promotes their well-being. Access to affordable housing and the provision of dignified housing is properly planned for to ensure maximum possible delivery within the constraints of the funding available. Dignified sanitation and waste management are a reality for all households.

In the Caring Nelson Mandela Bay, indigent communities are adequately supported and food security programmes and community gardens are fully operational. Social services and social development programmes are well-prioritised. In ensuring the wellbeing of residents, the Caring City delivers libraries and sports and recreational facilities that are accessible to all communities. Through effective cleansing programmes, greening initiatives and the provision of well-maintained public parks, every resident is able to feel proud of the community he or she lives in.

Through the delivery of Public Health services, cemeteries are well managed and planned, and proper management of the environment is practised.

Reporting on municipal initiatives implemented during the year in this regard will focus on the work performed in terms of the following functions:

- Human settlements (SDEA and housing delivery)
- Free basic services and indigent services
- Heritage, libraries and museums
- Cemeteries
- Pollution control
- Biodiversity, landscape and others
- Special sector programmes
- Health inspection
- Sport and recreation
- Beaches and resorts

3.21 HUMAN SETTLEMENTS (SOCIAL DEVELOPMENT, EDUCATION AND ADMINISTRATION AND HOUSING DELIVERY)

Housing Delivery

During the 2016/17 financial year, the Municipality managed to build 2256 units in the following areas: Chatty; Joe Slovo; Motherwell; Rosedale; Sisulu Village; Soweto-on-Sea; Missionvale; Khayamnandi and Tiryville.

Altogether 346 rectification units were completed in various Metro projects.

The Municipality managed to achieve 146 approved beneficiaries in the 2016/17 financial year in the following areas: Rosedale 505; Joe Slovo 398; Missionvale Garden Lots 2498; and Motherwell NU29. The Housing Development Agency managed to achieve 1808 approved beneficiaries in the following projects: Chatty 491; Chatty 1060; Joe Slovo West; Soweto-on-Sea; Khayamnandi 1A; Ebongweni; Walmer Area Q; and Sisulu Hlalani.

Social Development, Education and Administration

Greenfield Relocations: During the period under review, altogether 606 households were relocated from stressed informal settlements and other servitudes to Greenfield development areas as follows: 152 from various stressed areas to MK Silvertown; 93 from various stressed areas to Chatty; 112 from Qaqawuli (un-serviced site) to Qaqawuli (serviced sites); 20 from Bethelsdorp to Vastrap; 228 from various stressed areas to Area 11 (Uitenhage); and 1 from Edongweni to Motherwell.

Other Relocations: In addition to the aforementioned, 129 households were temporarily relocated from various informal settlements to open spaces and 11 households were relocated to Brownfield development areas across the Municipality.

TABLE 3.103: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA : Integrated Service Delivery to a well-structured city KPE: Integrated and Sustainable Human Settlements	Number of housing opportunities (social housing and state subsidized housing) provided	1293	1235	220 Social housing	346	366 (Social housing units)
				3000 State subsidized housing	2188	582 (State subsidized houses)
	Number of households relocated from stressed informal settlements and other servitudes to Greenfield development areas	1200	550	1200	601	800
	Number of defective state subsidized houses rectified	642	784	400	345	N/A

TABLE 3.104: Financial Performance 2016/17: Housing Services

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	279,179	309,544	338,359	66,572	-364.98%
Expenditure:					
Employees	52,156	41,678	39,760	40,270	-3.50%
Repairs and Maintenance	740	199	72	842	76.37%
Other	263,497	532,842	560,427	103,167	-416.48%
Total Operational Expenditure	316,392	574,719	600,258	144,279	-298.34%
Net Operational Expenditure	37,214	265,176	261,898	77,707	-241.25%

TABLE 3.105: Capital Expenditure Year 0: Housing Services

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	211,100	199,100	205,227	-3%	
Land Release : Township Developments - Reticulation Services			(48)	100%	
Khayamnandi Extension - Roadworks (Human Settlements)	15,000	15,000	30,866	51%	
Missionvale Garden Lots - Human Settlements (Services)	10,000	8,800	27,676	64%	
KwaNobuhle Area 11 - Roadworks Human Settlements (Services)	20,000	20,000	18,008	-11%	
Kwazakhele: Ekhumphumleni - Roadworks (Human Settlements)	16,600	7,800	13,812	-20%	
Jagvlagte (Chatty 11-14)	20,000	20,000	5,785	-246%	

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Roadworks (Human Settlements)					
Seaview Housing Project - Roadworks (Human Settlements)	1,000	1,000	497	-101%	
Walmer Development - Roadworks Human Settlements (Services)	31,797	31,442	24,330	-31%	
N2 North Development - Roadworks (Human Settlements)	5,000	5,000	4,460	-12%	
Walmer Q Phase 3 - Human Settlements (Services)		26		100%	
MK Silvertown 2 Qaqawuli - Human Settlements (Services)	20,000	20,000	29,525	32%	
Motherwell NU30 - Roadworks Human Settlements (Services)	13,000	13,000	33,963	62%	
Malabar Ext 6 Phase 2 - Roadworks (Human Settlements)	19,000	19,000	2,421	-685%	
Motherwell NU31- Roadworks Human Settlements (Services)	1,000	1,000	155	-547%	
Kuyga Phase 3 - Roadworks Human Settlements (Services)	250	250			
Nkatha/Seyisi - Roadworks (Human Settlements)	1,000	1,000			
Raymond Mhlaba/ Buyambo - Human Settlements (Services)	1,703	1,703	3,742	55%	
Bethelsdorp Ext 32, 34 & 36 - Roadworks (Human Settlements)	1,000	1,000	128	-683%	
Dikisa Street - Human		330	6	100%	

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Settlements (Services)					
Kleinskool Kliprand - Roadworks Human Settlements (Services)	935	935	56	-1568%	
Pola Park - Human Settlements (Services)	6,000	6,000	5,711	-5%	
Witteklip - Human Settlements (Services)	500	500			
ERF 10015, Uitenhage Human Settlements (Services)	925	925	334	-177%	
Erf 3179 Uitenhage (Human Settlements)	3,180	3,180			
Erf 6480 Uitenhage (Human Settlements)	3,330	3,330			
Erf 29669 Uitenhage (Human Settlements)	1,895	1,895		-15791567%	
Erf 12872 Uitenhage (Human Settlements)	2,195	2,195			
Kabah Phase 6 (Human Settlements)	4,000	4,000	3,379	-18%	
Erf 12931 Uitenhage (Human Settlements)	2,730	2,730			
Erf 7927 Uitenhage (Human Settlements)	1,060	1,060			
ERF 818/868, Uitenhage	1,000	1,000	420	-138%	
National Upgrading Support Programme	2,000				
John Street (Human Settlements)	5,000	5,000			

COMMENTS ON PERFORMANCE

Social Development, Education and Administration

The relocation programme was hampered by the instability experienced in Uitenhage (Area 11) and Khayamnandi. Certain households invaded serviced sites in Uitenhage (Area 11), making it impossible to proceed with relocations in the area. In addition, certain disgruntled stakeholders were making relocations difficult in Khayamnandi. The Municipality initiated negotiations with the affected stakeholders to address their concerns. It is envisaged that the relocation of households will be expedited during the 2017/18 financial year.

3.22 FREE BASIC SERVICES AND INDIGENT SERVICES

Brief introductory comments on progress:

- (b) The Indigent Subsidy Scheme was introduced by the then Port Elizabeth Municipality in July 1997, with a staff complement of 13.
- (c) In 2000, National Government announced a policy intended to provide basic services to poor households (water, sanitation and energy).
- (d) In 2003, the Nelson Mandela Bay Municipality adopted its Assistance to the Poor (ATTP) Policy, in line with government's directive.
- (e) The qualifying criterion is that the combined household income may not exceed the equivalent of two welfare state pensions (R3 000 as from 1 April 2016; this excludes grants such as foster child grants, care development grants, and child support grants).
- (f) On 1 July 2016, all properties with a market value of R100 000 or less were automatically granted an Indigent subsidy, irrespective of the level of the household income of all household occupants in order to accommodate for the delay in verifying and approving applications submitted long ago.
- (g) In February 2017, Council amended this automatic clause, and inspections were made of all households that had automatically been granted an ATTP subsidy. The auto clause was amended and those households that exceeded the income criterion were disqualified from receiving the automatic subsidy.
- (h) Annually, the ATTP Policy criteria and conditions are reviewed to address the needs of local communities.

- (i) 902 manual applications were still awaiting approval as at 30 July 2017.
- (j) 39 staff members are employed, servicing a database of 112 419 indigent households.

Summary of NMBM Policies towards Indigent support:

In terms of the NMBM ATTP Policy, indigent households receive the following support and benefits:

- i) Full credit for monthly property rates
- ii) Full credit for monthly refuse
- iii) Credit (to the maximum of 8 kl of water per month)
- iv) Credit (to the maximum of 11 kl of sewerage per month)
- v) Free monthly token of 75 kWh of electricity per month

In the event that the indigent households consume more than the limit provided for by the support, the debt is written off after three months.

Section 2.1.1 of the ATTP Policy states that all miscellaneous once-off charges incurred by an ATTP beneficiary, with the exception of tampering charges, after initial registration, will be written off.

Furthermore, Section 2.1.2 states that no further legal costs and call fees will be charged to ATTP accounts, with the exception of tampering charges.

Expenditure:

The Free Basic Services expenditure for services was as follows in 2016/17:

TABLE 3.106: Free basic services expenditure

Description	2015/16	2016/17	Variance	% Growth
Property Rates	77,864,905.07	102,547,208.65	24,682,303.58	31.70
Services				
Electricity	45,000,602.79	58,630,341.71	13,629,738.92	30.29
Water	103,167,884.46	141,676,792.32	38,508,907.86	37.33
Sanitation	91,639,030.22	199,097,729.02	107,458,698.80	117.26
Refuse	79,605,291.02	119,792,047.35	40,186,756.33	50.48
Sub Total	319,412,808.49	519,196,910.40	199,784,101.91	62.55
Total	397,277,713.56	621,744,119.05	224,466,405.49	56.50

Grants received in year 2016/17

The Equitable Share Grant amount for 2016/17 was R798 043 000.

TABLE 3.107: Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3,000 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2014/15	334007	85840	76272	0.888537	76371	0.88969	66300	0.772367	67214	78.30%
2015/16	334007	87050	76944	0.883906	78970	0.90718	66448	0.763331	69206	79.50%
2016/17	334007	112419	97742	0.913477	98689	0.922327	78916	0.737533	91192	85.23%

TABLE 3.108: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Assistance to the Poor (ATTP)	% qualifying households earning less than R3 000 per month (two state pensions) with access to free basic services	100%	100%	100%	100%	100%

TABLE 3.109: Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered

Services Delivered	2015/16	2016/17			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	103167884.5	102779280	141191530	141676792.3	27.46%
Waste Water (Sanitation)	91639030.22	107155020	200353760	199097729	46.18%
Electricity	45000602.79	51506380	53006380	58630341.71	12.15%
Waste Management (Solid Waste)	79605291.02	85832240	119105880	119792047.4	28.35%
Total	319412808.5	347272920	513657550	519196910.4	33.11%

3.23 HERITAGE, LIBRARIES AND MUSEUMS

The Directorate of Sport, Recreation, Arts and Culture has a Sub-directorate: Arts, Culture, Heritage and Libraries, which provides services through the following sections and facilities:

Libraries

- 20 Metro wide libraries
- Three modular libraries (New Brighton, Colchester and Kuyga)
- Digital library and Archives at Red Location Cultural Precinct

Museums and Gallery

- Red Location Museum of Struggle
- Nelson Mandela Metropolitan Arts Museum
- Red Location Arts Gallery

Heritage

- Maintenance of 18 Heritage Sites
- Establishment of Heritage Liberation Route
- Commemoration of heroes and heroines and significant historical events (Repatriation and Reburials)
- Establishment and development of memorials (Naming and Renaming)

Arts and Culture (Living Arts)

- Arts Development Programmes (Film, Music, Dance, Poetry, Literature and Crafts)
- Establishment of infrastructure for Arts Development (Mendi Cultural Arts Centre)
- Provision of opportunities to develop Cultural and Creative Industries through Strategic Events Platforms such as Summer Season, Splash Festival and Iron Man
- Support to constituency organizations and the sector (Small Arts Grants)
- Strategic Partnerships with stakeholders and institutions with an interest in the Arts and Culture

These facilities and sections operate in line with legislation, with a primary focus on the development of arts, the preservation and conservation of culture and heritage, and the provision of library services. The legislation that governs these services to the public includes:

- Revised National White Paper on Arts, Culture and Heritage 2016
- The national Library of South Africa Act of 1998
- Promotion of Access to Information Act 2000
- Eastern Cape Library and Information Services Act 2003
- National Heritage Resource Act 25 of 1999
- Culture Promotion Amendment Act 35 of 1983
- Cultural Institutions Act 119 of 1998
- Geographic Names Policy
- Eastern Cape Repatriation and Reburial Policy

NELSON MANDELA METROPOLITAN ART MUSEUM

The mission of the Nelson Mandela Metropolitan Art Museum is to collect, preserve, exhibit and foster the understanding and enjoyment of works of art at the highest possible museum and scholarly standards.

The Nelson Mandela Metropolitan Art Museum is a place that the citizens of Nelson Mandela Bay can value and take pride in. The NMM Art Museum promotes our city nationally and

internationally. The collections are universally accessible and provide a source of inspiration that make a positive difference to people's lives.

EXHIBITIONS

The theme for the NMM Art Museum's 2016/17 was the "*Creative City*". The objective of the exhibition schedule was to nurture local creative talent, while providing dynamic and exciting exhibitions for the citizens of Nelson Mandela Bay. In 2016/17, the NMM Art Museum installed eight new exhibitions.

A highlight of the 2016/17 exhibition calendar was an exhibition commemorating the brave men who lost their lives when the troopship the *SS Mendi* sank off the coast of England. The men were part of the Native Labour Contingent and were travelling to the frontlines of First World War (1914-1918) to offer support to the British troops fighting in France.

A total of 616 South Africans died when the *SS Mendi* sank in the English Channel on the way to France on 21 February 1917. Eastern Cape artist Hillary Graham produced a comprehensive installation that commemorated this tragic event and also ran a drawing workshop at the Harbor on 10 June 2017.

To complement the "*Remembering the SS Mendi*" Exhibition, the Art Museum's Education Department organized a Creative Writing workshop. The targeted groups were schools in New Brighton, close to the Mendi Memorial and schools in the Helenvale area. Participants were taken on a walkabout of the "*Remembering the SS Mendi*" Exhibition, followed by the Creative Writing workshop. A closing function was held on 8 June 2017, at which poems written by the school learners and community members who participated in the Creative Writing workshop were read.

A catalogue of the new poems was published by the NMM Art Museum and distributed to all the learners, schools and members of the public who participated in the workshops.

EDUCATION DEPARTMENT

In spite of reduced capacity, the Art Museum's Education Centre offered a comprehensive programme of educational tours, workshops and events designed to foster the understanding and enjoyment of the artworks on exhibition. Guided tours and workshops

were offered on a first-come-first-serve basis. Notices were sent to the Port Elizabeth Teachers Centre to participate in the above programme.

TABLE 3.110: NMM ART MUSEUM EDUCATION SUPPORT PROGRAMMES		
ACTIVITY	NUMBER OF ACTIVITIES IMPLEMENTED	BENEFICIATION
Events	22	All wards
Guided Tours	46	All wards
School Tours	31	Wards: 1, 5, 15, 25, 28, 32, 40, 59, 60
Self-Guided Tours	14	Wards: 1, 5, 15, 25, 28, 32, 40, 59, 60
Workshops	98	Wards: 1, 3, 4, 5, 6, 7, 9, 12, 13, 14, 15, 22, 24, 25, 28, 31, 35, 39, 40, 41, 44, 60
Outreach workshops	5	Wards: 4, 31, 32
Holiday workshops	12	All wards
Special programmes	10 events, 14 workshops	Wards: 3, 13, 14, 15, 24, 28, 31, 40

COLLECTION MANAGEMENT

Three George Pemba paintings were anonymously donated to the Art Museum in March 2017:

- GMM Pemba *Pensioners queuing for pay-out* oil on board
- GMM Pemba *Horse Memorial, Port Elizabeth* oil on board
- GMM Pemba *Township Scene* oil on board

CONSERVATION

- 43 paintings and 74 ceramics were restored in 2016/2017.
- Special attention was given to the large painting by FT l'Ons, which was removed from the City Hall for restoration purposes. This work is part of the Permanent Collection of the Art Museum and has been on loan to City Hall. It will be worked on by the Restorer for an extended period.
- The three donated George Pemba Paintings were treated by the Conservation Department, while minor restoration work on the two 19C Qing Dynasty Chinese Scrolls were done by a specialist paper restorer.

NEW ACQUISITIONS

- The Art Museum has a duty to represent historical progression of art produced in South Africa and the Eastern Cape. Due to lack of capital budget for collection acquisitions, the Art Museum was unable to purchase works of art to fulfill one of its main functional responsibilities. Despite these challenges, the Art Museum, through the exhibitions and programmes hosted, was able to:
 - Profile the collection of the Arts Museum
 - Promote the appreciation and relevance of visual art in Nelson Mandela Bay and the Eastern Cape more broadly

RED LOCATION CULTURAL PRECINCT: MUSEUM, ART GALLERY AND DIGITAL LIBRARY AND ARCHIVE

The continued closure of the Red Location Museum Precinct for close to four years has necessitated the adoption of innovative strategies to keep delivering on the mandate to deliver museum, gallery and digital library and archive services to the citizens of the Metro.

The conceptualization of the '*Precinct Without Walls*' programmes was a direct response to this closure, in terms of the view that the work of the Precinct is not limited to the buildings but can also be embedded in the community, to ensure beneficiation from these services.

Red Location Museum

The programme for the Museum, during its closure, has focused on research and reflection about its work. Additional funds were allocated to the Museum towards re-curating its exhibitions to ensure that they are reflective of current debates and contestations. It is also reassessing its working relationships with surrounding community and finding better strategies and methodologies to ensure their further buy-in.

Red Location Art Gallery

The work of the Art Gallery during the review period primarily focused on providing opportunities to visual arts, especially in the arena of capacitating artists to enter into the professional space. The strategy is to build on the collaboration and partnerships that have been established through the engagements that the Gallery has had with various stakeholders.

Red Location Digital Library and Archive

During the review period, the digital library and archives focused on holiday programmes, mobile storytelling sessions, creative writing workshops, membership drives, E-collection promotion, seminars and debates, in partnership with the NMBM Libraries Section and relevant stakeholders. The digital library also conducted digital literacy workshops for residents of the Northern Areas as well as local townships.

ARTS, CULTURE AND HERITAGE:

The core mandate of the Municipality's Arts, Culture and Heritage Section is underpinned by the desire to ensure that previously disadvantaged communities can benefit through the Sub-directorate's projects and programmes. The key objectives of the Section are the following:

- The creation of platforms for events across sports and the arts, creating opportunities for the activation of the creative industries and sports tourism to stimulate a diverse economy in the city.

- Ensuring efficient and effective service delivery by ensuring that every resource and infrastructure is utilized to the fulfillment of core mandates and providing well-maintained facilities through the development of appropriate norms and standards.
- Building social cohesion: Implementing initiatives that seek to embrace our diversity and bridge existing divides through the mediums of arts, culture and heritage.
- Access for disadvantaged and youth: Ensuring the involvement of youth and disadvantaged persons in arts, culture and heritage programmes and facilities.
- Diversify towards a creative economy (CEPIS).
- Ensuring the conservation and preservation of heritage in Nelson Mandela Bay through research, development and maintenance.
- Commemorating and celebrating historical significant milestones and events through advocacy programmes.

The NMBM Arts and Culture Section, through its Living Arts Section, has delivered on various programmes in supporting the development of cultural and creative industries.

The 2016/2017 programmes were:

- Small Arts Grants: This programme saw eleven grantees selected from 200 applicants, with a number of the recipients participating in the National Arts Festival, touring ventures in terms of the National Joy of Jazz Programme, and some participating in local programmes that benefitted visual artists, writers and poets. This programme facilitated the exposure of NMBM artists in local, national and international markets, thereby increasing brand awareness for the City.
- TruFM Talent Search: Partnering with the TruFM radio station, NMBM artists were selected to participate in a development programme, aimed at identifying and profiling emerging artists in their respective disciplines (radio, presenting, hip-hop, fashion, make-up and styling).
- Strategic events in the City (Summer Season, Splash Festival, Ironman and Mandela Bay Festival): Through these strategic events, local artists from various creative sectors and genres (film, music, dance, poetry, visual arts and theatre) economically benefited.
- Film Development: Filmmakers were part of a programme, hosted in partnership with the National Lottery Distribution Fund and BAY TV, which sought to develop 75 young people with various skills in the film industry (Scriptwriting, Editing, Pre/Post Production and Cinematography).

In partnership with the Opera House, the following programmes were delivered:

- The Performing Arts Incubator saw the development of Jazz Afro Sundays at the Opera House and dance and drama seasons.

HERITAGE

During the 2016/17 financial year, the Heritage Section of the Nelson Mandela Bay Municipality, as custodian of the City's intangible and tangible heritage resources, initiated different projects on the development and commemoration of Memorial Sites, in terms of the following:

- The contribution that the communities of the Northern Areas made to the current landscape of Port Elizabeth, as well as the Liberation Struggle (the Northern Areas Memorial).
- The commemoration of the Rivonia Trial, in line with the theme of the preservation of the history of the Liberation Struggle (with the Red Location Museum as the proposed location). This Memorial Sculpture is expected to form part of Nelson Mandela Bay's Liberation Heritage Route.
- The commemoration of PEBCO3 and COSAS 2 (Liberation Struggle of Students and Community).

Although the above projects were initiated during the 2016/17 financial year, none of them were completed due to financial constraints. However, designs for the PEBCO3 and COSAS 2 were approved and public participation completed during the 2016/17 financial year. The Heritage Section successfully maintained 18 heritage sites throughout the 2016/17 financial year. Another important focus area of the Heritage Section is the commemoration of historically significant people, places and events through memorial lectures. To this end, the George Botha Memorial Lecture was held, in partnership with the South End Museum during the 2016/17 financial year. The commemoration programme by the Heritage Section also includes the repatriation and reburial of struggle heroes/heroines. In this regard, the symbolic spiritual repatriation of Sizwe Kondile and the official unveiling of the Zwide Heroes Acre were done during the 2016/17 financial year.

The re-naming of locally significant sites and buildings is within the institution's legislative mandate, stipulated in the National Heritage Resources Act (1999), as part of transformation, nation-building and redress. The Municipality, as part of the three spheres of government, conducts the naming and re-naming of locally significant sites and buildings. During the 2016/17 financial year, the following streets were re-named:

- Chapel Street re-named to Winston Ntshona Street
- Whites Road re-named to John Kani Road
- Belmont Terrace re-named to Athol Fugard Terrace)

As an institution that promotes the preservation and conservation of heritage resources, the South End Museum received sponsorship funding in the amount of R750,000 from the institution (this amount is given annually over a three-year term). The programmes of the Museum focused on the Northern Areas Uprisings during the Liberation Struggle.

LIBRARIES

The mandate of the Libraries Sector is to foster a culture of lifelong learning among all residents of the Nelson Mandela Bay Municipality (NMBM) and to provide an inclusive library service that:

- fosters and inculcates a culture of lifelong learning and reading;
- promotes a culture of reading through programmes targeting all sectors of society in the key local languages, namely English, isiXhosa and Afrikaans, throughout the Metro, in addition to the provision of library services, which include the circulation of resources to the public.

Whilst the NMBM Library Services Division receives a grant from the Eastern Cape Department of Arts and Culture, it is insufficient to enable the Nelson Mandela Bay Municipality to provide efficient and easily accessible library services to all its residents. Library Services remains an unfunded mandate, but in terms of the Eastern Cape Libraries and Information Services Act (No. 6 of 2003), "the MEC may, in terms of Section 126 of the Constitution, assign any power or function relating to the libraries and information service to a municipal council". The NMBM Library Services Division provided a service in 2016/17 through its 21 facilities and outreach outlets. Three

Modular Libraries were opened to provide services in previously un-serviced areas, namely Colchester, KwaZakhele and Kuyga.

The Main Library remains closed to the public for rehabilitation; the servicing of its patrons was moved to Kwantu Towers. The rehabilitation of the Main Library will continue into the 2017/18 financial year; as insufficient funds were allocated to complete the required work to enable the facility to be re-opened to the public. Since this is a heritage building, it is critical that it is thoroughly rehabilitated before it is re-opened.

Statistics of the services provided to the public in 2016/17 are as follows:

Circulation: 1 642 764

Visitor numbers: 1 112 782

PROGRAMMES

Libraries traditionally present various programmes during the course of each year, as proposed by the International Federation of Library and Information Services Guidelines for Public Libraries. These programmes are aimed at all potential library users, and include adults and children from all educational and socio-economic levels. Some programmes are aimed at specific sectors, such as school children, while others are more general, depending on the target audience.

The main objectives of presenting programmes at libraries are as follows:

- Attracting the general public to the libraries
- Introducing children to the library in a fun and educational way
- Raising reading awareness
- Promoting the use of books in general and of other facilities in the library
- Promoting the use of books on specific topics by presenting subject specific reading promotion programmes
- Fulfilling its socio-economic developmental role
- Providing recreational opportunities for the general public

As well as the programmes and activities presented at individual libraries, a number of city-wide programmes took place, as listed below:

- Mandela Bay Festival 2016: Libraries proudly presented a “THINK-FEST programme (Bay festival), which saw libraries hosting programmes and activities in collaboration with the Arts Council. These programmes sought to promote reading, books, storytelling, poetry and music as key to developing creativity and economic socio-development. The programme played an important role in encouraging the NMBM youth and learners to value literature as a fun and pleasurable activity, while showcasing how reading can easily be incorporated into one’s daily lifestyle. NMBM Library Services also participated in this initiative through organizing a Book Launch, focusing on a well-known writer (Bongani Madondo); exhibitions, poetry sessions, creative writing workshops and writing–publishing panel discussions.
- Up to 8 schools participated in the two-day programme. At least 300 people attended the programme, of whom 275 were Grade 10 school learners.
- National Book Week in September 2016: National Book Week is an important initiative in encouraging the nation to value reading as a fun and pleasurable activity and to showcase how reading can easily be incorporated into one’s daily lifestyle. The celebrations coincided with International Literacy Day on 8 September. The National Book Programmes implemented by the Library Services included Debates, Book Launches, Read-a-thon, Spoken Word and Poetry Recitals. The NMBM 2016 NBW programme was very successful and far reaching. We had a total attendance far exceeding 1476.
- Transport Month Career Expo 24 - 28 October 2016: NMBM Library Services proudly participated in this initiative through the exhibition of library material and information related to books. The Transport Month Career Expo was an initiative of the Integrated Public Transport System and was held at the Vuyisile Mini Square. About 450 people visited the stalls over the five-day period.
- The Children’s Reading Challenge Programmes were held in September and October 2016, and the quarterly visits to the Amanzi Farm School took place in February 2017, where thirty-one (31) children from grades R to 7 were engaged in storytelling and reading activities.
- South African Library Week in March 2017: South African Library Week was celebrated nationally, and the NMBM Libraries participated with a robust programme of activities. Each municipal library hosted programmes during the week; these ranged from author talks, motivational talks to the young around the topic of Drug use by SANCA, the launch of new books, storytelling sessions, a Book Fair with various exhibits, Library membership drives and Reading Competitions among local schools. A MiniLib for the Blind SA Library Week programme, hosted in collaboration with

South African Library for the Blind, was held at New Brighton Library, for all municipal libraries (Elukhanyisweni, Motherwell & New Brighton) that host SALB Minilibs for partially sighted and blind community members as part of the activities.

- Precinct Without Walls 2016/17: During Black History Month in February, posters and displays with the theme Black History were displayed in all libraries. Libraries, in partnership with Nali'wali, hosted World Read Aloud programmes to raise awareness of the importance of reading, reading aloud and sharing stories with children in 15 libraries with local schools and preschools (a total number of 512 children and 34 adults participated). The Motherwell Minilib library held a Black History discussion, attended by 12 partially sighted and blind Minilib members.
- Other libraries conducted children's story time and library orientation programmes around the Black History Month theme.
- Monthly Craft Workshops (Adults and Children): Craft Workshops and Programmes took place at the Algoa Library, Despatch Library, Gelvandale Library (which is a legacy project of the partnership with the Frolunda Culture House in Goteborg, Sweden), Motherwell Library, North End Libraries and Walmer Library.
- Youth Reading Programme in May and June 2017: The aim of the Programme was to encourage a culture of reading amongst the youth. The libraries run reading competitions to ascertain the top readers at each particular library. Youth were encouraged to take out books and were then awarded for the most books read.
- Opening of Gqebera Library in June 2017: The aim behind the opening of the Gqebera Library in Walmer Township was to address the lack of library services in disadvantaged communities. The key mandate of the Library is to promote a culture of reading, writing and learning. The Library will offer the surrounding community a range of services, such as book lending and research, and has been warmly welcomed by the community. The opening was attended by 269 people, comprising officials and community members.

TABLE 3.111: OVERALL PROGRAMME ATTENDANCE STATISTICS

	ADULT	CHILDREN
Quarter 1 – July – September 2016	793	2906
Quarter 2 – October - December 2016	608	2246
Quarter 3 – January - March 2017	1042	3744
Quarter 4 – April – June 2017	657	3685
SUB TOTAL	3100	12581
OVERALL TOTAL	15681	

TABLE 3.112: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Arts, Culture and Libraries	% completion of Mendi multi-purpose centre	100% of Phase 1 completed (conversion of Beer hall to a Multi-Purpose Theatre)	79% of Mendi multi-purpose centre Phase 1 completed in line with project plan (Conversion of Beer hall to a Multi-Purpose Theatre)	N/A	N/A	90% Phase 1
KPA: Integrated Service Delivery to a well-structured city KPE: Arts, Culture and Libraries	% completion of leisure facilities upgrade	100% of Springs Resorts Upgrade completed in line with project plan	100% completed in line with Project Plan	N/A	N/A	N/A
		2% of Wells Estate Beach Upgrade completed in line with Project Plan	0%	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Arts, Culture and Libraries	% completion of the Main Library restoration/ upgrade	30% Upgrading of Main Library completed (Replace roofing; Water proofing; Refurbishment of storage facility)	30% Upgrading of Main Library completed (Replace roofing; Water proofing; Refurbishment of storage facility)	N/A	N/A	48%
	% completion of the Wolfson Stadium upgrade	N/A	N/A	30%	100% achieved in the third quarter	N/A
	% completion of the Veeplaas Sports field Astro turf upgrade	N/A	N/A	100%	67%	N/A
	% completion of the Arts Culture and Knowledge Facility upgrade (Phase 1)	N/A	N/A	45% Amended to: 30%	39%	N/A
	Number of programmes delivered by the Port Elizabeth Opera House in line with the Nelson Mandela Bay Municipality / Port Elizabeth Opera House partnership agreement	N/A	N/A	N/A	N/A	40

TABLE 3.113: Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	33	63	35	28	55.55%
4 – 6	86	184	87	97	47.28%
7 – 9	20	32	22	10	31.25%
10 - 12	73	85	73	12	14.11%
13 - 15	8	11	8	3	27.27%
16 - 18	1	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	221	377	227	150	39.78%

TABLE 3.114: Financial Performance 2016/17: Libraries; Archives; Museums; Galleries; Community Facilities; Other

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	16,027	20,282	20,663	11,133	-82.19%
Expenditure:					
Employees	84,887	97,851	98,280	94,644	-3.39%
Repairs and Maintenance	6,721	15,995	15,844	11,241	-42.30%
Other	62,870	46,070	40,275	52,106	11.58%
Total Operational Expenditure	154,479	159,916	154,400	157,991	-1.22%
Net Operational Expenditure	138,451	139,634	133,737	146,859	4.92%

TABLE 3.115: Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	26,400	29,981	27,621	4.42%	
Upgrade and Restoration of Libraries	7,500	11,081	4,989	-50.34%	
Upgrade of Community Halls	4,500	4,500	4,580	1.74%	
Motherwell Cultural Centre	500				
Memorial Sites - Mayoral Project		1,500	1,914	100.00%	
Office accommodation (Ward Councillors)	2,000	2,000	2,195	8.86%	
Office Renovation	2,000	2,000	1,928	-3.76%	
Air Conditioning of Buildings	1,000	1,000	1,613	38.00%	
Lillian Diedericks Building and Rehabilitation	1,000	1,000	1,589	37.06%	
Mfanasekhaya Gqobose Building	500	500	451	-10.79%	
Rehabilitation of Noninzi Luzipho Building	500	500	397	-25.97%	
KwaNobuhle Municipal Aerodrome	500	387	376	-33.04%	
Woolboard Conference Centre	400	513	503	20.55%	
Upgrade of Municipal Depots	5,000	4,000	4,742	-5.45%	
Algoa House Upgrade	1,000	1,000	783	-27.72%	
Secure Municipal Parks Facilities	2,500	1,500	1,563	-59.97%	

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL

The Municipality's Sport, Recreation Arts and Culture Directorate is currently re-constructing the dilapidated old Mendi Bottle Store building into a Multi-purpose Cultural Centre that will become a hub for the arts, serving New Brighton and its surrounding communities. Phase 1 of the Multi-purpose Cultural Centre project is complete. This entailed the construction of the hall into a multipurpose theater with office and ablution facilities. Phase 2 of the construction of the Mendi Multipurpose Cultural Centre required a budget of R 19 855 000.00 and includes spaces that were initially omitted in the approved designs due to budget constraints, but which are critical to the successful functioning of the building as a Multi-Cultural Community Arts Centre.

Currently, a budget of R18 million has been allocated over a three-year period, which does not account for escalations; therefore, there is a shortfall to complete the total construction of the Mendi Multi-purpose Cultural Centre. This poses a challenge regarding the further extension of time to complete the Centre.

In 2014, an investigation was conducted by the NMBM Public Health Directorate and NOSA Occupational Hygiene Services at the Main Library, culminating in a recommendation that the building be rehabilitated to improve the general ventilation and indoor air quality and that the spaces and materials affected by the dampness in the building be cleaned. The finding led to the recommended closure of the Main Library to the public on 14 September 2014.

Remedial works that needed to be effected, would cost an amount of R37,335,000.00. The work to be done entailed:

- A temporary Storage Facility, completed at the Struanway municipal depot.
- Book cleaning, which commenced simultaneously with the creation of the Struanway storage. The book cleaning process and methods used, were advised by the National Library of SA and undertaken by Cleaning Specialists to ensure that all the materials affected by the dampness would be stored in a clean state at Struanway, prior to being returned to a clean space on completion of the Main Library restoration.
- Rectification and Refurbishment of the Main Library Building, which included renovation to roofs and facades, renovation to Children's Library, renovation to Adult

Library and Africana Section, and Electrical & Mechanical Installations; the actual building works must be done in alignment with the requirements of the following Acts:

- National Heritage Resources Act of 1999 (because the Main Library is classified as a heritage building).
- National Building Regulations with regard to access for persons with a disability (SANS 10400 Part S: Facilities for Disabled Persons).
- Fire protection (SANS 10400 Part T: Fire Protection).
- Public toilet facilities (SANS 10400 Part P: Drainage).
- Public safety (SANS 10400 Part D: Public Safety).

The work to refurbish the Main Library is expected to commence in 2017/18, in line with the provided budget.

3.24 CEMETERIES

The Municipality is committed to creating and maintaining landscaped areas and cemeteries in a sustainable, aesthetic, eco-friendly and safe environment. The top services delivery priorities are as follows:

- Investigating efficient land use strategies for burial services and maintaining and preserving existing cemeteries.
- Developing and maintaining cemeteries.
- Rendering the administration and management of burial services in cemeteries.

During the 2016/2017 financial year, the following cemeteries were upgraded and developed:

Fencing of Cemeteries

- Khayamnandi Cemetery
- Kwazakhele Cemetery

Water Drainage and Roads in Cemeteries

- Kabah Cemetery – road construction
- Motherwell Cemetery – Stormwater channel to alleviate flooding

Construction of Berms in Cemeteries:

- Motherwell
- Forest Hill
- Kabah
- Matanzima
- Bloemendal
- Bethelsdorp
- Despatch
- Gerald Smith
- Gqebera

TABLE 3.116: Performance scorecard						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Parks and Cemeteries	Number of Cemeteries maintained through grass-cutting	28	28	N/A	N/A	N/A
	Number of cemeteries upgraded through either the provision of fencing, construction of berms, installation of cameras, upgrade of sewerage system	N/A	N/A	6	7	6

TABLE 3.117: Employees: Cemeteries and Crematoriums

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	42	42	42	0	0%
4 – 6	22	22	22	0	0%
7 – 9	6	7	6	1	14.29%
10 - 12	4	4	4	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	75	76	75	1	1.32%

TABLE 3.118: Financial Performance 2016/17: Cemeteries and Crematoriums

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	10,622	9,917	9,954	10,567	6.14%
Expenditure:					
Employees	16,962	18,744	19,101	19,198	2.36%
Repairs and Maintenance	415	851	830	885	3.85%
Other	12,579	12,289	14,544	11,410	-7.71%
Total Operational Expenditure	29,956	31,884	34,474	31,492	-1.24%
Net Operational Expenditure	19,333	21,967	24,520	20,926	-4.98%

TABLE 3.119: Capital Expenditure Year 0: Cemeteries and Crematoriums

R' 000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13500000	14500000	19170103.46	0.295778449	
Water drainage and roads at cemeteries	3500000	3500000	8017886.29	0.563475974	
Upgrade and Development of Cemeteries	3000000	3000000	2990417.67	-0.00320435	
Fencing of Cemeteries	7000000	7000000	6979042.53	-0.00300291	
Motherwell Cemetery Upgrading	0	1000000	1182756.97	1	

COMMENT ON PERFORMANCE OF CEMETERIES AND CREMATORIUMS

Priority areas for this function include the construction of berms, fencing, water drainage and roads in cemeteries, in addition to weeding and weed spraying, bush clearing and grass mowing at 28 operational and closed cemeteries.

- Construction of access roads at Kabah Cemetery and Bloemendal Cemetery.
- An additional R4,6million was approved by Council on 28 March 2017 for the construction of a stormwater channel (water drainage) at the Motherwell Cemetery.
- Fencing of Kwazakhele Cemetery and Khayamnandi Cemetery.
- Construction of concrete berms at Forest Hill, Gqeberha, Bloemendal, Bethelsdorp, Matanzima, Gerald Smith, Kabah, Despatch and Motherwell Cemeteries.

It may be construed that the Cemeteries Section is taking positive steps to improve service delivery.

3.25 POLLUTION CONTROL

Ensuring hygienic working, living and recreational environments.

- Identifying the polluting agents and sources of water, air and soil pollution.
- Conducting environmental health impact assessments of development projects and policies, including the assessment of major hazard installations.
- Identifying environmental health hazards and conducting risks assessments and the mapping thereof.
- Ensuring clean and safe air externally (ambient and point sources) through emission monitoring and investigations.
- Controlling and preventing vibration and pollution.
- Preventing and controlling soil pollution that is detrimental to human, animal or plant life.
- Ensuring compliance with the provision of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), and its regulations, including anticipating, identifying, evaluating and controlling occupational hazards.
- Taking the required preventative measures to ensure that the general environment is free from health risks.
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effect of pollution on workers and the external effect of pollution on workers and the effect of pollution on the community and the environment.
- Monitoring water quality and availability, including the mapping of water sources and the enforcement of laws and regulations related to water quality management.
- Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use, as well as in respect of quality of water for recreational, industrial, food production and any other human and animal use.
- Ensuring that water supplies are readily accessible to communities.
- Ensuring the monitoring of and effective waste water treatment and water pollution control, including the collection, treatment and safe disposal of sewage and other borne waste, and surveillance of the quality of surface water (including the sea) and ground water.
- Advocacy on proper and safe water usage and waste water disposal.
- Water sampling and testing in the field, and examination and analysis in a laboratory.

Environmental/ Community Noise Pollution Control

The following are quoted directly from R698 of 26 June 2009, which is the Regulation defining municipal health services and the mandate of the environmental health profession:

- Assessing the extent of noise pollution and its effects on human health.
- Facilitating noise control measures.
- Measuring ambient sound levels and noise levels.
- Reviewing noise impact assessment reports.

Air Pollution Control Services

In implementing the Air Control Bylaws in terms of Section 24 of the South African Constitution, the Environmental Health Sub-directorate performs the following functions:

- Investigating air pollution complaints
- Following up on existing complaints
- Processing air pollution related permit applications
- Issuing statutory notices and, where applicable, spot fines

One hundred and thirty (130) new complaints were received as per the table below.

TABLE 3.120: Air pollution complaints

Categories of complaints Received	Number of complaints
Excessive smoke	51
Grit, dust, soot and sawdust	20
Offensive odours/fumes	21
Burning of garden and other	38

Two hundred and ninety (290) follow-up inspections were made during the reporting period.

TABLE 3.121: Air pollution follow-up inspections

Categories of complaints	Number of complaints
Received	
Excessive smoke	95
Grit, dust, soot and sawdust	74
Offensive odours/fumes	54
Burning of garden and other	67

Seventy-two (72) compliance monitoring inspections were conducted:

TABLE 3.122: Compliance monitoring inspections

Categories of inspection	Number
Routine visits to fuel burning installations	11
Applications for control burning	58
Applications to install new fuel burning equipment	3

Noise pollution control services

In implementing the Noise Control Bylaws in terms of Section 24 of the South African Constitution, the Environmental Health Sub-directorate performs the following functions:

- Investigating noise pollution complaints
- Following up on existing complaints
- Processing noise pollution related permit applications
- Issuing statutory notices and, where applicable, spot fines

Two hundred and ninety-six (296) new complaints regarding noise pollution were received as per the table below.

TABLE 3.123: Noise pollution complaints

Categories of complaints received	Number of complaints
Loud noise	14
Noise nuisance	77
Open air events	205

Two hundred and seventeen (217) follow-up inspections on noise pollution were conducted during the 2016/17 financial year as per the table below.

TABLE 3.124: Noise pollution inspections

Categories of complaints Received	Number of complaints
Loud noise	45
Noise nuisance	78
Open air events	94

Ambient Air Quality Monitoring

An ambient air quality monitoring network, consisting of five fixed point monitoring stations, has been established to monitor compliance with the National Ambient Air the following criteria of pollutants:

- Sulphur Dioxide(SO₂)
- Nitrogen Dioxide(NO₂)
- Particulate Matter (PM₁₀)
- Ozone (O₃)
- Benzene(C₆H₆)
- PM₁₀
- Lead (Pb)

These stations are located in the following geographical areas as per the map below, namely Walmer, Motherwell, Algoa Park, Sidwell and Uitenhage.

FIGURE 3.6: Ambient air quality monitoring stations



Ambient air quality monitoring is conducted according to accepted norms and standards in order to ensure integrity, quality and representativeness of the resultant data. The data quality objective for the ambient air quality monitoring stations is set for a minimum data capture rate of 80% for all pollutants, except for Ozone of 75% during winter, in line with the requirements of the National Framework for Air Quality Management in the Republic of South Africa.

Atmospheric Emission Licensing System

The Nelson Mandela Bay Municipality is a Licensing Authority for implementing the licensing system set out in Chapter 5 of the National Environmental Management: Air Quality Act, 2004. Statistics for the reporting period are as follows:

TABLE 3.125: Atmospheric Emission Licensing System statistics

Item	Number
Atmospheric Emission Licenses applications received	3
Atmospheric Emission Licenses issued	3
Atmospheric Emission Licenses being processed	4
Total Number of Atmospheric Emission Licenses Holders	55

Vehicle Emission Testing Programme

During 2010, the Nelson Mandela Bay Municipality developed emission standards for motor vehicles, which standards were included in the Air Pollution Control Bylaws of 2010. Once every week, a road block is held, during which vehicles are pulled off public roads and subjected to a smoke emission test. The statistics below reflect the compliance of the tested motor vehicles with the standards for the reporting period:

TABLE 3.126: Vehicle emission compliance

Item	Number
Total number of vehicles tested	80
Total number of vehicles failed	0
Repair notices issued	0

Potable (Drinking) Water

Drinking water is sampled at 77 sampling points, which are scientifically mapped in terms of SANS 241 for drinking water standards. The table below reflects the general compliance of potable water against the set target for 2016/17:

TABLE 3.127: Water compliance

Year 0		Year 1	
Target	Actual	Target	Actual
95%	99%	95%	99%

TABLE 3.128: Performance scorecard						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Integrated and sustainable Human Settlements	Average turnaround time in finalizing a commercial building plan application (from the date of receipt of the application, to the date of final decision)	N/A	N/A	2 weeks	2 weeks	14 days
	Average turnaround time for processing a rates clearance (from the date of receipt of the request to the date the rate clearance is processed)	N/A	N/A	N/A	N/A	7 days
KPA: Integrated Service Delivery to a well-structured city KPE: Environmental Health	% Compliance with National Ambient Air Quality Standards	100%	100%	100%	100%	N/A

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	1	1	1	0	0
7 - 9	1	1	1	0	0
10 - 12	2	3	3	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	5	6	6	0	0

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	1,420	1,485	1,485	337	-340.22%
Expenditure:					
Employees	11,519	13,277	13,259	13,294	0.13%
Repairs and Maintenance	1,492	2,547	2,547	1,981	-28.59%
Other	6,940	11,451	9,612	7,492	-52.85%
Total Operational Expenditure	19,951	27,275	25,418	22,767	-19.80%
Net Operational Expenditure	18,531	25,790	23,933	22,429	-14.98%

3.26 BIODIVERSITY, LANDSCAPE AND OTHERS

Public Open Spaces

Section 24 of the Bill of Rights (Chapter 2) of the Constitution of the Republic of South Africa, Act 108 of 1996 (Bill of Rights) guarantees the right to an environment that is not harmful to the health or well-being of persons and the protection of the environment for the benefit of present and future generations through reasonable legislative and other measures.

The NMBM Parks Department is committed to creating and maintaining landscaped areas in a sustainable, aesthetic, eco-friendly and safe environment to improve the quality of life for all by doing the following: -

- Developing and maintaining Public Open Spaces and major traffic routes, including the Beachfront, and Regional and Local Parks, with horticultural and informal recreational facilities.
- Rendering arboricultural services throughout the Metro.
- Providing horticultural services and facilities for the entire Municipality.
- Providing and maintaining parks infrastructure, including playground equipment and outdoor gyms.
- Planning, developing and implementing a tree-planting programme to aid the environmental greening of the entire NMBM.
- Formulating and implementing horticultural policies and programmes.
- Providing vegetation control services, which include roadside spraying, and removing and controlling invasive species and unwanted growth on road verges/road reserves, in compliance with the National Environmental Management Biodiversity Act.
- Plant production (Nurseries) to provide for the horticultural greening of the Metro and civic decorations.

Policies and By-laws

The Parks Department has developed the following Policies, still in draft form: -

- Horticultural Activities Policy: Covers different aspects of horticultural development and maintenance.
- Vegetation Control Policy: Covers the chemical control of weeds and removal of alien vegetation within urban footprint.
- Arboriculture Services Policy: Ensures that trees are protected not just cut down without valid reasons, such as being diseased, dying or posing danger.

Please visit the NMBM website for a comprehensive list of applicable policies and by-laws at www.nelsonmandelabay.gov.za/Council/By-laws.

The following By-law is most relevant to the Parks Sub-Directorate:

- Public Amenities By-law

The following are the Public Open Spaces (POS) upgraded and Open Spaces developed during the reporting period:

- Ngxovu POS, New Brighton
- Mahambehlala POS, Kwazakhele
- Dubula POS, New Brighton
- Kinikini POS, KwaNobuhle
- PJ Gomomo POS, KwaNobuhle
- Matanzima POS, KwaNobuhle
- Hippo/Zebra POS, Colchester
- Mgebuza Str, Motherwell
- Bunyuluza Str, Motherwell
- Mamase Str, Motherwell
- Jwarha Str, Motherwell
- Sthyotholweni POS, Wells Estate
- Butise Nontshinga POS, Khayamnandi
- Marabow POS, Khayamnandi
- Ciprus Mkhonto Str, Khayamnandi
- Lamore POS, Khayamnandi
- Davide POS, Walmer
- Bethlehem POS, Walmer
- Hezekile POS, Walmer
- Hoseya POS, Walmer
- Matanzima POS, KwaNobuhle
- 22nd POS, KwaNobuhle
- Kobose POS, KwaNobuhle
- 3rd Avenue POS, KwaNobuhle
- Tsotsobe POS, Kwazakhele
- Mathodlana POS, Kwazakhele
- Mcapukiso POS, Kwazakhele
- Boqo POS, Kwazakhele
- Faku POS, New Brighton

- Mhlaba POS, New Brighton
- Mandela POS, Kwazakhele
- Varsvlei Park, Bethelsdorp
- Chatty Park, Chatty (closer to Bloemendal Arterial)

Securing of municipal Facilities

- Fencing of Varsvlei Depot and installation of surveillance cameras

Beachfront Development of facilities:

- New Brighton Beach-Braai facilities in the park and installation of benches and bins
- Pollock Beach – Fencing along the beachfront and installation of outdoor gym
- Between Flat Rock and the Beacon – provision of braai facilities

All education and awareness-raising activities for biodiversity and ecosystem protection are performed by the Environmental Education Unit of the NMBM Public Health Directorate. Various education initiatives are conducted across all wards in the NMBM, focusing on previously disadvantaged communities and school learners.

Climate change has been recognized by the Nelson Mandela Bay Municipality as a developmental challenge to the health of residents. Climate change has become a global concern, due to the rapid increase in global temperatures, caused by the release of greenhouse gases (GHG) into the atmosphere. Impacts currently felt and “seen” are: sea level rise, increases in the ambient air temperature, and intense localised flooding and droughts. Overall, the climate change mandate within the NMBM must be driven from the highest possible administrative functionary. This centralised approach to climate change within the institution will ensure coordinated responses from all relevant directorates.

COMMENT ON PERFORMANCE OF PUBLIC OPEN SPACES

The upgrading and development of Public Open Spaces and Beaches undertaken, included fencing, the installation of playground equipment, netball and soccer courts, as well as braai facilities, and securing municipal parks.

- Upgrading of POS in Wards 16, 17, 43, 46 and 53.
- Replacement of rusted fence with Betafence.
- Outdoor gym installed along the beach in Summerstrand.

- New braai facilities at New Brighton Beach.
- Construction of concrete berms at Forest Hill, Gqeberha, Bloemendal, Bethelsdorp, Matanzima, Gerald Smith, Kabah, Despatch and Motherwell Cemeteries.
- Refurbishment of the Glasshouse at Peter Gibbs Nursery.
- Upgrading of Varsvlei Park - Lighting and outdoor gym installation and construction of concrete pathways.
- Installation of outdoor gyms at Mahambehlala Park, Dubula Park, Matanzima Park, Sthothyolweni Park, and Kinikini and PJ Gomomo Parks.

Vehicles purchased during 2016/17: One truck, a water tanker, two bakkies and a Skyjack.

TABLE 3.131: Performance scorecard

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Parks and Cemeteries	Number of Public Open Spaces and Parks upgraded through either the provision of outdoor gym equipment, fencing, pathways, benches, playground infrastructure or tree planting	6 (Ward 18, 40, 42, 46, 53 and 59)	6 (Ward 18, 40, 42, 46)	6	6 (Wards 16, 17, 35, 42, 43, 46)	12
	Number of parks upgraded at beachfront through the provision of either revetments, parking areas, walkways, security cameras, picnic facilities or dune stabilisation	N/A	N/A	3	3 (Wards 2, 3, 60)	N/A
	Number of beaches upgraded through the provision of either revetments / parking areas / walkways / security cameras / picnic facilities and/or dune stabilisation	N/A	N/A	N/A	N/A	3
	Number of public open spaces (POS) maintained through grass-cutting	1550	1257	N/A	N/A	N/A
	Number of planted trees on Municipal land maintained	N/A	N/A	N/A	N/A	400

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	191	204	191	13	6.37%
4 – 6	5	30	5	25	83.33%
7 – 9	15	15	15	0	0%
10 – 12	24	25	24	1	4%
13 – 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	237	276	237	39	14.13%

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	5,879	4,678	4,817	4,231	-10.56%
Expenditure:					
Employees	80,291	90,738	89,701	86,642	-4.73%
Repairs and Maintenance	4,098	6,219	5,399	3,529	-76.23%
Other	46,207	42,794	42,576	33,241	-28.74%
Total Operational Expenditure	130,596	139,752	137,676	123,411	-13.24%
Net Operational Expenditure	124,717	135,074	132,859	119,181	-13.34%

TABLE 3.134: Capital Expenditure Year 0: Bio-Diversity; Landscape and Other					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15,700	17,122	16,921	7.21%	
Upgrade Major Parks	2,000	2,000	2,000	0.00%	
Beachfront	1,000	1,000	905	-10.53%	
Reinstate of Embankment - Tygerbay	1,500	1,500	1,342	-11.81%	
Upgrade and Development of Public Open Spaces	3,500	3,500	3,588	2.46%	
Greenhouse Upgrade - Peter Gibbs Nursery	1,700	1,700	1,667	-1.96%	
Develop Floodplains	800	398	464	-72.42%	
New Playground Equipment	2,000	2,000	3,177	37.05%	
Specialised Vehicles and Plant (Parks)	3,000	4,000	2,764	-8.54%	
Climate change	200	1,024	1,013	80.27%	

3.27 SPECIAL SECTOR PROGRAMMES

The Special Programme Unit (SPU)/Sectors Development Unit is located within Constituency Services under the stewardship of the MMC for Constituency Services. This Unit deals with facilitating and coordinating mainstreaming, lobbying and advocating for the rights of youth, women, children, people with disabilities and the elderly, to ensure that their socio-economic development and empowerment through projects and programmes is implemented in municipal directorates, other spheres of government and civil society groups.

The SPU engages in intense collaborative and partnering programmes by engaging with state institutions at all spheres, as well as civil society groups and learning and training institutions in order to host special sectors rights sensitive programmes and projects.

Stakeholder Management

In an effort to manage risk, build convergence, improve access to information, share benefits and ensure long-term sustainability the Special Programmes Unit within Constituency Services collected data on stakeholders and paid visits to wards, cluster, institutions and civil

society groups in order to strengthen the work of sector forum structures at ward, cluster and Metro wide levels. The stakeholders involved in work around children, disability, elderly, women, gender and youth were audited and compiled with the intention of conducting stakeholder mapping and categorizing levels of engagements in the form of informing, consulting, involving and collaborating, including gauging levels of influence.

The identified, audited and compiled stakeholders came from various interest groups of Special Programmes machinery constituted by gender machinery, children's rights machinery, disability rights machinery, older persons' rights machinery and youth development groups emerging from individuals, groupings and organizations such as single parents, widows, widowers, divorcees, people with disabilities, women, men, youth, LGBTI (Lesbian, Gay, Bisexual, Transgender and Intersex), elderly, entrepreneurs, sports, labour, NGOs, NPOs, Early Childhood Development Institutions, Community Policing Forums, School Governing Bodies, Educators, Learners, Religion, Traditional Healers, Traditional Leaders, State Owned Enterprises, Provincial and National Departments, Private Sector, Learning Institutions, Professionals and Specialists, etc.

Representative Sector Forum Structures

Nelson Mandela Bay Municipality Forum structures

As a way of describing clearly how constituencies we serve should measure satisfaction to our work and their input in return, the SPU established Metro-wide Sector Forum of each of the sectors in order to ensure proper alignment, engagement and advice, as each partner contributes to the creation of an enabling environment for the advancement of socio-economic development and empowerment programmes and projects on structured representative, participatory and advisory platforms.

The fully functional Metro-wide structures comprise the Children's Forum, Children's Advisory Council, Older Persons Forum, People With Disabilities Forum and Gender and Women Empowerment Forum. The Youth Council is in the process of being established, in consultation with organized youth formations in the city.

Cluster Forum Structures

In an effort to strengthen participation, accountability and coordination, sector forum structures have been established in the following six clusters: Alex Matikinca, Champion Galela, Govan Mbeki, Lillian Diedericks, Molly Blackburn and Zola Nqini, from which two leading delegates are directly representing the cluster in the Metro-wide structure. The

cluster forum structures were also constituted by directly selected ward representatives and organizations existing in the respective wards.

Ward Based Forum Structures

A programme of establishing Ward based sector forum structures in close liaison with Ward Committee Unit and Ward Councillors is being implemented. Reasonable progress has been made in this regard, and many Councillors and their office are playing a pivotal role in the programme.

Partnership and Collaboration Efforts

There is visible progress in terms of creating an enabling environment for the advancement of the socio-economic development and empowerment of children, people with disabilities, the elderly, women and youth through collaborative mechanisms and partnerships established with strategic partners in the City.

Through collaborative efforts, culminating in joint programmes and projects implementation, the SPU, with the advice and contribution of the members of the Sector Forum structures and Youth Information Centres, to a certain extent, managed to implement programmes and projects that ensured positive changes in the lives of the Special Programmes Unit constituencies.

The programmes were implemented in conjunction with Transnet, National Youth Development Agency; Small Enterprise Development Agency; National Home Builders and Registration Council; PE College, East Cape Midlands College and Nelson Mandela University; NMBM Directorates (Skills Development and Employment Equity, Sports Recreation Arts and Culture, Economic Development Tourism and Agriculture, Human Settlements and Human Resources Management Services); SA Bottling Company; EnviroServ; Ford Motor Company; Standard Bank, Nedbank; ABSA Bank; Harambee Youth Employment Accelerator; Coega Development Corporation; Hoza Golden Age Club; Age in Action; Community Chest; Amadoda Okwenene; Women Against Women Abuse; DOXA, Thuthuzela Care Centre, Motsepe Foundation Development Forum; Rape Crisis Centre; Seringa Homes; Old Age Homes and Frail Care Centres; Abathunywa; South African Youth Council; Construction SETA; SANGOCO; HEBSO; East Cape Gambling Board (Responsible Gambling Board); UVIWE; Kheth'impilo; Fishing Industry; Department of Sports, Recreation, Arts and Culture; Department of Social Development; Department of Economic Development and Environmental Affairs; Department of Agriculture and Rural Development; National Department of Land Affairs; Basic Education; Identified Schools: Victoria Park; Sanctor;

Gelvandale; Mzontsundu; Walmer High; Kwazakhele high; Motherwell High; Mfesane High; Chapman High; Newell High; Uncedo High; Cowan High; Nzondelelo High; Molly Blackburn High; Zanolwazi High; Solomon Mahlangu High; Mc Carthy; Lawson Brown; Douglas Mbopha; Loyiso High; Bhongweni Primary; Sipho Hashe; Rocklands Farm School; Gamble High; Uitenhage High; Nkululeko High; Phaphani High; Mpumalanga Primary; Cingani High, Charles Duna Primary; Coselelani High; Qaphelani High; Hillside High; Phakamisa High; David Livingstone High; Paterson High; Booyens Park High; Dumani Public School; Luthando Luvuyo Special School; Reuben Birin Special School; Westville Senior Secondary School, Khanyisa Special School and Nkqubela Special School.

It was out of these partnerships and collaborations that the institution reached out to the youth, women, children, people with disabilities, elderly and gender constituencies through a number of programmes and projects aimed at training and capacity building, entrepreneurship support, skills development, learnerships and internships, advocacy and lobbying programmes, policy review and coordination, job preparedness, social development, economic development for short, medium and long term interventions, which included Corporate Social Investments to selected Non-profit Organizations, especially by private sector companies such as Ford Motor Company and EnviroServ.

Entrepreneurship – Social Development Support and Information Centre Services

The partnerships established with the above organizations and institutions saw considerable progress being made in the development and empowerment of special sectors, especially in the services reflected below:

- The Motsepe Foundation enabled 29 young people to access tertiary education at NMU;
- With the help of the Motsepe Foundation, more than 10 000 learners from disadvantaged groups were provided with toys as part of a Christmas gift donation project among needy communities;
- Altogether 323 people received training in bricklaying, plastering, roofing and Project Management;

In conjunction with the above mentioned institutions:

- 11 018 persons accessed a variety of free services at the Motherwell Youth Centre office;
- The Kwazakhele Youth Centre rendered services to 5871 community members;
- The Zwide Youth Centre reached out in terms of services provided to 10 120 members;
- The Uitenhage Youth Centre provided services to 10 080 members;
- The Korsten Youth Centre provided services to 4237 members.

Conclusion

The Special Sectors Programmes Unit rendered different services to 41 649 people through the various Youth Centres. Such services were provided through collaboration and partnership with the respective constituencies within the Metro. The Special Programmes Unit was successful in implementing its programmes through interactive and consultative sessions with different constituencies of special sectors rights machinery.

TABLE 3.135: Performance scorecard						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Effective City Governance KPE: Public Participation	Number of functional Ward Committees in place within Nelson Mandela Bay	N/A	N/A	N/A	N/A	60
	Number of bi-monthly ward-based Imbizos held to communicate and receive feedback on critical decisions made by Council	N/A	N/A	N/A	N/A	6
KPA: Integrated Service Delivery to a well-structured city KPE: HIV and AIDS Mainstreaming	Number of HIV and/or AIDS and Tuberculosis awareness events held	3 (World Aids Day; Candlelight Memorial and Partnership against AIDS)	3 (World Aids Day; Candlelight Memorial and Partnership against AIDS)	N/A	N/A	4

TABLE 3.136: Employees: Child Care; Aged Care; Social Programmes

Job Level	Year 2015-16	Year 2016-17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9			5	5	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					

TABLE 3.137: Financial Performance 2016/17: Child Care; Aged Care; Social Programmes

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue					
Expenditure:					
Employees	2,095	2,411	2,121	2,112	-14.15%
Repairs and Maintenance	45	8,048	48		
Other	889	1,801	7,854	7,211	75.02%
Total Operational Expenditure	3,029	12,260	10,024	9,324	-31.49%
Net Operational Expenditure	3,029	12,260	10,024	9,324	-31.49%

3.28 HEALTH INSPECTION

The Municipality focuses on aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. In this, it focuses on the theory and practising of assessing, correcting, controlling and preventing environmental risk factors that can adversely affect the health of present and future generations.

COMMENT ON THE OVERALL PERFORMANCE OF HEALTH INSPECTIONS

The top three (3) service delivery priorities of the Municipality are as follows:

- Constant evaluation of all milking parlours to ensure that the milk produced for local communities complies with the Foodstuffs, Cosmetics and Disinfectants Act.
- Monitoring formal and informal food handling premises evaluated and certified in terms of the Foodstuffs, Cosmetics and Disinfectants Act.
- Constant monitoring of the fortification of flour and maize and iodation of salt at producers in accordance with the Foodstuffs, Cosmetics and Disinfectants Act.

TABLE 3.138: Employees: Health Inspection and Etc

Job Level	Year -1		Year 0		
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
				No.	%
0 - 3	0	0	0	0	0
4 - 6	5	5	5	0	0
7 - 9	0	0	0	0	0
10 - 12	32	38	38	0	0
13 - 15	4	6	6	0	0
16 - 18	0	1	0	1	1
19 - 20	0	0	0	0	0
Total	41	50	49	1	2%

TABLE 3.139: Financial Performance 2016/17: Health Inspection and etc.

Details	R'000				
	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	1,415	810	2,237	4,915	83.51%
Expenditure:					
Employees	123,673	139,483	130,296	127,632	-9.29%
Repairs and Maintenance	532	1,091	943	409	-166.61%
Other	7,247	48,454	62,613	80,810	40.04%
Total Operational Expenditure	131,452	189,028	193,852	208,850	9.49%
Net Operational Expenditure	130,037	188,218	191,615	203,936	7.71%

3.29 SPORT & RECREATION

The NMBM Sports and Recreation Section derives its mandate from the Sports and Recreation Act of 1998; National Sport and Recreation Plan (NSRP) of 2011 and the Constitution of the Republic of SA. The National Sport and Recreation Plan refers to “The creation of an enabling environment” to assist South African sport in achieving its goal of an active and winning nation and to ensure that we have a range of strategic enablers in place.

Strategic Objective 9 of the NSRP states as follow:

“To ensure that SA Sport and Recreation is supported by adequate and well maintained Facilities”

South Africa has a serious problem regarding the building, shared utilization, equitable access and maintenance of sport and recreation facilities, with far-reaching consequences for the transformation and development of the sport and recreation sector.

The provision and maintenance of facilities form the foundation for the entire sport and recreation system. Within this context, facilities encompass the provision of the equipment as well as the provision of the basic services required for the facility to be functional.

Key to the Nelson Mandela Bay Municipality is to create an enabling environment for federations to organize their sport and contribute to the success of SASCOC'S mandate with regard to the preparation and delivery of Team SA for major events.

In terms of the White Paper on Sport and Recreation, 2011 it is the responsibility of local government to:

- Develop Sport and Recreation Policies
- Implement and monitor Sport and Recreation Policies
- Develop, Upgrade, Maintain and Manage Sport and Recreation Infrastructure in the Municipality
- Provide funding of its principal agencies: clubs and individuals

In addition, Council has adopted the National Norms and Standards for Sport and Recreation Infrastructure Provision and Management (2008) as a framework for the provision and management of sport facilities in the Metro.

In compliance with the above-mentioned legislative imperatives and the Integrated Development Plan of the institution, the NMBM Sport and Recreation Directorate has prioritized the following strategic objectives in implementing its services:

- Development, Maintenance and Management of Sport and Recreation Infrastructure that is well maintained, safe and secure.
- Creating an enabling environment for Sport Federations to promote mass-based participation and excellence in sport.
- Promoting Sports Development Programmes that will contribute towards social cohesion, nation building and the quality of life of all citizens of the City.
- Contributing towards the promotion of the NMBM as a preferred destination for sport related events through the provision of world-class facilities.
- Availing grant funding to Federations and clubs that will contribute towards the transformation of sport and recreation.

PROVISION OF SPORT AND RECREATION INFRASTRUCTURE

The Sports, Recreation, Arts and Culture (SRAC) Directorate is the custodian of 310 audited sport and recreation facilities at different levels of development. The following table reflects the availability and spread of sport and recreation facilities in Nelson Mandela Bay:

TABLE 3.140: Sports and recreation facilities

FACILITIES	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6
SPORTS	17	32	44	24	25	14
MPC'S and INDOOR CENTRES	0	2	2	2	2	2
BASKETBALL /NETBALL	9	33	48	31	3	0
POOLS	6	6	2	2	1	3

The sport and recreation facilities are further graded as follow:

FIGURE 3.7: Sport and facilities grading



The 2016/17 financial year saw a significant reduction in the Capital Budget, compared to the previous year, and unfortunately a number of sport and recreation facilities that were in line for upgrades could not be completed because the unspent budget at financial year end was not rolled over into the 2016/17 financial year. This impacted negatively on local sport clubs, as the expected additional facilities could not be completed to alleviate the over-utilization of the existing facilities. The following sport fields were planned for upgrades during the year under review:

1. Upgrade of Mqolomba Sport Field with Ablutions and Change Rooms: R5,7 million.
2. Upgrade of the Walmer/Qebera Sport Fields with ablutions; Change Rooms for football and rugby: R4,516 600 (after revision).
3. Upgrade and rehabilitation of the Zwide Stadium: R2 million.
4. Completion of the Wolfson Stadium Upgrades: R1 million.
5. Development of a synthetic soccer pitch at the Veeplaas Sport field: R12,5 million.

The Wolfson Stadium upgrades were 100% completed; however, the other projects will only reach completion in the 2017/18 financial year. Delays in NMBM Supply Chain Management processes and the interruption of projects by ward based SMMEs were the main causes for the slow implementation of the capital projects. The tenders for the Walmer and Mqolomba Sport field upgrades were only finalized towards the end of the financial year. It must be noted that work at the Veeplaas Synthetic Soccer field is progressing well and that the project will be completed in the next financial year.

SUPPORT TO SPORT AND RECREATION CLUBS AND FEDERATIONS

The Directorate creates an enabling environment for sport and recreation programmes through financially or assisting with venue hire, medals, trophies, sport attire or equipment and the provision of medical rescue services. The following sport organizations or programmes were supported over the review period:

TABLE 3.141: Support to sport organizations

Sport Code/Organization	Amount
Judo	R 30 000
Karate	R 40 000
Boxing	R 40 000
Dance	R 20 000

Sport Code/Organization	Amount
Netball	R 40 000
Tennis	R 30 000
Basketball	R 20 000
Hockey	R 30 000
Body Building	R 40 000
United Cricket Club	R 60 000
Handball	R 40 000
GASP/ Community School Sport	R 440 000
Nelson Mandela Bay Sport Council	R 100 000
NMB Aquatics/Learn to Swim	R 100 000
Active Recreation	R 200 000
TOTAL	R 1 230 000

MAYORAL CUP

The Mayoral Cup was implemented by the Sport and Recreation Directorate in partnership with the relevant Federations and the Nelson Mandela Bay Sport Council. The following amounts were transferred to participating federations for the implementation and administration of the competition with their affiliated clubs:

TABLE 3.142: Mayoral cup support

Sport Code/Organization	Amount
Nelson Mandela Bay Netball	R 297 060
SAFA Nelson Mandela Bay Football	R 722 180
Eastern Province Rugby	R 588 905
Nelson Mandela Bay Amateur Boxing	R 180 000
Nelson Mandela Bay Basketball Association	R 170 000
Nelson Mandela Bay Cricket	R 50 000
TOTAL	R2 008 145

Due to the liquidation of Eastern Province Rugby, Mayoral Cup payments were made directly to the participating clubs.

The following sports events were hosted in partnership with different stakeholders. These events are part of the plan to improve the image of the city and to position Nelson Mandela Bay as a preferred destination to host sport and recreation events.

- Nelson Mandela Bay 21.1km National Athletics Championships
- 1 City Relay
- Diva run – exclusively for ladies
- Motherwell Freedom Run
- Uitenhage Human Rights Race
- Gelvandale Run
- Colchester Development Race
- Standard Bank African Ironman Championships
- Exterra Triathlon

To promote active recreation and healthy living, the following active recreation activities were planned and supported. These activities took place in different communities at different intervals:

- Boxing fitness for peace
- Youth annual sports day
- Tae boe touch down for fitness
- Community walks and runs
- Natural Bodybuilding Association
- Motherwell Bodybuilding Classic
- Extended Hands Junior Indoor Soccer Tournament

SUPPORT TO PROFESSIONAL AND SEMI-PROFESSIONAL SPORT

The investment by the City of R18 000 000 in professional local sport through the sponsorship of the Super Kings (Rugby), Eastern Province Cricket and the Chippa United Football Club has contributed directly to promoting the City as a major sports and events destination. The Chippa United Football Club did not maintain its winning performances of the previous season and narrowly escaped relegation at the end of the PSL Season. The City and MBDA introduced more stringent reporting mechanisms to assist the Club in complying in terms of the relocation agreement it has with the Nelson Mandela Bay Municipality. Despite the significant improvement in its performance towards the end of the

season, the Super Kings was also removed from the Super Rugby series, but will compete in a new international competition series created by SARU. The Warriors Cricket team had a very good season in terms of performance and made it to the semi-finals of their competition series. The investment in cricket has also seen an increase in spectator support at their local games, which contributed to the sustainability of the St George's Cricket Stadium and the development of cricket in the region.

The following Semi-professional football clubs playing in the ABC Motsepe League were assisted financially with R20 000 each:

- Young Ideas FC
- Highbury FC
- Callies FC
- Morning Stars FC
- SUBS FC
- Lion City FC

In the past year, the following sport and recreation events hosted in Nelson Mandela Bay impacted positively on tourism and economic development and profiling the City as the Opportunity City and Well-run City:

- Standard Bank Ironman African Championships
- National Nippers Competition
- National Championship for the Physically Challenged
- Premier and SALGA Games
- Nelson Mandela Pro Surfing Series
- Provincial Sports Awards
- Provincial and National swimming galas

These events have contributed immensely to promoting tourism and economic development in the City. The Judo Commonwealth Games and the Standard Bank Ironman African Triathlon have attracted large numbers of international participants to the City and the Region.

CHALLENGES EXPERIENCED DURING THE FINANCIAL YEAR:

Despite the Directorate being able to fill a number of vacancies at lower level, it still experienced the following challenges:

- Insufficient capital and operational budget allocations to address major backlogs in the provision and maintenance of sport and recreation facilities in accordance with national norms and standards and compliance with the OHS Act of 1993.
- Continuous vandalism at sport and recreation facilities and the high cost of security services.
- Ageing sport and recreation infrastructure and equipment: Some of the sport facilities were constructed more than 30 years ago and are a safety risk; specialized equipment for maintaining the fields are outdated and in disrepair (Bomag rollers, pitch cutters and lawn mowers; scarifiers).
- Declining staff numbers due to natural attrition, many unfunded vacant posts due to the moratorium on the filling of vacancies' and budget cuts.
- Some Job Descriptions do not support the service delivery imperatives of the directorate.
- Huge overtime cost implications, as sport is generally played over weekends.
- Task Implementation process.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Inclusive Economic Development and Job Creation KPE: Recreation, Arts and Culture	Number of programmes promoting a culture of reading implemented in 20 libraries	6 programs per library (Youth Reading Programme; National Book Week; Come read with us; December School Holiday Programme; SA Library Week; June School Holiday Programme)	6 programs per library (Youth Reading Programme; National Book Week; Come read with us; December School Holiday Programme; SA Library Week; June School Holiday Programme)	N/A	N/A	N/A
	Number of Arts incubators established through provision of financial support	1 (Performing arts incubator)	1 (Performing arts incubator)	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Beaches and Resorts	Number of flagship events hosted to position the Nelson Mandela Bay Metropolitan Municipality as a world class destination	6 (Cultural Festival; City of Champions; Summer Season; Splash Festival; Judo Common Wealth; Ironman)	6 (Cultural Festival; City of Champions; Summer Season; Splash Festival; Judo Common Wealth; Ironman)	6 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Ironman, Splash Festival)	8 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Ironman, Splash Festival, City Relay, NMB Half Marathon Championships) <u>Amended to:</u> 9 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Xterra Trail Run, Ironman, Splash Festival, City Relay, NMB Half Marathon Championships) (In line with COAF 006)	6 (EP Athletics: NMB City Relay; Ebubeleni Summer Season; Xterra; Splash; Ironman)

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Arts and Culture Infrastructure	% completion of the Mqolomba / Jabavu Sports field development (Phase 1)	35% upgrading of Mqolomba Park Sports field (Ward 44) completed in line with project plan	35% upgrading of Mqolomba Park Sports field (Ward 44) completed in line with project plan	30%	53%	90%
KPA: Integrated Service Delivery to a well-structured city KPE: Arts and Culture Infrastructure	% completion of the upgrade of the changing rooms and ablutions at Walmer / Fountain Road Sports field (Phase 1)	27% upgrading of Walmer/ Qebera Sport precinct (Ward 3) completed in line with project plan	27% upgrading of Walmer/ Qebera Sport precinct (Ward 3) completed in line with project plan	70% <u>Amended to</u> 30%	30%	90%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Sport development	% upgrading of Booyens Park Sports field	100% upgrading of Booyens Park Sports field (Ward 41) completed in line with project plan	100% upgrading of Booyens Park Sports field (Ward 41) (Annual target achieved in third quarter)	N/A	N/A	N/A
	% upgrading of NU9 Sports field	100% upgrading NU9 Sports field (Ward 57) completed in line with project plan	100% upgrading NU9 Sports field (Ward 57) completed in line with project plan	N/A	N/A	N/A
KPA: Integrated Service Delivery to a well-structured city KPE: Sport development	% upgrading of Thembani Sports field	100% upgrading of Thembani Sports field (Ward 48) completed in line with project plan	100% upgrading of Thembani Sports field (Ward 48) completed in line with project plan (Annual target achieved in third quarter)	N/A	N/A	N/A
	% upgrading of Wells Estate Sports field	100% upgrading of Wells Estate Sports field (Ward 60) completed in line with project plan	100% upgrading of Wells Estate Sports field (Ward 60) completed in line with project plan	N/A	N/A	N/A

TABLE 3.144: Employees: Sport and Recreation

Job Level	Year -1 (2015/2016)	Year 0 (2016/2017)			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	89	103	80	23	22.33%
4 – 6	75	62	55	7	11.29%
7 – 9	45	24	21	3	12.50%
10 – 12	2	7	6	1	14.29%
13 – 15	1	2	1	1	50.00%
16 – 18	1	1	1	0	0.00%
19 – 20					
Total	213	199	164	35	17.59%

TABLE 3.145: Financial Performance 2016/17: Sport and Recreation

Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	19,651	27,810	33,424	31,124	10.65%
Expenditure:					
Employees	67,420	82,011	81,417	76,357	-7.40%
Repairs and Maintenance	13,061	17,753	13,750	14,252	-24.56%
Other	130,885	123,259	118,398	117,233	-5.14%
Total Operational Expenditure	211,365	223,023	213,565	207,842	-7.30%
Net Operational Expenditure	191,714	195,213	180,141	176,718	-10.47%

TABLE 3.146: Capital Expenditure Year 0: Sport and Recreation

Capital Projects	R' 000				
	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	49,500	47,977	44,046	-12.38%	
Vehicles for Sport and Recreation	1,500	1,500	1,232	-21.72%	
Mendi Bottle Store Renovation	4,000	9,600	13,908	71.24%	
Secure Recreational Buildings / Facilities	1,000	750	928	-7.72%	
Upgrade Existing Sports Facilities	3,000	3,000	4,165	27.97%	
Springs Resort-Upgrade Infrastructure	2,000	2,000	2,366	15.47%	
Upgrade Beaches -Tourism	2,500	2,500	2,330	-7.32%	
Maintain/Rehabilitate Sports Facility Infrastructure	5,000	4,500	4,364	-14.58%	
KwaNobuhle Sports Complex	15,000	5,700	2,558	-486.37%	
Sport and Recreational Facilities - Mayoral Project		2,000	1,867	100.00%	
Red City Soccer Field - Mayoral Project		927			
Astroturf Surfaces	12,500	12,500	6,194	-101.82%	
Rehabilitate and Upgrading of Swimming Pool Structures	3,000	3,000	4,151	27.72%	
Disabled facilities for Recreation and Cultural Services			(16)	100.22%	

3.30 BEACHES, RESORTS AND EVENTS MANAGEMENT

The Nelson Mandela Bay Municipality is committed to delivering the highest level of service to its citizens. The Municipality's service charter commits it to a set of standards that citizens should minimally expect when they interact with the institution across a range of service areas. Section 152 of the Constitution identifies the objectives of local government (municipalities) as:

- a) To provide democratic and accountable government to local communities
- b) To ensure the provision of services to communities in a sustainable manner
- c) To promote social and economic development
- d) To promote safe and healthy environment; and
- e) To encourage the involvement of communities and community organizations in the matters of local government.

The NMBM realizes the above objectives through its vision of a city that is iconic, friendly, an ocean city, driven by innovation, service excellence and economic development – a destination of choice. The above-mentioned vision is delivered through the six pillars, which will serve as the backdrop and focus on how service delivery will be translated or cascaded to communities.

The Beaches, Resorts and Events Management Sub-Directorate, in its delivery of its mandate, subscribes to the six pillars and ensures that all service delivery activities, services and programmes are aligned to the six pillars in terms of the vision of the City. The strategic direction of the Sub-Directorate is to position Nelson Mandela Bay as a destination of choice among investors and tourists, the Water Sports Capital and the events preferred city. The hosting of events is a significant part of the strategy to enhance Nelson Mandela Bay as a premier tourist destination of choice, based on its strengths, including its beautiful landscapes, Blue Flag beaches, cultural diversity, rich heritage and sports.

The mission of the NMBM puts emphasis on the provision of municipal services, which include a clean environment with beaches and recreational spaces that are managed efficiently. The White Paper on Sustainable Development and the Integrated Coastal Management Plan aim to achieve sustainable coastal development through integrated coastal management. The Integrated Coastal Management Plan further places the responsibility on local authorities to promote the conservation of the coastal environment and to ensure that the use of natural resources within the coastal zone is socially and

economically justifiable and sustainable. Adherence to, and compliance with legislation is relevant to the Nelson Mandela Bay Municipality, which has a 120 km coastline, characterized by pristine beaches providing a wide range of recreational opportunities, including safe swimming, sunbathing, walking, snorkeling and scuba diving. The NMBM coastline is of great value, based on its diverse array of natural and heritage resources, which are key tourist and socio-economic assets. These features have also resulted in local beaches playing host to an array of regional, national and international events, including the following:

- Standard Bank Ironman South Africa
- Ironman
- NMBM Bay Splash Festival
- NMBM Summer Season
- Annual Ebubeleni Festival
- Xterra Triathlon
- Annual Cycle Tour

The provision of amenities of a high standard at all the beaches in Nelson Mandela Bay, from parking and boardwalks to ablutions and restaurants, ensures a superb visitor experience. The strategic plan of the Municipality includes the development, upgrading and maintenance of recreational facilities, mainly focusing on Beaches and Resorts, into clean and safe world-class facilities that will promote a sense of pride among Nelson Mandela Bay residents through the stimulation of the local economy, thereby contributing to the reduction of poverty.

The core services as per the mandate of the Sport, Recreation, Arts and Culture Directorate, Sub-Directorate: Beaches, Resorts and Events Management include but are not limited to the following:

Research and planning (Shark Research Programme)

The Municipality entered into a three-year agreement (2009/10 to 2011/12) with the Bayworld Centre for Research and Education (BCRE). The agreement has since been renewed until 2016. The primary aim of this agreement is to conduct research on Great White sharks in Nelson Mandela Bay. The advantages of the Shark Research Programme include:

- Establishment of a white shark management, recreational safety and tourism plan for Nelson Mandela Bay.
- Independent Beach Risk Assessment.
- Providing key data important to our understanding of white shark biology and their long-term management and conservation in South Africa.
- Better understanding of possible contemporary changes in distribution (based on reliable anecdotal accounts) of white sharks.
- Monitoring abundance trends along popular bathing beaches through acoustic tagging and reasons for the existence of “hotspot” areas.
- Improved collaboration between government institutions.

The following are strategies that are currently underway in order to achieve the Sport, Recreation, Arts and Culture (SRAC) Directorate’s Five-year Plan:

- Drowning Prevention Strategy
- Beach Aquatic Awareness Programme
- Blue Flag Strategy
- Risk Analysis of NMBM Beaches
- Research and Planning (ongoing – part of three-year contract)
- Events Policy and Bylaws (completed and approved)
- Annual Events Calendar (developed quarterly)
- NMBM Resorts Policy
- Resorts infrastructure Maintenance Plans (yearly operations)
- Coastal infrastructure - Maintenance guidelines
- Splash Festival (Flagship event)
- Summer Season (Flagship event)

Beaches, Resorts and Events Delivery approach:

- Leveraging the city’s natural, built and heritage assets as a platform to promote the City as a tourism destination.
- Investing in both sporting and cultural events in order to promote the City as an events destination. The City has already been awarded the 2018 Ironman World Championships and the upgrading of infrastructure to meet the requirements has been prioritized.
- Providing safe, clean, user friendly and world-class recreational facilities and infrastructure through the provision of Blue Flag beaches. Whilst providing safe recreational facilities, the City must explore alternative methods to reduce the budget

for overtime and contract security. The Blue Flag criteria cover four aspects of coastal management, namely:

- Sound environmental management
 - Environmental education initiatives
 - Safety and security for users
 - Water quality
- Developing and co-ordinating Aquatic Awareness and Safety Programmes.
 - Maintaining the NMBM shark research and planning programme, in order to establish a white shark management and recreational safety plan for the NMBM.
 - Upgrading, developing and maintaining coastal recreational amenities in line with legislation.
 - Developing resorts as a catalyst for economic development and private sector investment. Currently, the City has four resorts, of which three are leased out to private companies. In the next five years the City will consider a different leasing approach for the various resorts in order to maximize on the benefits as well as cater for the difference LSMs.
 - Driving the social cohesion, economic development, social infrastructure and wellness of residents through the strategic, well-aligned management of the City's sport, arts, culture, heritage, libraries, beaches, resorts and recreation infrastructure programmes.
 - Providing safe beaches through the provision of lifeguards and rescue equipment and through partnerships with other internal and external stakeholders. The City must make an effort to ensure that its number of lifeguards and rescue equipment comply with safety standards.
 - Positioning the NMBM as a tourist destination and the events capital of South Africa through the hosting of SASREA compliant events.
 - Providing guidance to event organizers so that they can be able to comply with SASREA, 2010 in staging safe and successful events.
 - Maintaining the partnerships between the City, the private sector and NGOs in order to complement the City's resources e.g. lifesaving clubs. Support to life-saving clubs to include the following:
 - Upgrading of the infrastructure of lifesaving clubs
 - Development of maintenance plans
 - Solidifying partnerships related to the Blue Flag Programme and in aquatic safety awareness programmes
 - Support of the Nippers' Championships as a strategic event for the City.

Core service delivery priorities for the 2016/2017 financial year included:

- Provision of maintenance and upgrading of the coastal infrastructure.
- Provision of beach protection and conservation services through By-Law enforcement.
- Implementation of the Blue Flag Programme for selected bathing beaches (Kings, Humewood and Hobie).
- Provision of aquatic safety services (adequate lifeguard service to be compliant with the minimum water safety requirements)
- Development and maintenance of resorts within the Nelson Mandela Bay area (Springs Resort and Maitlands Resort).
- Directing, coordinating and managing events within Nelson Mandela Bay and ensuring compliance with relevant legislation e.g. SASREA, Events Policy and Events By-Laws.
- Upgrading of all coastal infrastructure.
- Developing, upgrading and maintaining of municipal operated Resorts.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a well-structured city KPE: Beaches and Resorts	Number of beaches with Blue Flag status	2 full status (Humewood Beach, King's Beach) 1 pilot status (Hobie Beach)	2 (Humewood Beach and Kings Beach) 1 pilot status (Hobie Beach)	3 (Humewood Beach, King's Beach and Hobie Beach)	3 (Humewood Beach, Kings Beach and Hobie Beach)	3 (Humewood Beach, Kings Beach, Hobie Beach)
	Number of drowning incidents at municipal bathing beaches and municipal swimming pools	0	1	N/A	N/A	N/A
	Number of local performing artists benefitting economically through events hosted by the Nelson Mandela Bay Municipality	200 local artists benefitting from Summer Season, Splash Festival and Heritage programmes	435 local artists benefitting from Summer Season, Splash Festival and Heritage programmes	N/A	N/A	N/A

TABLE 3.148: Employees: Beaches, Resorts and Events Management

Job Level	Year - 2015/16	Year 2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	17	6	11	64.71%
04-Jun	8	12	7	5	41.67%
07-Sep	11	9	7	3	33.33%
10-Dec	1	7	1	6	85.71%
13 - 15	1	-	-	-	0.00%
16 - 18	2	2	2	-	0.00%
19 - 20	-	-	-	-	0.00%
Total	39	47	23	25	53.19%

TABLE 3.149: Capital Expenditure Year 2016/17: Beaches, Resorts and Events Management

Capital Projects	Year 2016/17					R000
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value	
	Total All	5,250,000	6,163,000	5,365,094	100%	
Project A: Springs Resorts	2,000,000	2,373,000	2,245,365	100%		
Project B: Secure Recreational Buildings / Facilities	750,000	940,000	982,339	100%		
Project C: Upgrade Beaches – Tourism	2,500,000	2,850,000	2,137,390	100%		

COMMENT ON THE PERFORMANCE OF BEACHES, RESORTS AND EVENTS MANAGEMENT

The overall performance for the 2016/17 financial year relating to the Sub-Directorate was good and improvement was evident in the budget performance report. The overall budget for repairs and maintenance reflected 100% expenditure, which is a sign that service delivery targets were achieved. Capital upgrades for the Sub-Directorate focused on the upgrading of the Springs Resorts infrastructure and the upgrading of beach infrastructure. The securing of recreational facilities was allocated a budget of R940 000; This was prioritized owing to

the high levels of vandalism and theft experienced at all recreational facilities, especially beaches, where serious crimes such as rapes and hijackings have been evident.

A decrease in drowning incidents at NMBM bathing beaches has been evident. This is largely attributed to the interventions that have been put in place by the Sub-Directorate, which include the annual employment of ±60 seasonal contract lifeguards, who assist during the peak season. The seasonal lifeguards are employed mainly during the summer season (between October and April annually). The NMBM also has a sponsorship agreement with Lifesaving Nelson Mandela Bay, which ensures that lifesaving duties are performed from November to April on Saturdays, Sundays and public holidays. However, the operational budget still remains inadequate to sufficiently maintain all coastal areas adequately. A budget has to be provided for the employment of additional lifeguards for the City, as the current number is insufficient to provide aquatic rescues and is also not compliant with minimum safety requirements. It is important, however, to be cognisant of the integrated planning approach in the delivery of services by the Municipality so that planning and budget can be aligned and optimum service delivery can be achieved.

MAJOR ACHIEVEMENTS

Three beaches participated in the Blue Flag Programme in 2016/17. These are:

- Kings Beach
- Humewood Beach
- Hobie Beach

Plans are also underway to launch the Blue Flag Pilot phase at Wells Estate Beach. An Environmental Impact Assessment study related to the upgrading of the sewer infrastructure at Wells Estate Beach is also underway. This will ensure that the new sewer infrastructure is able to deal with the increases in capacity experienced during the peak season and public holidays. The City has a modern infrastructure in place and natural environment to attract, accommodate and entertain visitors. The City has an exceptional diverse team to plan and carry out the Ironman event. The City is working with Ironman SA to ensure that the proposed hosting of the World Championships in 2018 will be a major success. The NMBM has proven over the years that it has the ability to host high profile international events, such as the 1995 Rugby World Cup, 2003 ICC Cricket World Cup, 2010 FIFA World Cup, the Commonwealth Judo Championships, the Ocean Racing Series, the Herald Cycle Tour, Super Rugby, and many other major cricket and football games.

PILLAR 6:
FORWARD THINKING
CITY

PILLAR 6: FORWARD THINKING CITY

The Forward Thinking City is concerned with institutional innovation, support for research and development, and plans for future sustainability. The Forward Thinking City ensures multi-generational planning that promotes sustainable economic growth through the optimal use and development of technology.

The Forward Thinking City strives for its environmental sustainability through proactive planning and the conservation of resources and the natural and built environment.

In this section, the focus will be on work done in the areas of institutional research and long-term planning that facilitates growth and city development.

3.31 RESEARCH AND DEVELOPMENT

Knowledge and information serve as key strategic tools in contemporary society. To this end, the Municipality has a dedicated Office to undertake primary and secondary research that will inform policy development and strategic decision-making. During the 2016/17 financial year, primary research was undertaken to identify which services residents were satisfied with and which services did not meet service expectations. The research instrument was based on the Service Charter of the Municipality, which sets predetermined standards of service. The survey findings will therefore serve to underpin future planning. In addition, global and local networks are utilised to improve service delivery and enhance citizen participation and community development. In this regard, knowledge and information networks promote cross-sectional collaboration and knowledge dissemination.

3.32 BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)

Municipalities are required on an annual basis to submit Built Environment Performance Plans (BEPP) as part of grant conditions. The Nelson Mandela Bay Municipality is a recipient of a number of grants, including the Urban Settlements Development Grant (USDG), the Integrated City Development Grant (ICDG), the Integrated Housing and Human Settlements Grant (IHHS), the Public Transport Infrastructure Support (PTIS), the Integrated National Electrification Programme (INEP) and the Neighbourhood Partnership Development Grant (NPDG).

The BEPP aims to demonstrate the use of these grants for purposes of spatial restructuring through targeting the expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment and support growth.

The BEPP, including the Urban Network Strategy, can be seen to represent the investment strategy of the Municipality in fulfilling its objectives of equitable city development, transformed spatial realities and more compact city development.

The BEPP is to be read together with the Municipality's key strategic documents and should be seen as complementary to those. These include the Integrated Development Plan, Budget, the Spatial Development Framework and the Integrated Public Transport Strategy.

The Council approved the BEPP for the 2017/18 financial year along with the Budget and IDP in May 2017. The BEPP is available on the Municipality's website.

INTEGRATION OF STRATEGIC PLANNING INITIATIVES OF THE NMBM

In October 2016, the IDP and Budget Steering Committee resolved to integrate the Strategic Planning processes of the Municipality.

These strategic planning processes include the articulation of the Vision/Mission of the NMBM, the development of a City Growth and Development Strategy, the creation of a new five-year Integrated Development Plan (IDP), supported by a new three-year Budget and the development of the annual Built Environment Performance Plan (BEPP).

The integration of the processes through a Strategic Planning Steering Committee enhanced the work of the former IDP and Budget Steering Committee and proposed processes to overcome previous inadequacies in respect of the consultation of constituencies and stakeholders; the co-ordination of sectoral strategies and policies; a widely supported city vision and deficiencies of the city spatial, as well as to ensure alignment between officials and political leaders and alignment with national and provincial government and SoE plans in NMBM.

The Strategic Planning Steering Committee met regularly through the year and promoted the integration of planning and budgeting processes via the hosting of two strategic planning workshops to achieve closer alignment of the strategic plans and budgeting for the City.

**ORGANISATIONAL PERFORMANCE SCORECARD
FOR THE PERIOD ENDING 30 JUNE 2017**

ADDITIONAL REPORTING

**CoGTA INDICATORS
FOR THE PERIOD ENDING 30 JUNE 2017**

KPA 1: BASIC SERVICE DELIVERY**INFRASTRUCTURE AND ENGINEERING**

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Percentage of households with access to potable water OR % of informal households within the urban edge provided with access to basic potable water supply	100%
2	Percentage of indigent households with access to free basic potable water	100%
3	Percentage of clinics with access to potable water	100%
4	Percentage of schools with access to potable water	100%
5	Percentage of households in formal settlements using buckets	0%
6	Percentage of households with access to sanitation services OR % households provided with access to basic sanitation (excluding bucket system)	100%
7	Percentage of indigent households with access to free sanitation services	100%
8	Percentage of clinics with access to sanitation services	100%
9	Percentage of schools with access to sanitation services	100%
10	Percentage of households without access to gravel or graded roads	5.92%

ELECTRICITY AND ENERGY

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Percentage of indigent households with access to basic electricity	All registered indigent households have access to basic electricity through the installation of bulk electricity infrastructure. However, direct electricity connections are made to individual state-subsidized houses. To this end, a total of 3432 indigent households were connected with electricity, against a target of 2955 during the 2016/17 financial year.
2	Percentage of indigent households with access to free alternative energy sources	Alternative energy sources are provided to unregistered indigent households. To date, about 2370 indigent households have been provided with alternative energy sources. However, the percentage of indigent households with access to free alternative energy sources cannot be determined since the Municipality does not have record of the total number of unregistered indigent households.

HUMAN SETTLEMENTS

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Percentage of households living in informal settlements	31%
2	Percentage of informal settlements that have been provided with basic services	55%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	79% (based on the number of building plans submitted vs building plans approved in the period)
4	Existence of an effective indigent policy	The Municipality has a council-adopted indigent policy in place
5	Existence of an approved SDF	MSDF, Bethelsdorp, Ibhayi and Summerstrand
6	Existence of Land Use Management System (LUMS)	None
7	Percentage of USDG budget appropriately spent	100%

PUBLIC HEALTH

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Existence of waste management plan	Yes

KPA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Percentage of appointment in strategic positions (municipal Manager and Section 57 managers)	Three strategic positions were filled in 2016/17. A City Manager, Executive Director: Human Settlements, Executive Director: Corporate Services were appointed - an Executive Director: Public Health was appointed, however he requested to be demoted (as it was an internal promotion) and subsequently this position again became vacant. The City Manager together with other Section 57 officials totals eleven officials (11). $3/11 = 27\%$.
2	Percentage of senior managers (section 54 and section 56) attending at least one skills/ training/ development course within the financial year	100 % compliance. Each of the eleven (11) section 56 employees in NMBM attended at least one training course during 2016/17.
3	Percentage of managers in technical services with a professional qualification	NMBM does not have a database in place to reflect the percentage of managers in technical services with a professional qualification.
4	Level of effectiveness of NMBM Performance Management System in the Metro	The level of effectiveness of NMBM Performance Management System in the Metro is very low. Taking into consideration that only Section 56 officials comply at present.
5	Percentage of staff that have undergone a skills audit (including competency profiles)	64% Percentage of staff have undergone a skills audit (including competency profiles) to date.
6	Percentage of Councillors who have attended skills development training	97.5 %. 117 out of a total of 120 attend training during 2016/17.
7	Percentage of staff complement with disability	1.6 % of staff in NBM have declared a disability

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
8	Percentage female employees	26% = female employees (of which 16 Female managers)
9	Percentage employees that are aged 35 or younger	17%
10	Adoption and implementation of Human Resource Development Plan including Workplace Skills Plan (WSP)	Corporate Services has revised 20 policies and developed SOPs for each of these policies. A (WSP) also exist within the institution, however an integrated HRD plan will only be developed during 2017/18

KPA 3: LOCAL ECONOMIC DEVELOPMENT

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Existence of LED Unit	Yes
2	Percentage of LED Budget spent on LED related activities.	Budget – R 16 805 540 Actual - R 16 443 873 = 98%
3	Existence of LED Strategy	Yes
4	Number of LED Stakeholder Forum meetings held.	Three – 16 February 2017, 20 April 2017 and 21 June 2017
5	Percentage of SMME that have benefited from a SMME support Programme	<p><u>Tourism SMME's</u></p> <p>A total of 23 SMME have been supported</p> <ul style="list-style-type: none"> - 4 SMME's trained to be tourist guides - 15 tour operators were trained on universal accessibility (sign language) - 16 trainees per (4 per establishment) were trained on responsible tourism <p>Total = 35 SMME's trained</p> <p><u>Export Awareness and Development Programme</u></p> <p>EDTA through the Export Help Desk has been able to train 115 SMMEs in the following courses: Introduction to Exports, Export orientation course, DTI export incentive schemes, Export in Aquaculture.</p> <p><u>Market Access</u></p> <p>EDTA through the export helpdesk has provided opportunities for market access to 22 SMMEs. This has been done through supporting SMMES to participate in Local Trade exhibition shows.</p>

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
		<p><u>Export licencing</u></p> <p>In this financial year 17 SMMEs have been assisted with export licences through the export helpdesk.</p> <p><u>The Business Place – Nelson Mandela Bay Programme</u></p> <p>In this financial year, 1798 new SMMEs have been assisted at the walk-in centre.</p> <p>1612 SMMEs returned for additional various business interventions. This equates to a total of 3410 different types of business related interventions.</p> <p><u>SEDA Information Communication & Technology Incubator (SEDA ICT)</u></p> <ul style="list-style-type: none"> ▪ 24 SMME's supported in the incubation programme for F/Y 2016/17 <p><u>SEDA Construction Incubator</u></p> <ul style="list-style-type: none"> ▪ 25 SMME's supported in the incubation programme for FY 2016/17 <p><u>Co-operatives</u></p> <ul style="list-style-type: none"> ▪ Workshops in Pre- registration, Cooperative governance and Compliance training were held in support of Cooperatives in NMB in FY 2016/17 583 Cooperatives. <p><u>Informal traders</u></p> <ul style="list-style-type: none"> ▪ Workshops were held in support of informal traders together with Public health in the last F/Y 2016/17 (157 Informal Traders) ▪ Review of NMBM Informal traders policy amendment and strategy 2 day workshop with SALGA & MILE (67 Participants/Stakeholders/Informal Traders)

KPI NO	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
		<p>Assisted designated groups (represented as a percentage of 3410) are as follows:</p> <ul style="list-style-type: none"> • Female – 44% • Youth – 37% • Disabled – 1% <p>60 SMMEs have been trained and completed the Micro MBA course during this period. Furthermore, 16 outreaches were conducted during the financial year.</p>
6	Number of job opportunities created through EPWP	Jobs created / work opportunities through EPWP: 2652 for 2016/17 Financial year.
7	Number of job opportunities created through PPP(Public-Private partnership).	<p><u>Investment Incentive Programme</u></p> <p>The Nelson Mandela Bay through the Investment Incentive Programme administered by EDTA has been able to assist six (6) investors with incentives. The Investment incentive programme has contributed In the creation of 1830 work opportunities in the Nelson Mandela Bay</p>

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
Salary budget as a percentage of total operational budget (actual as at year end)	33.43%
Trade creditors as a percentage of total actual revenue	13.61%
Total municipal own revenue as a percentage of the total budget	88.63%
Rate of municipal consumer debt reduction	94.3%
Submission of AFS after the end of financial year	31 August 2017

Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Percentage Expenditure of capital budget	1 552 011 702	1 430 912 875	92.2%
Salary Budget as a percentage of the total operational budget (actual as at year end)	2 470 431 960	3 060 663 137	33.43%
Trade creditors as a percentage of total actual revenue		1 222 811 384	13.61%
Total municipal own revenue as a percentage of the total actual budget	8 986 326 778	7 964 367 649	88.63%
Rate of municipal consumer debt reduction	94%	94.3%	94.3%
Percentage of USDG-operating budget appropriately spent	17 000 000	17 000 000	100%
Percentage of USDG-Capital budget appropriately spent	851 282 000	851 252 000	100%

Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Percentage of MIG budget appropriately spent	N/A	N/A	N/A
Percentage of MSIG budget appropriately spent	N/A	N/A	N/A

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI NO.	KEY PERFORMANCE INDICATOR	2016/17 ACTUAL PERFORMANCE AS AT 30 JUNE 2017
1	Number of ward committees established	60 ward committees
2	% of ward committees that are functional	100%
3	Existence of an effective system to monitor Community Development Workers	N/A
4	Existence of an effective communication strategy	<p>The Communications Strategy is due for review, but needs to be aligned with the IDP, which was finalized only some weeks ago.</p> <p>The Communications Team is now embarking on the revision of the Strategy, following the revision of the Communications Policy, where after the Draft Communications Strategy will be rolled out to all directorates.</p>
5	Number of mayoral imbizos conducted	4

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

INTRODUCTION

People-focused organisational development is central to service delivery, hence the emphasis on the implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies.

The Municipality adopted the organizational structure in June 2016. Immediately after the local government elections (August 2016) a process was put in place to approve a revised political structure, with the intention to achieve savings in the structure. The political structure was then approved on 27 October 2017.

In July 2016, the Municipality absorbed all officials who had been on contract for a period of more than three (3) months and whose salaries fell below the threshold as stipulated in the Labour Relations Amendments Act.

The Municipality has rolled out a process of reviewing the micro structure (staff establishment) to ensure that the gaps (positions that were not catered for when the structure was approved in June 2016) are closed.

During the year (2016/17) organisational structures for the Integrated Public Transport System (IPTS) and Metro Police were approved by Council to meet the demands of those functions and to respond to the legislative mandate and grant funding requirements.

Due to a reasonable number of officials who objected to their TASK Final Results Outcomes, the objections phase project that the Municipality embarked on in 2015/16 was finalized during the year. As a spin-off from the objections phase project, a Job Architecture Matrix Model (JAMM) has been rolled out to ensure that libraries are developed to assist in developing job descriptions for all the positions in the Municipality once the restructuring process is finalized.

The JAMM project will also be interlinked with the Performance Management System (PMS) in the future to ensure consistency in the application of the JAMM and the PMS.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TABLE 4.1: Employee totals, turnover and vacancies

Employees					
Description	Year -1 (2015-16)	Year 0 (2016-17)			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Budget and Treasury	613	738	626	112	15.18%
Chief Operating Officer	86	392	312	80	20.41%
Corporate Services	659	524	423	101	19.27%
EDTA	545	90	55	35	38.89%
Electricity and Energy	621	801	640	161	20.10%
Human Settlements	383	385	319	66	17.14%
Infrastructure and Engineering	1345	2073	1462	611	29.47%
Municipal Manager	140	27	23	4	14.81%
Office of the Executive Mayor	40	28	27	1	3.57%
Public Health	1103	1830	1550	280	15.30%
Safety and Security	934	1260	1053	207	16.43%
Special Projects and Programmes	548	12	10	2	16.67%
SRAC counted with EDTA		630	500	130	20.63%
Totals	7018	8790	7000	1790	20.36%

TABLE 4.2: Vacancy Rate: Year 0 (2016-17)

Designations	Total Approved Posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00%
CFO	1	0	0.00%

Designations	Total Approved Posts No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.	Vacancies (as a proportion of total posts in each category) %
Other S57 Managers (excluding Finance Posts)	11	2	18.18%
Other S57 Managers (Finance posts)	0	0	0.00%
Police officers	124	15	12.10%
Fire fighters	267	15	5.62%
Senior management: Levels 13-15 (excluding Finance Posts)	Detail requested does not correspond to tracked data - unable to provide		
Senior management: Levels 13-15 (Finance posts)	Detail requested does not correspond to tracked data - unable to provide		
Highly skilled supervision: levels 9-12 (excluding Finance posts)	Detail requested does not correspond to tracked data - unable to provide		
Highly skilled supervision: levels 9-12 (Finance posts)	Detail requested does not correspond to tracked data - unable to provide		
Total	404	32	7.92%

TABLE 4.3: Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2 (2014/15)	664	1866	2.81
Year -1 (2015/16)	207	1913	0.268
Year 0 (2016/17)	2995	2477	83%

COMMENT ON VACANT SENIOR MANAGEMENT POSITIONS AND TURNOVER RATE

The Municipality has nine (9) Executive Director positions, of the nine (9), only three (3) are still vacant.

The position of Executive Director: Electricity and Energy was advertised on 5 and 6 March 2017 and the report on the selection process and outcome thereof is awaiting Council approval. Vetting contributed largely to the long delays.

The position of Executive Director: Safety and Security was advertised on 5 and 6 March 2017 and the report on the selection process and outcome thereof is awaiting Council approval.

The City Manager's position was advertised on 11 and 12 September 2016 and filled on 1 December 2016.

This Municipality is making every effort to ensure that all outstanding Senior Management and Highly Skilled positions are filled during the current financial year.

Reasons for turnover rate

It is common knowledge that the remuneration/salary packages of municipalities are highly regularized and are not competitive; as such, some staff leave the institution for higher salaries and/or better opportunities. Other reasons for the high turnover rate include:

- Contract expiry
- Dismissals
- Natural attrition

Measures taken to attract and retain staff

Scare skills allowances are paid to positions that fall within the ambit of scarce skills and assisted education and training is offered to employees to further their studies. Continuous training and development of staff are key priorities. It is a known fact that attracting highly skilled staff is still a challenge in the country at large, as there is scarcity in this occupational category.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

The Nelson Mandela Bay Municipality is an equal opportunity employer who subscribes to the promotion of equal opportunity and fair treatment in employment through the elimination of unfair discrimination. The Municipality has accordingly implemented various affirmative action measures in order to ensure equitable representation in all occupational categories and levels in the workplace

4.2 POLICIES

TABLE 4.4: Corporate Services (HR Policies and Plans) (status as at 30 June 2017)

NO	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Acting Procedure	100 %	Revised draft adopted by Council	23 May 2017
2	Adult Basic Education and Training (ABET)	100%	To be reviewed during 2017/18	September 3, 2003
3	Asset Loss Control Policy	100%	Under review	April 3, 2007
4	Asset Management Policy	100%	Review only due in 2018	Reviewed policy adopted - 6 February 2013
5	Asset Disposal Policy	100%	Review only due in 2018	Reviewed policy adopted - 7 May 2013
6	Policy and Procedure for the Disposal of Movable Assets Not of High Value	100%	Due for review 2017/18	September 19, 2013
7	Bay Stars Employee Excellence Programme Policy Procedures Manual	100%	Due for review 2017/18	June 19, 2014
8	Career Management	100%	Due for review 2017/18	March 26, 2010
9	Cellular and Data Services	100%	Review to be concluded during 2017/18	July 22, 2010
10	Councillor Welfare Policy	100%	Due for review 2017/18	Adoption date to be confirmed
11	Councillor Support Policy	100%	Due for review 2017/18	June 25, 2009
12	Education, Training and Development (ETD)	100%	Review to be concluded in 2017/18	September 3, 2003
13	Experiential and Internship	100%	Due for review 2017/18	September 3, 2003
14	Employee Bursary	100%	Due for review 2017/18	June 19, 2014

15	External Bursaries	100%	Due for review 2017/18	September 3, 2003
16	E-governance		Due for review 2017/18	June 20, 2005
17	Induction Policy	100%	Due for review 2017/18	September 2, 2010
18	Information Security Management Policy Procedures and Guidelines	100%	Revised draft adopted by Council	23 May 2017
19	Language		Due for review 2017/18	April 11, 2009
20	Learnership	100%	Due for review 2017/18	March 19, 2010
21	Mentorship Strategy	100%		March 6, 2013
22	Organizational Establishment Policy	100%	Revised draft adopted by Council	23 May 2017
23	Performance Management Policy	100%	Review only due in 2017	February 24, 2014
24	Petition Policy	100%	Review will commence in the next financial year (2015/16)	October 11, 2012
25	Policy Governing Funding to External Organizations previously called the Grant-in-Aid Policy		Current	May 22, 2014
26	Public Participation Policy and Public Participation Procedures Manual	100%	Current	August 7, 2014
27	Records Management	100%	Current	June 19, 2014
28	Recruitment, Selection & Retention	100 %	Revised draft adopted by Council	23 May 2017
29	Rules of Order	100%	Due for review 2017/18	September 6, 2007
30	Recognition of Prior Learning	100%	Revised draft adopted by Council	23 May 2017
31	Strategy to integrate People with Disability	100%	Reviewed Mayoral - 27 June 2007	July 16, 2003

32	Strategy to Mainstream Gender in the Workplace	100%	Due for review 2017/18	July 16, 2003
33	Succession Planning	100%	Review continue from 2016/17 into 2017/18	March 26, 2010
34	Travel Policy	100%	Under review	September 2, 2010
35	Ward Committee Policy	100%	Revised draft adopted by Council	April 2017
36	Work Attendance policy	100 %	Revised draft adopted by Council Note: This Policy will be submitted to a further review that will see the incorporation of Leave management aspects.	23 May 2017
37	Sexual Harassment Policy	100 %	Revised draft adopted by Council	23 May 2017
38	ICT Governance Framework	100 %	Revised draft adopted by Council	23 May 2017
39	ICT Enterprise Change Management Policy and Procedure	100 %	Revised draft adopted by Council	23 May 2017
40	ICT Disaster Recovery Policy	100 %	Revised draft adopted by Council	23 May 2017
41	ICT Policy	100 %	Revised draft adopted by Council	23 May 2017
42	Information Security Governance Framework	100 %	Revised draft adopted by Council	23 May 2017
43	Migration and Placement policy	100 %	Revised draft adopted by Council	23 May 2017
44	Overtime Policy	100 %	Revised draft adopted by Council	23 May 2017
45	Policy regulating the Transportation of Designated employees at the workplace	100 %	Revised draft adopted by Council	23 May 2017
46	TASK Job Evaluation Policy	100 %	Revised draft adopted by Council	23 May 2017

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

During the period under review, a number of policies were developed by various sub-directorates in Corporate Services. A second Policy workshop was held on 24 January 2017 with relevant stakeholders in the municipal directorates.

The final twenty (20) revised Corporate Services policies were presented to Council and approved on 23 May 2017. The review of Corporate Services Policies will continue into the next financial year until the process is concluded.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

TABLE 4.5: Number and Cost of Injuries on Duty

Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	1340	91		1	1 253 187
Temporary total disablement	N/A	N/A	N/A	N/A	N/A
Permanent disablement	N/A	N/A	N/A	N/A	N/A
Fatal	N/A	1	N/A	N/A	N/A
Total	1340	92	N/A	1	1 253 187

TABLE 4.6: Number of days and Cost of Sick Leave (excluding injuries on duty) (1 July 2016 - 30 June 2017)

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	
Lower skilled (Levels 1-2)	7,699.00	23%	556	556	13.847	448,511.90
Skilled (Levels 3-5)	26,206.00	17%	1955	1955	13.405	14,066,292.31
Highly skilled production (levels 6-8)	17,640.00	39%	1199	1199	14.712	13,792,438.56
Highly skilled supervision (levels 9-12)	17,436.00	42%	1344	1344	12.973	21,001,927.13
Senior management (Levels 13-15)	3,614.00	32%	319	319	11.329	43,240,339.30
MM and S57	45.00	53%	9	9	5.000	313,052.64

The institution has a Sick Leave Monitoring Committee in place, which addresses matters relating to injury on duty and sick leave. A Work Attendance Policy was also developed to define the institution's standards of work attendance and regulate the management thereof. Other interventions include counselling services from the EAP Practitioners and the Labour Relations Sub-directorate.

TABLE 4.7: Suspensions and disciplinary cases

Number and Period of Suspensions (1 July 2016 to 30 June 2017)				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Senior Clerk	Tampering and misappropriation of funds	10.11.2016	Services terminated with effect from 3 April 2017	03-Apr-17
Senior Director: Supply Chain Management	Abusing position of privilege for private gain	02.12.2016	Services terminated with effect from 17 May 2017	17-May-17
Assistant Director: Beaches and Resorts	Falling to declare interest in a private company and allowing an employee to make security gates and burglar bars using Council property	22.12.2016	Services terminated with effect from 13 June 2017	13.06.2017
Assistant Security Officer	Theft	02.12.2016	Suspension uplifted on 24 July 2017 due to verdict of innocent at hearing	24.07.2017
Refuse Carriers	Intimidation of non-striking worker on 5 June 2017.	21.06.2017	Suspension revoked with effect from 31 July 2017.	31.07.2017
Refuse Carriers	Intimidation of non-striking worker on 5 June 2017.	21.06.2017	Suspension revoked with effect from 31 July 2017.	31.07.2017
General Worker	Intimidation of non-striking worker on 5 June 2017.	21.06.2017	Suspension revoked with effect from 31 July 2017.	31.07.2017
Driver	Intimidation of non-striking worker on 5 June 2017.	21.06.2017	Suspension revoked with effect from 31 July 2017.	31.07.2017

Number and Period of Suspensions (1 July 2016 to 30 June 2017)				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Director: Human Resources Provisioning	Acted fraudulently/gross dereliction of duties/gross negligence/financial misconduct/gross insubordination	08.09.2015	Disciplinary process in progress.	
Deputy Director: Housing	Gross dereliction of duty	18.09.2015	Disciplinary process in progress.	
Director: Municipal Information Systems	Approving payment to a service provider without authority to do so	26.08.2016	Disciplinary process in progress.	
Assistant Director: Contracts Management and Legal Compliance	Provided advice that is wrong in law and misleading, which resulted in irregular expenses by Council	10.11.2016	Investigation in progress.	
Chief Financial Officer	Instructed subordinate to make irregular payment to a service provider.	25.11.2016	Investigation in progress.	
Telephonist	Accomplice to armed robbery involving cell-phones	30.01.2017	Investigation in progress.	
Senior Superintendent	Suspected in the irregular payments of various invoices	21.04.2017	Investigation in progress.	

Number and Period of Suspensions (1 July 2016 to 30 June 2017)				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Manager: Environmental Management	Suspected in the irregular payments of various invoices	24.04.2017	Investigation in progress.	
Project Officer	Suspected in the irregular payments of various invoices	24.04.2017	Investigation in progress.	
Traffic Officer	Bribery	26.04.2017	Disciplinary process in progress.	

TABLE 4.8: Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
Clerk	Dishonesty - R250	Dismissed	17-Mar-17
Clerk	Dishonesty/Fraud - Not determined yet	Dismissed	3-Mar-17
Chief Financial Officer	Irregular payments	Ongoing	
Controller: Contracts	Irregularities regarding benefits	Dismissed	25-Oct-17
Deputy Director: Capital	Unauthorised processing of payments	Resigned	24-Jan-17
Senior Director: Supply Chain Management	Abusing position of privilege for private gain	Dismissed	17-May-17
Asst Director: Beaches and Resorts	Failing to declare interest	Dismissed	13-Jun-17
Assistant Director: Contracts	Provided advice wrong in law, resulting in irregular expenses	Ongoing	

TABLE 4.8: Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
Management			
Senior Superintendent	Irregular payments	Ongoing	
Manager: Environmental Management	Irregular payments	Ongoing	
Project Officer	Irregular payments	Ongoing	

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

During this reporting period, eighteen (18) officials were either placed on suspension or were already on suspension emanating from the previous financial year. Eight (8) matters involving suspension were finalised, while ten (10) are still ongoing. Eleven (11) cases of financial misconduct were reported. Six (6) cases were finalised and five (5) are ongoing.

4.4 PERFORMANCE REWARDS

TABLE 4.9: Performance Rewards By Gender

Designations	Beneficiary profile						
	Gender	Period Reviewed	Expenditure on rewards (Year 1)	Total number of employees in group	Number of beneficiaries	Proportion of beneficiaries within group	Payment
			R000			%	Date
N / A							

COMMENT ON PERFORMANCE REWARDS:

During the 2015/16 financial year, no senior manager qualified for a performance bonus. The 2016/17 performance evaluation of senior managers' performance will be completed in March 2018.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The institution has a Workplace Skills Plan in place for the training and development of its staff and the unemployed. In terms of this Plan, a total of 976 employees participated in different learning programmes and interventions during the 2016/17 financial year. Furthermore, 101 employees are currently beneficiaries in terms of the Bursary Scheme and 175 employees are participating in the Adult Education and Training (AET) Programme.

For the benefit of the unemployed, 174 graduates and 227 experiential learners received workplace training in various fields. A total of 250 persons participated in Adult Education and Training (AET), whilst 41 learners completed a plumbing learnership and 14 learners completed a carpentry leadership. In addition to these learnerships, a total number of 35 unemployed learners commenced with apprenticeship training in the field of boiler-making, fitting, electricity, bricklaying and carpentry. Also seven bursaries in scarce skills areas were awarded to employed persons. The funding for unemployed programmes comes from the Local Government Sector Education and Training Authority (LGSETA)

4.5 SKILLS DEVELOPMENT AND TRAINING

TABLE 4.10: Skills matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2017 (Year 0)	Number of skilled employees required and actual as at 30 June 2017 (Year 0)											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1 (2015-16)	Year 0 Target (2016-17)	Actual: End of Year 0 (2016-17)	Actual: End of Year -1 (2015-16)	Year 0 Target (2016-17)	Actual: End of Year 0 (2016-17)	Actual: End of Year -1 (2015-16)	Year 0 Target (2016-17)	Actual: End of Year 0 (2016-17)	Actual: End of Year -1 (2015-16)	Year 0 Target (2016-17)
MM and s57	Female					0		0				0	0	
	Male					0		0				0	0	
Councillors, senior officials and managers	Female		1			44		46	1			90	46	
	Male		1			60		100	2			127	100	
Technicians and associate professionals*	Female		0	1		22		8	2			30	8	
	Male		1	12		123		62	4			72	62	
Professionals	Female		6	7		94		47	3			81	47	
	Male		5	8		72		62	4			417	62	
Sub total	Female			9		160		101	6			201	101	
	Male			20		255		224	10			616	224	
Total				57		415		325	32			817	325	

TABLE 4.11: Skills Development Expenditure

R'000										
Management level	Gender	Employees as at the beginning of the financial year (1 July 2016)	Original Budget and Actual Expenditure on skills development Year 0 (2016-17)							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female				2	2			2	2
	Male				6	6			6	6
Legislators, senior officials and managers	Female				46	46			46	46
	Male				100	100			100	100
Professionals	Female		7	7	47	47			54	54
	Male		8	8	62	62			70	70
Technicians and associate professionals	Female		1	1	8	8			9	9
	Male		12	12	62	62			74	74

TABLE 4.11: Skills Development Expenditure

R'000										
Management level	Gender	Employees as at the beginning of the financial year (1 July 2016)	Original Budget and Actual Expenditure on skills development Year 0 (2016-17)							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Clerks	Female		28	28	214	214			242	242
	Male		7	7	73	73			80	80
Service and sales workers	Female				74	74			74	74
	Male				67	67			67	67
Plant and machine operators and assemblers	Female		2	2	5	5			7	7
	Male		9	9	12	12			21	21
Elementary occupations	Female		4	4	37	37			41	41
	Male		8	8	75	75			83	8
Sub total	Female		42	42	433	433			475	475
	Male		44	44	457	457			501	501
Total		0	0	0	0	0	30	45	30	976

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON FINANCIAL COMPETENCY REGULATIONS:

The impact of Human Resources Development (HRD) on service delivery is critical, because without appropriately skilled individuals, the needs of communities cannot be met. With this in mind, the Municipality has committed itself to a systematic process in which employees are trained to acquire competencies that make them more self-reliant and improve their effectiveness in the realisation of the Municipality's goals.

Over the review period, priority was also given to the implementation of National Treasury Regulation No. 29976 on minimum competency levels, published on 15 July 2007. Furthermore, the Municipality has committed itself to the development of a competence-based skills development plan, hence the on-going skills audit process.

In the face of ongoing challenges in attracting, developing and retaining critically scarce skills, Council has adopted a Mentorship Strategy, still to be implemented. The Mentorship Strategy is geared at ensuring career development, growth and succession planning. This initiative will also assist the institution in eliminating over-reliance on a few capable and technically qualified employees. The spin-offs will include sustained service excellence, accelerated service delivery, highly motivated employees, increased knowledge sharing and management, and the effective transfer of the critical and scarce skills and experience needed by the organisation.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE**4.6 EMPLOYEE EXPENDITURE**

TABLE 4.12: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
CLEANER	1	CTHPEM02	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Clerk	1	CTHWDC13	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Executive Secretary	1	CTHWDC10	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Coordinator: Property Management	1	CTHUIT03	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Clerk	1	CTHPT_30	N/A	Contractual to holder on grade of previous conditions of

TABLE 4.12: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Clerk	1	CTHPT_25	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Artisan: Quality Control	2	CTHPEM80	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Deputy Director: Support Services	2	CTHPEM38	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Chief Clerk	2	CTHWDC11	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Deputy Director: SDEA	2	CTHPEM17	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o.

TABLE 4.12: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				TASK Implementation Collective Agreement
General Worker	3	CTHPEM04	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Clerk	5	CTHWDC12	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Manager: Creditors	7	CTHPEM16	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Administrator: SDEA	10	CTHPEM15	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
General Worker	16	CTHPEM05	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o.

TABLE 4.12: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				TASK Implementation Collective Agreement
Team Leader	20	CTHPEM11	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Coordinator: Municipal Court	24	CTHPEM13	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Superintendent: Operations	26	CTHPEM14	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
CLERK / ADMINISTRATIVE ASSISTANT	36	CTHPEM07	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Traffic Officer	47	CTHPEM12	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o.

TABLE 4.12: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				TASK Implementation Collective Agreement
Clerical Assistant	65	CTHPEM06	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Senior Clerk: Costing	87	CTHPEM09	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
CLERK: ADMINI (HORTICULTURE)	120	CTHPEM08	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement
Traffic Officer	137	CTHPEM10	N/A	Contractual to holder on grade of previous conditions of service/Municipality i.t.o. TASK Implementation Collective Agreement

Employees appointed to posts not approved

The approval of the "As Is" structure by Council in April 2016 incorporated all employees not on the Council approved structure in the past. At, this stage, there are therefore no employees in this category.

**COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH
NORMAL PRACTICE:**

No employees were upgraded in the 2016/17 financial year, as there have been no job evaluations whatsoever within the NMBM since TASK was implemented in 2013/14.

CHAPTER 5 - FINANCIAL PERFORMANCE

It is quite challenging to contain inflationary pressures, as a number of key cost drivers are influenced and determined by external organisations. Bulk electricity price increases are determined by the National Energy Regulator of South Africa, bulk water price increases are determined by the Department of Water Affairs, and salary increases are influenced by negotiations through the South African Local Government Bargaining Council.

In order to contain certain costs, the Municipality implemented an Operational Efficiencies Work Plan so as to embed efficiency into its operations. On 23 May 2014, the Council approved the cost containment measures as prescribed by National Treasury. Again in March 2016, National Treasury issued a Cost Containment Circular (Number 82), which was aimed at all municipalities across the country. The NMBM Budget and Treasury Directorate prepared a combined Operational Efficiency Work Plan taking into account additional issues raised in terms of the Cost Containment Circular from National Treasury. The combined document was tabled to EXCO for comments and the Circular was incorporated in the Budget Report tabled to Council in late May 2016. EXCO resolved that the COO's office prepare monitoring tools for the implementation of the combined Operational Efficiencies Work Plan.

The City Manager has also issued a written communication, conferring on all NMBM Executive Directors the responsibility to monitor the implementation of the Operational Efficiencies Work Plan (Cost Containment Measures). Based on this communication, Executive Directors are the responsible for approving any expenditure incurred against items that are listed in the Operational Efficiencies Work Plan. This delegation means that there is a responsibility for reporting by municipal directorates; be it to EXCO or to the respective Portfolio Committee, etc. Council approved the Operational Efficiencies/Cost Containment Measures.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

In providing an overview of the key successes and outcomes of the 2016/17 financial year, it is necessary to compare the 2016/17 Adjustments Budget to the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends of the period July 2016 to June 2017.

The financial performance highlights, based on the audited results, are as follows:

Financial Performance:

Actual operating revenue amounted to R8.92 billion, whilst actual operating expenditure amounted to R9.15 billion, resulting in an operating deficit of R235.3 million. The 2016/17 Adjustments Budget for operating revenue amounted to R9.40 billion, whilst operating expenditure amounted to R9.82 billion, resulting in a budgeted deficit of R421.86 million.

The following, however, needs to be noted:

The operating revenue for Property Rates and Service Charges was lower than anticipated in the 2016/17 Adjustments Budget, due to the following factors:

Property Rates

Property rates revenue raised, amounted to R1.639 billion, compared to the Adjustments budgeted amount of R1.619 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R102.55 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Property Rates Revenue raised was approximately R20 million more than anticipated.

Service charges – Electricity Revenue

Electricity revenue raised, amount to R3.569 billion, compared to the Adjustments budgeted amount of R3.761 billion. It is, however, important to note that revenue raised, has been

reduced by an amount of approximately R58.63 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Electricity revenue raised was approximately R192 million less than anticipated. The impact of price, the elasticity of demand and other factors affecting the electricity revenue stream require urgent attention to mitigate the variance between electricity revenue budgeted and electricity revenue raised.

Service charges – Water Revenue

Water revenue raised, amounted to R761.65 million, compared to the Adjustments budgeted amount of R650.22 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R141.677 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. Due to the implementation of water tariffs applicable in periods of drought, the Water Revenue raised was approximately R111.43 million more than anticipated. This is attributable to actual water consumption patterns being higher than the anticipated reduction in use due to drought and higher tariffs.

Service charges – Sanitation Revenue

Sanitation revenue raised, amounted to R424.34 million, compared to the Adjustments budgeted amount of R385.06 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R199.098 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Sanitation Revenue raised was approximately R39.28 million more than anticipated. This is attributable to actual water consumption patterns being higher than anticipated.

Service charges – Refuse Revenue

Refuse revenue raised, amounted to R127,05 million, compared to the Adjustments budgeted amount of R126.93 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R119.79 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Refuse Revenue raised was approximately R0.12 million less than anticipated.

Property Rates and Services Revenue:

The table below reflects the Revenue streams, excluding revenue foregone:

TABLE 5.1: Revenue streams

Property Rates and Services	2016/17 Adjustments Budget R	Actuals 2016/17 as per AFS R	Variance R	%
Property Rates	1,619,001,250	1,639,398,711	20,397,461	1.25%
Electricity	3,761,083,890	3,568,981,784	(192,102,106)	(5.11%)
Water	650,216,430	761,650,123	111,433,693	17.14%
Sanitation	385,064,080	424,335,012	39,270,932	10.20%
Refuse	126,932,340	127,049,580	117,240	0.09%
Total	6,542,297,990	6,521,415,210	20,882,780	(0.32%)

Rental of facilities and equipment:

The revenue amounted to R22.98 million, compared to the Adjustments budgeted amount of R24.35 million. This means that an amount of R1.365 million was not charged and/or collected. It is evident that strategies to increase this revenue source have not been effective.

In order to enhance the income derived from this revenue source, market related rentals should be charged relating to all Council properties. An investigation should be undertaken to determine the revenue potential of this source, including the factors that are impeding this revenue source from achieving its full potential.

Fines:

Fines Revenue:

This revenue source as per the Consolidated Annual Financial Statements had an actual received of R202,307 million compared to the 2016/17 Adjustments budget estimate of R221,205. However, this does not reflect the cash that was collected.

Because GRAP was applied in respect of Traffic Fines revenue, the Municipality must in its financial records disclose the value of fines issued. Therefore, when analysing the traffic fines

revenue of R202.307 million, one must also analyse it against the Impairment of fines, as disclosed under the Statement of Financial Performance line item Impairment –Other, in the amount of R165,68 million. The remaining balance would then consist of Cash collected and traffic fines issued that is still regarded as recoverable.

Transfer recognised – operational:

The revenue amounted to R954 million, compared to the Adjustments budgeted amount of R1.440 billion. This means that R485.6 million or 33.73% of transfers could not be recognised as revenue.

The following accounts for the performance of grants and explains the variance:

DORA Operating Grants:

1. Expanded Public Works Programme (EPWP)

This grant serves to incentivise municipalities to expand their work creation efforts through the use of labour intensive delivery.

DORA Allocation:	R8,496,000
Amount of Grant received:	R8,496,000
Expenditure to date:	R8,205,351
Unspent as at 30 June 2017	R 290,649

As at 30 June 2017, 96.58% of the DORA allocation was spent. A roll-over application in the amount of R296,649 is therefore required. An application was submitted to National Treasury to rollover the committed funds to the 2017/18 financial year. National Treasury approval for the roll-over of an amount of R290 000 was received on 16 October 2017. The approval relates to the cleaning of stormwater drains and canals.

2. Public Transport Networks Operations

This grant serves to provide supplementary operational funding in order to operationalise the IPTS project within Nelson Mandela Bay.

DORA Allocation:	R	0
Amount of Grant Received:	R	0
Roll-over from the 2015/16 financial year	R26,557,535	
Expenditure to date:	R26,137,161	
Unspent as at 30 June 2017:	R	420,374

As at 30 June 2017, 98.42% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury do not allow roll-over funds to roll-over for a second year and therefore the unspent funds will be paid back to National Treasury.

3. Infrastructure Skills Development

This Grant serves to strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R14,500,000
Amount of Grant Received:	R14,500,000
Expenditure to date:	R 9,779,556
Unspent as at 30 June 2017:	R 4,720,444

As at 30 June 2017, 67.45% of the DORA allocation was spent. A roll-over application in the amount of R4,720,444 is therefore required. An application was submitted to National Treasury to rollover the committed funds to the 2017/18 financial year. National Treasury rejected the application, on the basis that the Municipality did not provide sufficient evidence that the amount was committed. The roll-over application was earmarked for salaries and training yet to take place and therefore did not relate to contractually committed expenses as at 30 June 2017.

4. Integrated City Development Grant

This Grant provides a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form.

DORA Allocation:	R9,276,000
Amount of Grant Received:	R9,276,000
Expenditure to date:	R9,276,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, 100% of the DORA allocation was spent.

Grant rolled over from 2015/16, included in the 2016/17 Adjustments Budget:

DORA roll-over approved:	R1,722,774
Expenditure to date:	R1,722,774
Unspent as at 30 June 2017:	R 0

The approved rolled-over grant was fully spent, as at 30 June 2017.

5. Finance Management Grant

This Grant serves to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R1,050,000
Amount of Grant Received:	R1,050,000
Expenditure to date:	R1,050,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

6. Human Settlements Development Grant

This Grant provides funding to create sustainable human settlements that enable an improved quality of household life, improved access, integration and settlements.

Unspent as at 30 June 2016	R 8,069,417
Amount of Grant Received:	R 68,623,413
Debtors raised	R 218,035,411
Reversal of prior year accrual	(R234,346,189)
Expenditure to date:	R 58,507,300
Unspent as at 30 June 2017:	R 1,874,752

As this is not a DORA grant, no application is required to rollover the unspent funds to the 2016/17 financial year

As at financial year-end, a Debtor was raised in the amount of R234,346,189 for outstanding claims to be paid by Provincial Treasury for Top Structures built by the Municipality in terms of an Agency Agreement Basis. As at 30 June 2017, the Municipality was bridge-funding this project by approximately R194.4 million, increasing from the amount of R177 million in the 2015/16 financial year. This had an impact on the Municipality's cash flow as well as its investment portfolio, resulting in less interest revenue earned and/or not funding critical projects that could enhance the revenue base of the institution.

7. Municipality Human Settlements Capacity Grant

This Grant serves to provide funding to ensure the effective management of human settlements programmes at local government level, in line with the accreditation framework.

Unspent as at 30 June 2016:	R 5,028,404
DORA Allocation:	R 0
Amount of Grant Received:	R 0
Off-set via Equitable Share:	R 5,028,404
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the balance was R0.

The roll-over request submitted to National Treasury for the unspent amount was not approved. Funds were off-set from Equitable Share by National Treasury.

8. Urban Settlements Development Grant

This Grant assists metropolitan municipalities in improving urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R17,000,000
Amount of Grant Received:	R17,000,000
Expenditure to date:	R17,000,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Operating Grants

9. Off-Grid Electrification

This Grant is used for the socio-economic development of previously disadvantaged communities through the household and institutional electrification of associated community value-adding facilities.

Unspent as at 30 June 2016:	R 1,211,893
Expenditure to date:	R 1,211,893
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the allocation was spent.

10. Provincial Department of Human Settlements: Accreditation Grant

This Grant is used for capacity building towards Level 3 accreditation in the preparation of the NMBM in Human Settlements matters.

Unspent as at 30 June 2016: R 8,140,757

Expenditure to date: R 6,166,805

Unspent as at 30 June 2017: R 1,973,952

As at 30 June 2017, 75.8% of the allocation was spent.

As this is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

11. European Union Grant (3rd Tranche)

This Grant contributes to the improvement of the quality of life of marginalised people in urban areas within the framework of the SA Government's Urban Renewal Programme.

Unspent as at 30 June 2016: R8,896,191

Expenditure to date: R7,030,809

Unspent as at 30 June 2017: R1,865,382

The spending incurred against the unspent 2014/15 European Union Grant amounted to 79.0%, as at 30 June 2017.

12. National Lotteries

This Grant is used to fund Arts and Culture Programmes

Unspent as at 30 June 2016: R 1,750,037

Expenditure to date: R 0

Unspent as at 30 June 2017: R 1,750,037

The spending incurred against the unspent 2013/14 National Lotteries grant amounted to 0%, as at 30 June 2017.

13. Smart Grid Initiative

This Grant is used to develop innovative, interactive and improved technological solutions to deal with revenue enhancement.

Unspent as at 30 June 2015: R 711,836

Amount of Grant Received: R 2,250,000

Debtors raised (R 2 250 000)

Expenditure to date: R 0

Unspent as at 30 June 2017: R 711 836

As at 30 June 2017, 0% of the allocation was spent. As this is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

Interest Earned – External Investments:

Interest earned – External investments were R23.8million higher than anticipated in the 2016/17 Adjustments Budget, mainly due to slightly higher interest rates being available for investment purposes. Interest earnings are also influenced by the extent of the Municipality's investment portfolio throughout the financial year. The interest earned could, however, have been significantly higher, if it was not for the bridge-funding of housing projects in the amount of approximately R194 million. Management focus should be to reduce the bridge-funding to approximately R100 million over the short term, as it impacts significantly on the cash position of the Municipality.

Interest Earned – Outstanding Debtors:

Interest earned – Outstanding debtors amounted to R9.90 million more than the Adjustments budgeted amount of R168.87 million. Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality. The Municipality may charge only 9% interest on overdue accounts.

Licences and Permits:

The revenue earned from Drivers Licence Card Conversions amounted to R10.47 million, representing only 75.94% of the 2016/17 Adjustments Budget of R13.79 million. NMBM The Safety and Security Directorate has indicated that the following factor resulted in the actual revenue being below the required level:

- Legislation does not specify where card conversions must take place, with such services also provided by neighbouring municipalities.

Strategies should therefore be put in place to ensure that local residents view the Nelson Mandela Bay Municipality as the preferred services provider.

TABLE 5.2: Licences and Permits

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Drivers Licence Cards	11,560,640	8,875,285	2,685,355
Drivers Permits	1,762,490	1,138,095	624,395
Atmospheric Emission Licence Fees	250,000	43,000	207,000
TOTAL	13,573,130	10,056,380	3,516,750

Other revenue:

Other revenue was R12.49 million more than anticipated in the 2016/17 Adjustments budget, mainly due to the following:

TABLE 5.3: Other revenue

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Pail Service	34,758,650	0	34,758,650
Legal Costs received	21,953,770	12,204,476	9,749,294
DPC Revenue	63,000,000	57,060,680	5,939,320
Collection Charges	3,146,080	0	3,146,080
Drivers Licence Application Fees	5,771,630	2,668,422	3,103,208
Events Income	16,410,000	14,192,870	2,217,130
Dues – Agent Sales	17,484,000	15,530,474	1,953,526
VAT Government Grants – Operating	6,103,220	18,556,504	(12,453,284)
Trade Effluent Charges	19,688,550	30,884,515	(11,195,965)
Transfer of Credit Balances Billing Accounts	0	9,058,612	(9,058,612)
Reconnection Fees: Electricity	13,775,830	19,975,311	(6,199,481)
Reconnection Fees: Water	30,034,640	33,705,436	(3,670,796)
Old Unallocated Deposits	0	3,499,945	(3,499,945)
GRAP 23 Revenue	0	3,107,409	(3,107,409)
Clear Liability Report-Stock/Auto	0	2,937,261	(2,937,261)

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Adjustments			
Take-on PPE – Prev valued at R0	0	12,900,300	(12,900,300)
TOTAL	232,126,370	236,282,215	(4,146,358)

The Operating Expenditure was lower than anticipated in the 2016/17 Adjustments Budget, due to the following factors:

Employee related costs:

Actual expenditure was R3.061 billion, compared to the Adjustments budgeted amount of R2.470 billion, resulting in overspending of R590,2 million. The overspending is mainly attributable to the line items indicated in the table below.

TABLE 5.4: Employee related costs

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Variance R
Long Service Bonus	82,988,640	670,592,897	(587,604,257)
Post-Retirement Benefits Provision	38,613,940	95,432,001	(56,818,061)
Overtime	109,395,870	162,849,870	(53,454,000)
Provision for Leave Pay	21,868,450	38,980,358	(17,111,908)
Basic Remuneration	1,319,213,610	1,276,879,061	42,334,549
Provision for Critical Vacancies	23,624,450	0	23,624,450
Contractual Staff Appointments – Other	81,961,020	59,377,281	22,583,739
Gratuity Provision	2,109,650	-18,418,140	20,527,790
Annual Bonus	117,071,680	111,048,347	6,023,333
Provision for Vacancies	5,187,130	254,400	4,932,730
Pension Fund Contributions	250,909,650	247,875,413	3,034,237
Contractual Staff Appointments – Section 57	19,136,740	16,160,862	2,975,878
TOTAL	2,072,080,830	2,661,032,350	(588,951,520)

Interest Expense – External Borrowings:

The interest expense is in line with the Municipality's loan repayment obligations.

Debt impairment:

Bad debts are written off upon Council's approval. Write-offs in respect of arrears amounts reflected on accounts of poor households, prior to these households qualifying for the NMBM Assistance to the Poor (ATTP) subsidy.

TABLE 5.5: Debt impairment

Period	Capital	VAT	Total
2014/15	47,290,190.07	4,177,616.69	51,467,806.76
2015/16	36,433,157.18	3,285,414.60	39,718,571.78
2016/17	429,161,048.51	39,190,453.06	468,351,501.57

Write-offs in respect of arrears amounts in excess of ninety days reflected on the accounts of poor households qualifying for the NMBM Assistance To The Poor subsidy.

TABLE 5.6: Write-offs

Period	Capital	VAT	Total
2014/15	97,644,607.19	10,674,551.72	108,349,158.91
2015/16	90,758,098.45	10,211,901.07	100,969,999.52
2016/17	130,374,723.69	15,080,772.58	145,455,496.27

TABLE 5.7: Debt Relief Programme: Write-offs

Period	Capital	VAT	Total
2014/15	114,387,293.15	9,507,544.42	123,894,837.57
2015/16	70,313,014.35	5,600,160.44	75,913,174.79
2016/17	41,913,506.80	3,609,129.06	45,522,635.86

The impact of the implementation of the May 2016 ATTP Policy is clear, as R468,35 million was written off in line with the stipulation in the Policy that all property owners owning a property with a value of R100 000 or less would automatically qualify as indigent customers. This resulted in over 20 000 consumers being classified as indigent. The Policy was then amended to ensure that all ATTP customers are in fact poor. This resulted in the finding that many of the automatically qualifying ATTP Customers in fact did not qualify as poor and

therefore their ATTP status was removed. However, the write-off had already been processed at the time that the Policy was amended by Council.

The automatic write-off in respect of ATTP customers outstanding for ninety days and over is bad practice and requires the attention of Council, for a number of reasons. Firstly, it implies that the Municipality has no control over this matter, as an amount of R145 million has not been subjected to proper credit control principles. Further, it implies that approximately 90 000 of 332 000 households virtually receive a blank cheque. Further, it also raises the question how do you teach people to start paying for their services if all outstanding amounts - which could include tampering and other charges raised - are simply written off. Also, it is clear that no matter how high the drought related water tariffs, the Municipality does not have adequate control over the use of water by ATTP customers, as accounts are written off after ninety days. Procedures should therefore be put in place to examine each account in the Metro to decide whether or not the account should be written off. This will allow the Municipality to apply its mind to each rand outstanding and ensure that more effective control is exercised over the use of services such as water.

The impact of the May 2016 ATTP Policy and then the amendment as approved by Council can be observed in the table below. An approximately 373 393 ATTP household accounts existed as at 30 June 2017.

TABLE 5.8: ATTP statistics

Period	Total ATTP accounts	ATTP Awaiting approval	Water	Sanitation	Rates	Refuse	Electricity
Apr 2016	88,167	6,204	77,082	78,071	66,219	68,566	65,248
May 2016	88,252	5,933	73,554	78,431	66,136	68,866	66,258,
Jun 2016	88,776	6,006	76,944	78,970	65,820	69,206	66,448
Jul 2016	112,288	3,515	96,038	96,758	91,881	92,687	74,155
Aug 2016	112,613	3,850	93,562	97,168	91,260	92,789	74,487
Sept 2016	112,923	3,511	97,286	97,809	91,738	93,063	75,481
Oct 2016	114,080	1,885	98,167	98,726	90,020	93,578	77,524
Nov 2016	115,480	1,576	98,967	99,781	90,222	94,275	79,001
Dec 2016	115,934	711	99,899	100,525	90,301	94,581	78,922
Jan 2017	115,952	1,152	100,255	100,613	89,782	94,850	78,648
Feb 2017	116,192	1,368	99,597	100,753	89,240	94,903	78,643
Mar 2017	115,656	1,729	99,982	100,731	88,567	94,715	79,502
Apr 2017	115,339	1,738	99,832	100,192	87,330	94,176	79,233

Period	Total ATTP accounts	ATTP Awaiting approval	Water	Sanitation	Rates	Refuse	Electricity
May 2017	115,339	1,678	99,623	99,939	85,982	93,575	79,556
Jun 2017	112,419	2,950	97,742	98,689	82,873	91,912	79,916
July 2017	106,614	3,620	93,244	93,760	83,763	84,346	76,341
Aug 2017	105,106	4,448	91,740	92,673	82,862	84,144	75,125
Sep 2017	103,887	4,615	91,291	91,665	82,685	83,002	75,455

It is to be noted that the above growth in ATTP customers was not anticipated at the time that the Original Budget was prepared and the impact on Revenue streams was unclear. The result is that the revenue streams for Property Rates, Water, Sanitation, Refuse and Electricity were not amended adequately, due to the limited information available at the time that the Budget was prepared.

Below is an indication of the uncertainty that was created and the extent to which the amendment of the May 2016 ATTP Policy assisted in containing the impact.

TABLE 5.9: ATTP Rebates (Revenue Foregone)

Description	2015/16 Actual	Original Budget	Adjustments Budget	2016/17 Actual
Water	103,137,884.46	102,779,280	141,191,530	141,676,792.32
Electricity	44,997,902.79	51,506,380	53,006,380	58,630,341.71
Property Rates	77,549,250.50	81,337,010	106,329,070	102,547,208.65
Refuse	79,605,291.02	85,832,240	119,105,880	119,792,047.35
Sanitation	91,639,030.22	107,155,020	200,353,760	199,097,729.02
Total	396,929,358.99	428,609,930	619,986,620	621,744,119.05

The above impacted on revenue streams raised and Equitable Share that was to fund the revenue foregone (ATTP rebates). The impact was that, based on scenarios present at the preparation of the original 2016/17 Operating Budget, it was anticipated that only R428.61 million of the Equitable Share in the amount of R798,043 million would be required for rebates and that, therefore, R369.43 million would have been available for projects to be implemented in the "most needed" service delivery areas. However, the May 2016 ATTP Policy meant that R621.74 million was required of the R798.043 million Equitable Share, leaving only a balance of R176.30 to spent on the poorer areas of the City.

Further due to the Policy, the revenue streams of Property Rates and Services were reduced by the increases in rebates and revenue foregone, effectively reducing the amount of cash that could be collected from consumers.

Bulk purchases:

The actual bulk purchases of electricity exceeded the 2016/17 Adjustments Budget by R16.63million, despite a 1.94% reduction in the units purchased, compared to the 2015/16 financial year. The anticipated savings still did not realise due to electricity losses increasing to 13.60% in the 2016/17 financial year, compared to the 12.5% experienced in the 2015/16 financial year.

Repairs and Maintenance:

The repairs and maintenance of assets are undertaken on an ongoing basis.

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2016/17 Adjustments Budget.

TABLE 5:10: Repairs and maintenance

Directorate	2016/17 Adjustments Budget R	2016/17 Actual R	% of Adjustments Budget
Budget & Treasury	0	(156,250)	
Public Health	8,085,190	6,135,429	75.88
Human Settlements	1,782,760	1,894,926	106.29
Economic Development , Tourism and Agriculture	4,236,650	5,523,460	130.37
Sports, Recreation, Arts and Culture	22,352,920	21,265,910	95.14
Corporate Services	16,255,070	17,137,383	105.43
Rate and General: Infrastructure & Engineering	88,706,060	79,681,660	89.83
Water Services	118,074,390	96,398,032	81.64
Sanitation Services	97,825,590	54,678,044	55.89
Electricity and Energy	55,657,630	45,560,287	81.86
Executive and Council	5,519,720	3,124,248	56.60

Directorate	2016/17 Adjustments Budget R	2016/17 Actual R	% of Adjustments Budget
Safety and Security	8,294,480	6,867,762	82.80
Strategic Programmes Directorate	83,180	1,380	1.66
Nelson Mandela Bay Stadium	4,663,070	4,185,848	89.77
Total	431,536,710	342,298,119	79.32

Repairs and maintenance was therefore underspent by an amount of R89.13 million, compared to the 2016/17 Adjustments Budget, due to the following:

TABLE 5.11: Repairs and maintenance under-expenditure

Item description	2016/17 Adjustments Budget R	Actual R	Variance R
Pipelines	25,614,540	22,458,091	3,156,449
Planned Maintenance	8,122,460	6,037,951	2,084,509
Plant and Machinery	47,690,960	29,891,361	17,799,599
Sewers and Outfalls	48,169,710	25,891,735	22,277,975
Meters	14,984,700	7,271,390	7,713,310
Reconditioning Water Meters	8,142,850	1,405,139	6,737,711
Roads and Stormwater Gangs	23,396,410	17,514,791	5,881,619
Underground	15,383,670	11,217,847	4,165,823
Pumps – Daily Inspections	4,162,000	8,811	4,153,189
Computer Equipment	11,661,070	8,382,917	3,278,153
Buildings	26,585,940	24,229,746	2,356,194
Green Drop Compliance	2,206,580	70,000	2,136,580
Contractors	6,251,800	4,571,813	1,679,987
GIS Software Maintenance Agreement	6,316,790	3,155,536	3,161,254
Motor Vehicles	30,688,600	33,109,806	(2,421,206)
Furniture and Office Equipment	1,255,960	64,331	1,191,629
Leaks Detection	28,152,530	35,217,871	(7,065,341)
Unauthorised Expenditure – no budget	0	9,032,574	(9,032,574)
ETB Fire Damage	5,106,000	(680,013)	5,786,013
TOTAL	313,892,570	238,851,697	75,040,873

TABLE 5.12: Repair and Maintenance Expenditure

Repair and Maintenance Expenditure: 2016/17				
Description	R' 000			Budget variance
	Original Budget	Adjustment Budget	Actual	
Repairs and Maintenance Expenditure	457,648	431,427	342,298	25.20%

TABLE 5.13: Depreciation and Impairment-Other:

Description	2016/17 Original Budget	2016/17 Adjustments Budget	2016/17 Actual	2015/16 Actual	2014/15 Actual
Depreciation	873,746,470	860,250,280	612,570,774	800,188,256	868,362,629
Impairment- Other					
Land and buildings				59,517,518	1,638,737
Moveable assets				24,233	733,243
Traffic Fines	176,446,340	173,704,390	165,679,512	154,403,489	31,144,372
Housing Debtors				81,168,189	0
Total	176,446,340	173,704,390	165,679,512	295,113,429	33,516,352

Actual expenditure relating to depreciation and amortisation was R612.57 million, compared to the Adjustments budgeted amount of R860.25 million, resulting in underspending of R135.40 million. The expenditure was lower than anticipated.

Actual expenditure relating to Impairment - Other was R165.68 million, compared to the Adjustments budgeted amount of R173.70 million, resulting in a variance of R8.02 million. The expenditure was lower than anticipated, mainly due to a lower than anticipated impairment of traffic fines. This was due to a lower than anticipated amount in traffic fines issued.

Transfers and grants:

Actual expenditure was R47.46 million, compared to the Adjustments budgeted amount of R80.15 million, resulting in underspending of R32.69 million.

Contracted Services:

The overspending on Contracted Services, in the amount of R65.58 million, is attributable to higher than anticipated spending on various expenditure items. The following table reflects the items in question:

TABLE 5.14: Contracted services

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under/(Over) spending R
Transportation Contractor	20,471,210	25,814,608	(5,343,398)
Weed Spraying Contract	8,020,020	4,255,512	3,764,507
Safeguard and Security	4,278,260	649,092	3,629,168
Community Based Contractors	17,817,120	6,188,112	11,629,008
Maintenance of Equipment	12,783,170	3,663,549	9,119,621
Sewerage Services	16,423,600	1,385,151	15,038,449
Electrical	11,380,210	741,459	10,638,751
Business and Advisory – Project Management	108,035,080	127,791,432	(19,756,352)
Litter Picking and Street Cleaning	17,931,650	24,329,786	(6,398,136)
Stadium Manpower	0	6,265,639	(6,265,639)
Stadium Events – VAT 14%	3,804,100	8,864,769	(5,060,669)
Business and Advisory – Research & Advisory	7,551,800	3,845,413	3,706,387
Hygiene Services	22,477,480	19,597,810	2,879,670
Administrative and Support Staff	10,351,720	1,257,006	9,094,714
Legal Cost – Legal Advice and Litigation	36,243,690	54,422,280	(18,178,590)
Legal Cost- Issue of Summons:	5,245,510	0	5,245,510

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under/(Over) spending R
Sheriff			
Contract Security	81,353,200	120,949,663	(39,596,463)
Unauthorised Expenditure – no budget	0	76,111,044	(76,111,044)
Grass Cutting Contracts	19,211,710	14,146,215	5,065,495
Additional Disconnections: Water	6,360,000	2,334,441	4,025,559
Contravention System	9,354,770	12,726,403	(3,371,633)
Meter Reading Contractors	13,096,400	6,067,362	7,029,038
Forensic Investigators	2,589,030	141,764	2,447,266
Professional Staff	2,248,470	49,585	2,198,885
Infrastructure & Planning-Town Planner	2,093,600	93,928	1,999,672
Refuse Removal	2,176,100	58,514	2,117,586
Medical Services	3,737,960	2,028,923	1,709,037
Legal Cost – Collection: Nash Vandayar	1,997,060	374,145	1,622,915
Legal Cost – Collection: Fourie & Sikweyiya Inc	2,951,390	1,694,551	1,256,839
Transport Services	6,091,360	4,632,673	1,458,687
Electrical	4,971,370	7,825,000	(2,853,630)
Infrastructure & Planning – Engineering: Civil	12,925,060	15,201,237	(2,276,177)
Clearing and Grass Cutting Services	10,483,070	9,126,801	1,356,269
Sewerage Services	1,387,990	0	1,387,990
Cleaning Services	2,262,900	1,027,872	1,235,028
Management of Informal Settlements	1,881,380	563,496	1,317,884
Buildings	2,935,330	5,660,812	(2,725,482)
TOTAL	492,922,770	569,886,047	(76,963,277)

General expenses:

The underspending on General Expenditure, in the amount of R648.29 million, is attributable to the lower than anticipated spending on various expenditure items. The following table reflects the items in question:

TABLE 5.15: General expenses

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under / (over) spending R
Top Structures for Houses	517,128,000	59,823,224	457,304,776
Petrol, Diesel and Paraffin	67,484,780	50,429,433	17,055,347
Provision for Litigation Claims	0	(14,727,240)	14,727,240
Chemicals	62,456,260	49,120,672	13,335,588
Software Licences	29,816,050	16,628,038	13,188,012
Sewerage First Connection (Residential Properties)	10,296,430	103,251	10,193,179
Electricity – External	44,422,830	35,103,601	9,319,229
Illegal Dumping Strategy	15,603,000	7,624,050	7,978,950
PPE-Purchases	20,000	(8,112,478)	8,132,478
School Ambassadors Project	8,296,000	2,827,060	5,468,940
Operating Levies projects	29,218,110	24,466,664	4,751,446
Buildings Rental	24,020,760	20,706,827	3,313,933
Communications Strategy	7,295,720	3,000,314	4,295,406
Training	10,204,010	6,277,824	3,926,186
Finished Goods	9,091,870	5,437,342	3,654,528
Establish ongoing Welfare & Support Programmes	3,253,770	264,500	2,989,270
Rental of Office Equipment	10,506,940	7,632,389	2,874,551
Materials and Supplies	6,478,640	1,902,582	4,576,058
Computer Equipment	3,578,510	590,336	2,988,174
Water Conservation	10,000,000	7,091,120	2,908,880
External Hire: Solid Waste Disposal	7,943,930	5,847,714	2,096,216
Computer Equipment	3,556,440	700,429	2,856,011

Item description	2016/17 Adjustments Budget R	2016/17 Actual R	Under / (over) spending R
Postage and Revenue Stamps	13,932,480	11,120,603	2,811,877
Equipment and Machinery	18,537,280	16,035,695	2,501,585
Consultants Fees	2,776,630	387,495	2,389,135
Furniture and Office Equipment	3,911,740	-58,470,792	62,382,532
Community Development (3 rd Tranche)	3,875,340	1,565,789	2,309,551
Inventory Valuation: Stock variance	0	(2,224,887)	2,224,887
Agency Fees for External Collection Agencies	4,656,300	0	4,656,300
Implementation of TASK Job Evaluation	5,199,990	(671,935)	5,871,925
Uniforms and Protective Clothing	9,588,470	7,431,687	2,156,783
Ward Councillors Discretionary Allowances	6,000,000	3,945,963	2,054,037
Experiential Learning (NDR)	2,200,110	6,689,134	(4,489,024)
Off-Grid Electrification	1,211,900	4,346,956	(3,135,056)
Wireless Network	6,428,490	9,545,996	(3,117,506)
Unauthorised Expenditure – no budget	0	2,992,560	(2,992,560)
Youth Unemployment	0	2,736,887	(2,736,887)
Cellular Telephones	10,212,910	12,904,971	(2,692,061)
System Adviser	4,627,690	0	4,627,690
TOTAL	973,831,380	301,073,774	672,757,606

Conclusion:

The Municipality recorded an operating surplus of R5.66 million for the 2015/16 financial year. The 2015/16 Financial Year has been restated in the 2016/17 Consolidated Annual Financial Statements to a deficit amounting to R37,706,215 as at 30 June 2016. It was recognised that an amount of R52,011,251 for Public Contributions and Donations could not be recognised as operating revenue as it funded the capital budget projects.

The Audited 2016/17 Consolidated Annual Financial Statements reflected an operating deficit in the amount of R235,310,036. Compared to the Deficit as provided for in the 2016/17 Consolidated Adjustments Budget in the amount of R470,854,944, it would appear that the financial performance has improved, considering what was anticipated. However, the introduction of an actuarial valuation in respect of the Provision for Long Service Awards and Long Services Bonuses for the first time during the 2016/17 financial year resulted in a surplus position turning into a deficit position. The impact of the actuarial valuation introduction was an amount of R587,604,257 expensed more than the budgeted R82,988,640. Total expense was therefore R670,592,897 for the provision. It is therefore clear that the Municipality has in fact improved its performance over the 2016/17 financial year.

Financial performance by Vote

Revenue as per Appendix K.1

TABLE 5.16: Vote 1: Budget and Treasury

Description	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Property Rates	-1 502 463 322	-1 638 303 910	-1 639 398 710	-1 619 001 250	-20 397 460
Interest Earned - External Investments	-109 233 827	-88 095 160	-118 764 015	-93 034 360	-25 729 655
Interest Earned - Outstanding Debtors	-54 183 715	-58 070 280	-65 130 497	-58 070 280	-7 060 217
Government Grants and Subsidies	-420 836 797	-409 407 640	-295 625 999	-261 962 040	-33 663 959
Rental of Facilities and Equipment	-1 239	0	0	0	0
Other Income	-575 974 457	-415 023 750	-569 585 939	-414 319 870	-155 266 069
Total	-2 662 693 357	-2 608 900 740	-2 688 505 160	-2 446 387 800	242 117 360
Employee Related Costs	374 682 549	322 270 350	790 993 918	282 085 600	508 908 318
Impairment - Receivables	190 418 563	141 059 360	198 527 551	279 693 090	-81 165 539
Contracted Services	67 887 301	88 986 530	131 465 366	132 427 780	-962 414
Depreciation	31 672 947	32 696 930	33 079 194	18 907 750	14 171 444
Impairment - OTHER	76 267	0		0	0
Repairs and Maintenance	53 583	158 920	-156 250	0	-156 250
Finance Cost	1 685 068	1 612 930	1 554 254	1 612 930	-58 676
Grants and Subsidies Paid	0	0	0	0	0
General Expenses	56 949 741	67 277 680	25 300 862	62 687 130	-37 386 268
Total	723 426 019	654 062 700	1 180 764 895	777 414 280	403 350 615
(Surplus) / Deficit	-1 939 267 338	-1 954 838 040	-1 507 740 265	-1 668 973 520	161 233 255

Net operating expenditure was reduced to R1.61 billion, compared to the Adjustments budgeted amount of R1.94 billion. This is attributable to the following:

Property Rates

Property rates revenue raised, amounted to R1.639 billion, compared to the Adjustments budgeted amount of R1.619 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R102.55 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Property Rates Revenue raised was approximately R20 million more than anticipated.

Interest earned – External Investments

Interest earned – External Investments were R25.73 million higher than anticipated in the 2016/17 Adjustments Budget, mainly due to slightly higher interest rates being available for investment purposes as well as a higher level of unspent conditional grant funding during the financial year. Interest earnings are also influenced by the extent of the municipality's investment portfolio throughout the financial year. The interest earned could, however, have been significantly higher, if it was not for the bridge-funding of housing projects in the amount of approximately R194.38 million. Management focus should be to reduce the bridge-funding to below R100 million over the short term, as it impacts significantly on the cash position of the municipality.

Government Grants and Subsidies

Government grants and Subsidies was R33.66 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 5.17: Government Grants and Subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
E Share ATTP	260,912,040	244,142,646	16,769,394
GRAP 23 Revenue	0	50,452,423	(50,452,423)

Other Income

Other Income was R155.27 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 5.18: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Fuel Levy	339,355,820	353,336,055	(13,980,235)
GRAP 23 Revenue	0	3,107,409	(3,107,409)
Transfer of credit balances Billing Accounts	0	9,058,612	(9,058,612)
VAT: Government Grants - Capital	0	112,129,678	(112,129,678)
VAT: Government Grants - Operating	0	12,143,470	(12,143,470)
Reconnection Fees: Electricity	13,775,830	19,975,311	(6,199,481)
Reconnection Fees: Water	30,034,640	33,705,436	(3,670,796)
Old Unallocated Deposits	0	3,499,945	(3,499,945)
Clear Liability Report – Stock/Auto Adjustments	0	2,937,261	(2,937,261)

Fuel levy income in the amount of R13.98 million was not allocated to other directorates, due to lower actual costs incurred by the relevant directorates in respect of fuel levy funded expenditure. This does not imply additional revenue for the NMBM.

Furthermore, VAT on capital grants required to be recognised as own revenue once claimed from SARS and amounted to R112.13 million.

Operating expenditure matters:Employee related costs

Employee related costs were R505,22 million more than anticipated in the 2016/17 Adjustments Budget.

TABLE 5.19: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Long Service Bonus Provision	8,263,600	438,405,872	(430,142,272)
Post-Retirement Benefits Provision	6,046,630	107,075,095	(101,028,465)
Provision for Leave Pay	19,269,930	27,357,665	(8,087,735)
Gratuity Provision	2,109,650	(17,401,271)	19,510,921
Basic Remuneration	160,287,990	147,651,581	12,636,409

This is mainly attributable to adjusting the level of the provision for Post-Retirement Benefits by R107.08 million. The adjustment to the provision for Long Service Awards and Long Service Bonuses was R430.14 million more than anticipated in the 2016/17 Adjustments Budget.

Impairment – Receivables

Impairment – Receivables was R81.17 million less than anticipated in the 2016/17 Adjustments Budget. The decrease is due to the reduction in Doubtful Debt Provision as a result of the approximately R599 million of old debt written off mainly because of the implementation of the May 2016 Indigent Policy.

TABLE 5.20: Impairment - receivable

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Bad Debts	0	240,325,207	(240,325,207)
Provision for Doubtful Debts	279,693,090	(41,802,709)	321,495,799

Contracted Services

Contracted Services was R7.22 million less than anticipated mainly due to the following: -

TABLE 5.21: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Business and Advisory – Project Management	61,834,610	78,220,381	(16,385,771)
Additional disconnections: Water	6,360,000	2,334,441	4,025,559
Meter Reading Contractors	13,096,400	6,067,362	7,029,038
Legal Cost – Issue of Summons: Sheriff	5,245,510	0	5,245,510
Unauthorised Expenditure – no budget	0	2,733,023	(2,733,023)
Legal Cost: Collections	17,190,880	12,154,305	5,036,575
Prepaid Electricity Vendors	6,418,210	4,964,864	1,453,346

Depreciation

Depreciation was R14.26 million more than anticipated in the 2016/17 Adjustments Budget.

General Expenses

General Expenses were R31.08 million less than anticipated due to the following: -

TABLE 5.22: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Provision for Litigation Claims	0	(14,677,240)	14,677,240
Inventory valuation: Stock Variance	0	(2,224,887)	2,224,887
Postage and Revenue Stamps	13,479,280	10,798,087	2,681,193
Buildings Rental	9,921,250	8,565,206	1,356,044
Agency Fees for External Collection Agents	4,656,300	2,450,728	2,205,572

TABLE 5.23: Vote 2: Public Health

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Service Charges	-144 590 539	-161 096 650	-127 049 163	-126 932 340	-116 823
Interest Earned - Outstanding Debtors	-14 785 596	-15 901 700	-14 455 509	-15 901 700	1 446 191
Licences and permits	-409 423	-442 960	-458 456	-442 960	-15 496
Government Grants and Subsidies	-99 657 668	-101 516 720	-136 152 593	-120 702 020	-15 450 573
Rental of Facilities and equipment	-4 301 075	-5 126 720	-4 338 630	-5 126 720	788 090
Other Income	-35 964 643	-33 440 340	-35 965 870	-36 682 680	716 810
Total	-299 708 944	-317 525 090	-318 420 221	-305 788 420	-12 631 801
Employee Related Costs	303 329 165	344 992 440	347 873 950	332 276 450	15 597 500
Impairment - Receivables	41 197 864	14 815 740	9 425 450	88 781 200	-79 355 750
Contracted Services	46 660 570	88 450 740	72 469 586	87 342 720	-14 873 134
Depreciation	78 500 407	34 582 270	29 455 901	54 167 270	-24 711 369
Impairment - OTHER	6 086 262	0		0	0
Repairs and Maintenance	4 487 447	9 663 520	6 135 429	8 085 190	-1 949 761
Finance Cost	3 601 991	3 442 450	3 439 693	3 442 450	-2 757
General Expenses	203 375 677	97 041 500	94 170 930	121 095 940	-26 925 010
Less : Amounts Charged Out	-36 346 471	0		0	0
Loss on disposal of PPE			175		175
Total	652 892 912	592 988 660	563 068 207	695 191 220	-132 123 013
(Surplus) / Deficit	353 183 968	275 463 570	244 647 986	389 402 800	-144 754 814

Revenue:Service charges – Refuse Revenue

Refuse revenue raised, amounted to R127,05 million, compared to the Adjustments budgeted amount of R126.93 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R119.79 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Refuse Revenue raised was approximately R0.12 million less than anticipated.

Rentals of Facilities and Equipment

Rental of Facilities and Equipment was R788,090 less than anticipated in the 2016/17 Adjustments Budget. This is attributable due to:

TABLE 5.24: Rentals of facilities and equipment

Description	2016/17 Adjustments Budget	2016/17 Actual	Over / (under) revenue
Container - 1.1m Sprico	4,889,860	4,309,448	(580,412)
Biological or Cultivated Assets	191,910	0	(191,910)

Government Grants and Subsidies

Government Grants and Subsidies were R15.45 million more than anticipated in the 2016/17 Adjustments Budget. This is attributable due to:

TABLE 5.25: Government Grants and Subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Over / (under) revenue
Provincial – Sports and Recreation	1,094,930	0	(1,094,930)
Provincial Health Grant	0	1,577,882	1,577,882
E-Share ATTP	119,105,880	134,290,737	15,184,857

Operating Expenditure matters:

Employee related costs

Employee related costs were R15,60 million more than anticipated in the 2016/17 Adjustments Budget. This is mainly attributable to the following: -

TABLE 5.26: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Provision for Long Service Bonus	13,103,560	31,977,031	(18,873,471)
Provision for Critical Vacancies	4,531,820	0	4,531,820
Post-Retirement Benefits Provision	3,236,610	(180,756)	3,417,366
Overtime	17,599,500	26,993,154	(9,393,654)
Basic Remuneration	185,214,110	180,641,086	4,573,024

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Travel Allowance – Business Kilometers	4,876,690	6,038,628	(1,161,938)
Provision for Leave Pay	377,060	1,224,788	(847,728)

Impairment – Receivables

Impairment – Receivables was R79.36 million less than anticipated in the 2016/17 Adjustments Budget. The decrease is due to the reduction in Doubtful Debt Provision as a result of the approximately R599 million of old debt written off mainly because of the implementation of the May 2016 Indigent Policy.

TABLE 5.27: Impairment – Receivables

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Bad Debts	0	73,585,743	(73,585,743)
Provision for Doubtful Debts	88,781,200	(64,160,293)	152,941,493

Contracted Services

Contracted Services was R14.87 million less than anticipated, mainly due to the following: -

TABLE 5.28: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Community Based Contractors	17,817,120	6,188,112	11,629,008
Litter Picking and Street Cleaning	17,931,650	24,702,555	(6,770,905)
Contract Security	7,426,030	12,766,435	(5,340,405)
Grass Cutting Contracts	14,613,950	12,002,559	2,611,391
Administrative and Support Staff	2,300,660	80,997	2,219,663
Refuse Removal	2,000,000	4,133	1,995,867
Clearing and Grass Cutting	3,804,690	2,452,900	1,351,790

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Services			
Medical Services	3,726,900	2,028,923	1,697,977
Hygiene Services	2,028,630	812,513	1,216,117
Business & Advisory – Occupational Health & Safety	1,923,120	803,031	1,120,089
Weed Spraying Contract	2,585,500	1,519,437	1,066,063

Depreciation

Depreciation was R24.71 million more than anticipated.

Repairs and Maintenance

Repairs and Maintenance was R1.95million less than anticipated, mainly due to the following: -

TABLE 5.29: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Buildings	2,292,960	1,249,987	1,042,973

General Expenses

General Expenses were R26.83 million less than anticipated, due to the following: -

TABLE 5.30: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Petrol, Oil and Paraffin	25,398,180	14,838,211	10,559,969
Illegal Dumping Strategy	15,603,000	7,624,050	7,978,950
External Hire: Solid Waste Disposal	7,943,930	5,847,714	2,096,216
Equipment and Machinery	18,537,280	16,119,459	2,417,821

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Unauthorised Expenditure	0	5,857,609	(5,857,609)
Special Vehicles	2,110,380	119,809	1,990,571

TABLE 5.31: Vote 3: Human Settlements

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variances
Government Grants and Subsidies	-455 314 297	-731 376 180	-269 242 460	-726 368 760	457 126 300
Rental of Facilities and equipment	-10 397 025	-11 564 620	-11 157 327	-12 158 680	1 001 353
Other Income	-13 992 336	-42 454 580	-32 272 777	-54 284 950	22 012 173
Total	-479 703 658	-785 395 380	-312 672 564	-792 812 390	480 139 826
Employee Related Costs	153 587 070	155 538 140	148 122 943	149 697 050	-1 574 107
Impairment - Receivables	521 245	0	124 983	0	124 983
Contracted Services	50 810 851	20 805 120	110 595 187	34 443 310	76 151 877
Depreciation	10 497 671	11 344 340	-14 171 437	26 837 880	-41 009 317
Impairment - OTHER	94 717 824	0		0	0
Repairs and Maintenance	1 472 422	9 711 910	1 894 926	1 782 760	112 166
Finance Cost	531 665	548 470	548 470	548 470	0
General Expenses	252 879 479	536 449 410	12 740 989	550 346 860	-537 605 871
Less : Amounts Charged Out	-19 775	0	-19 428	0	-19 428
Loss on disposal of PPE	0	0	1 082 352	0	1 082 352
Total	564 998 452	734 397 390	260 918 985	763 656 330	-502 737 345
(Surplus) / Deficit	85 294 794	-50 997 990	-51 753 579	-29 156 060	-22 597 519

Revenue:

Government Grants and subsidies were approximately R457.13 million less than anticipated.

TABLE 5.32: Revenue

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Top Structures Funded	517,128,000	58,507,300	458,620,700
Sewerage Funding from USDG	2,000,000	0	2,000,000
Municipal Human Settlements Capacity Grant	8,140,760	6,166,805	1,973,955

Please note that revenue can be recognised only once the conditions of the grant have been met. Funds received for which the conditions had not been met, will be disclosed under Unspent conditional grants, which will either have to be paid back into the National Revenue Fund or be approved by National Treasury for roll-over to the next financial year, based on a successful fully motivated application for the roll-over of funds, based on commitments already in place. The Housing Top Structures allocation to the Municipality was previously reallocated to the Housing Development Agency and, therefore, Housing Top Structures revenue and expenditure is less than anticipated.

Other Income

Other Income was approximately R22.01 million lower than anticipated.

TABLE 5.33: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
VAT Government Grants - Capital	27,874,000	0	27,874,000
Planning Consent Fees	1,497,550	960,648	536,902
Building Plan Fees	10,228,580	10,840,014	(611,434)
Fuel Levy	10,000,000	0	10,000,000
Take-on PPE – Previous valued at R0	0	(16,928,059)	(16,928,059)

Expenditure:

Employee related costs

Employee related costs were approximately R1.57 million lower than anticipated:

TABLE 5.34: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Contractual Staff Appointments-Other	4,067,660	4,949,410	(881,750)
Travel Allowance - Casual	389,130	1,059,414	(670,284)

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Acting Allowance	231,230	739,384	(508,154)
Overtime	544,050	1,135,380	(591,330)
Pension Fund Contributions	17,138,980	16,713,445	425,535
Provision for Critical Vacancies	2,195,980	0	2,195,980
Provision for Long Service Bonus	4,572,760	4,198,810	373,950
Annual Bonus	7,702,590	7,346,110	356,480

Contracted Services

Contracted Services was R76.15million more than anticipated, mainly due to the following: -

TABLE 5.35: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Contract Security	3,868,240	18,963,660	(15,095,420)
Administrative and Support Staff	4,774,200	534,198	4,240,002
Business & Advisory – Research & Advisory	2,705,150	1,182,447	1,522,703
Legal Cost – Legal Advice and Litigation	9,433,450	18,240,015	(8,806,565)
Buildings	2,935,330	5,660,812	(2,725,482)
Professional Staff	2,030,100	49,585	1,980,515
Infrastructure & Planning – Town Planner	2,093,600	93,928	1,999,672
Management of Informal Settlements	1,880,120	549,196	1,330,924
Electrical	946,000	210,073	735,927
Unauthorised expenditure – no budget	0	61,242,797	(61,242,797)

Depreciation

Depreciation was R41.01million less than anticipated.

Repairs and Maintenance

Repairs and Maintenance was R813,215 less than anticipated, due to the following reasons: -

TABLE 5.36: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/177 Actual	(Over) under expenditure
Photocopier Charges	223,240	4,049	219,191
Plant and Machinery	148,190	11,348	136,842
Furniture and Office Equipment	129,400	4,245	125,155
Buildings	1,116,600	956,434	160,166

General Expenses

General Expenses were R537.61 million less than anticipated, due to the following: -

TABLE 5.37: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Top Structures for Houses	517,128,000	59,823,224	457,304,776
Sewerage First Connection (Residential Properties)	10,000,000	0	10,000,000
Training	2,138,910	574,464	1,564,446
Land Use Management Systems (LUMS)	1,452,660	0	1,452,660
Consultants' Fees	872,010	0	872,010
Furniture and Office Equipment	787,140	(60,136,976)	(60,924,116)

TABLE 5.38: Vote 4: Economic Development, Tourism and Agriculture

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Interest Earned - External Investments	-200 731	-200 000	-224 672	-200 000	-24 672
Government Grants and Subsidies		-8 000 000	-7 506 823	-8 000 000	493 177
Rental of Facilities and equipment	-806 580	-645 430	-845 831	-751 270	-94 561
Income for Agency Services	-1 231	-1 500	-1 257	-370	-887
Other Income	-95 484 267	-126 025 380	-125 856 563	-130 620 760	4 764 197
Total	-96 492 809	-134 872 310	-134 435 146	-139 572 400	5 137 254
Employee Related Costs	24 041 281	26 456 060	26 707 791	26 888 640	-180 849
Contracted Services	2 540 090	2 316 880	2 084 709	2 039 960	44 749
Depreciation	4 566 598	1 102 070	1 478 198	1 344 890	133 308
Repairs and Maintenance	2 082 859	2 199 580	5 419 957	4 126 650	1 293 307
Grants and Subsidies Paid	62 754 301	119 738 820	65 582 582	119 738 820	-54 156 238
General Expenses	9 460 840	12 376 630	8 783 304	11 933 760	-3 150 456
Total	105 445 969	164 190 040	110 056 541	166 072 720	-56 016 179
(Surplus) / Deficit	8 953 160	37 517 730	-24 378 605	34 700 320	-50 878 925

Other Income

Other Income was approximately R4.76 million less than anticipated.

TABLE 5.39: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Fuel Levy	111,127,240	110,874,327	252,913
Dues – Agent Sales	17,484,000	15,530,474	1,953,526
Take-on PPE Prev. valued at R0	0	(2,629,692)	2,629,692

Fuel Levy is allocated to municipal directorates equal to the amount of spending incurred in respect of Fuel Levy funded projects. The commission earned on produce sales at the Fresh Produce Market was lower than anticipated in the 2016/17 Adjustments Budget.

Expenditure:Grants and Subsidies Paid

Grants and Subsidies Paid were approximately R54.16 million lower than anticipated:

TABLE 5.40: Grants and Subsidies Paid

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
MBDA – Capital Projects Grant	34,575,390	(18,365,294)	52,940,684
Unspecified - Incentives	12,500,000	11,284,446	1,215,554

Altogether R34.58 million was paid to the institution's developmental arm, the MBDA. An accrual for the unspent value of grants paid in the amount of R17.68 million was processed at year-end. However, as at 30 June 2016, the MBDA handed assets created by it on behalf of the NMBM, at an approximate cost value of R35.27 million, to the institution. This transaction then resulted in the above outcome.

Vote 5: Corporate Services

TABLE 5.41: Revenue

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Government Grants and Subsidies	-15 186 007	-1 500 000	-5 434 703	-3 018 670	-2 416 033
Rental of Facilities and equipment	-2 999 128	-3 348 420	-3 836 655	-3 348 420	-488 235
Income for Agency Services	-2 344 264	-2 572 580	-2 501 266	-2 572 580	71 314
Other Income	-13 611 115	-12 400 800	-3 814 503	-791 130	-3,023,373
Total	-34 140 514	-19 821 800	-15 587 127	-9 730 800	-5 856 327
Employee Related Costs	166 930 501	182 014 280	183 559 092	186 395 430	-2 836 338
Contracted Services	47 350 458	58 224 800	33 038 481	26 583 860	6 454 621
Depreciation	88 718 037	48 142 690	30 685 895	61 855 370	-31 169 475
Impairment - OTHER	6 595 959	0		0	0
Repairs and Maintenance	18 078 939	19 394 870	17 137 383	21 361 070	-4 223 687
Finance Cost	1 189 763	1 262 520	1 198 586	1 262 520	-63 934
Grants and Subsidies Paid	6 132 610	6 965 800	6 762 227	6 965 800	-203 573
General Expenses	-33 045 443	69 567 820	60 876 577	89 370 950	-28 494 373
Less : Amounts Charged Out	-5 302 919	0	-478	0	-478

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Loss on disposal of PPE	0	0	82 553	0	82 553
Total	296 647 905	385 572 780	333 340 316	393 795 000	-60 454 684
(Surplus) / Deficit	262 507 391	365 750 980	317 753 189	384 064 200	-66 311 011

Government Grants and subsidies

Government Grants and subsidies were approximately R2.42million more than anticipated:

TABLE 5.42: Government Grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
LGWSETA Funding (NDR)	2,682,000	5,432,705	(2,750,705)

LGSETA Funds are paid over to the Municipality for training and learnership purposes. The amounts to be paid to the institution are not known in advance. As funds are received, they are allocated towards learnership / training programmes.

Rental of Facilities and Equipment

Rental of Facilities and Equipment was R0.49 million more than anticipated:

TABLE 5.43: Rental of Facilities and Equipment

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Hall	2,198,050	2,737,776	(539,726)
Rentals: Market Agents	318,000	481,027	(163,027)
ATM Rental	111,620	12,983	98,637

Expenditure:

Employee Related Cost

Employee related cost was R2.84 million lower than anticipated:

TABLE 5.44: Employee related cost

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Annual Bonus	9,355,140	7,942,949	1,412,191
Provision for Critical Vacancies	3,545,580	0	3,545,580
Ward Staff Assistance	12,370,410	14,175,099	(1,804,689)
Ward Committee Member Allowances	1,200,000	418,000	782,000
Overtime	3,580,970	4,446,327	(865,357)

Depreciation

Depreciation was R31.17 million less than anticipated.

Repairs and Maintenance

Repairs and Maintenance were R4.22 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.45: Repairs and Maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Computer Equipment	2,451,840	499,913	1,951,927
Planned Maintenance	4,367,320	2,593,056	1,774,264
Air Conditioning	1,041,860	534,908	506,952

General Expenses

General Expenses were R28.49 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.46: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Software Licences	25,849,580	13,430,274	12,419,306
Communication Equipment and Telephone	13,044,840	14,241,316	(1,196,476)
Buildings – Rental	4,593,310	2,820,614	1,772,696
Establishment of Welfare & Support Programmes	3,253,770	264,500	2,989,270
Rental of Office Equipment	2,947,210	1,978,493	968,717
Implementation of TASK Job Evaluation	5,199,990	(671,935)	5,871,925
Unauthorised Expenditure – no budget	0	(1,193,984)	1,193,984
Upgrade Software	33,100	733,730	(700,630)

TABLE 5.47: Vote 6: Rate and General Engineers

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Government Grants and Subsidies	-139 053 022	-85 838 600	-170 342 448	-160 752 200	-9 590 248
Rental of Facilities and equipment	-90 927	-900	-97 171	-900	-96 271
Other Income	-8 561 282	-31 051 570	-7 526 099	-27 034 030	19 507 931
Gains on Disposal of PPE	-27 900	-30 000	-605 938	-30 000	-575 938
Total	-147 733 131	-116 921 070	-178 571 656	-187 817 130	9 245 474
Employee Related Costs	163 900 446	196 544 440	187 683 732	196 972 820	-9 289 088
Contracted Services	19 442 172	11 565 830	43 853 088	30 226 990	13 626 098
Depreciation	149 047 726	231 021 160	168 021 476	212 662 600	-44 641 124
Impairment - OTHER	19 461 601	0		0	0
Repairs and Maintenance	119 818 086	98 031 860	79 681 660	88 706 060	-9 024 400
Finance Cost	52 447 392	50 936 010	50 116 920	50 936 010	-819 090
Grants and Subsidies Paid	1 019	880 000	632 903	880 000	-247 097
General Expenses	55 461 748	35 184 860	32 274 482	33 481 240	-1 206 758
Less : Amounts Charged Out	-172 042 303	0	0	0	0
Total	407 537 887	624 164 160	562 264 261	613 865 720	-51 601 459
(Surplus) / Deficit	259 804 756	507 243 090	383 692 605	426 048 590	-42 355 985

Government Grants and Subsidies

Government Grants and Subsidies were approximately R9.59 million more than anticipated:

TABLE 5.48: Government Grants and Subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	130,338,260	140,046,736	(9,708,476)

Please note that revenue can be recognised only once the conditions of the grant have been met. Funds received for which the conditions have not been met, will be disclosed under Unspent conditional grants, which will either have to be paid back into the National Revenue Fund or be approved by National Treasury for roll-over to the next financial year, based on a successful fully motivated application for the roll-over of funds, based on commitments already in place.

Other Income

Other Income was R19.51million less than anticipated:

TABLE 5.49: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
VAT: Government Grants Capital	18,247,360	0	18,247,360
Laboratory Services	1,230,350	294,326	936,024

Expenditure:Employee related costs

Employee related costs were R9.29 million less than anticipated in the 2016/17 Adjustments Budget. This is mainly attributable to the following: -

TABLE 5.50: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / under expenditure
Contractual Staff Appointments – Other	12,459,320	6,451,087	6,008,233
Basic Remuneration	111,740,400	107,082,458	4,657,942
Overtime	4,045,690	5,379,712	1,334,022

Contracted Services

Contracted Services were R13.63million more than anticipated, mainly due to the following: -

TABLE 5.51: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Legal Cost – Legal Advice and Litigation	5,081,470	11,683,240	6,601,770
Business and Advisory – Project Management	6,283,320	11,587,959	5,304,639
Infrastructure & Planning – Engineering: Civil	12,813,320	15,201,237	2,387,917

Depreciation

Depreciation was R44.64million more than anticipated.

Repairs and Maintenance

Repairs and maintenance were R9.03 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.52: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Motor Vehicles	26,253,240	27,954,019	(1,700,779)
Roads and Stormwater Gangs	23,396,410	17,514,791	5,881,619
Contractor Roadwork	10,428,190	11,425,502	(997,312)
Contractors	6,251,800	4,571,813	1,679,987
Other sections	724,100	52,008	672,092

TABLE 5.53: Vote 7: Water Services

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Service Charges	-660 223 228	-612 075 720	-761 650 123	-650 216 430	-111 433 693
Interest Earned - Outstanding Debtors	-36 364 286	-41 430 270	-48 020 689	-41 430 270	-6 590 419
Government Grants and Subsidies	-293 528 897	-272 597 000	-347 242 890	-320 009 250	-27 233 640
Rental of Facilities and Equipment	-592 141	-425 570	-519 941	-425 570	-94 371
Other Income	-5 844 497	-28 098 090	-6 137 297	-30 498 090	24 360 793
Total	-996 553 049	-954 626 650	-1 163 570 940	-1 042 579 610	-120 991 330
Employee Related Costs	130 824 500	147 584 140	177 059 972	152 917 020	24 142 952
Impairment - Receivables	154 035 437	42 891 300	102 902 266	193 598 530	-90 696 264
Contracted Services	15 358 062	46 376 840	47 638 692	44 527 590	3 111 102
Depreciation	82 775 757	126 449 770	82 771 794	123 257 560	-40 485 766
Repairs and Maintenance	79 171 418	105 959 850	96 398 032	118 074 390	-21,676,358
Finance Cost	22 403 887	21 833 840	21 479 728	21 833 840	-354 112
Bulk Purchases	94 062 300	119 875 200	97 368 246	119 875 200	-22 506 954
General Expenses	165 031 839	121 095 650	101 581 710	132 890 180	-31 308 470
Less : Amounts Charged Out	-40 686 443	0		0	0
Total	702 976 757	732 066 590	727 200 440	906 974 310	-179 773 870
(Surplus) / Deficit	-293 576 292	-222 560 060	-436 370 500	-135 605 300	-300 765 200

Revenue:Service charges – Water Revenue

Water revenue raised, amounted to R761.65 million, compared to the Adjustments budgeted amount of R650.22 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R141.677 million, relating to free basic services

provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. Due to the implementation of water tariffs applicable in periods of drought, the Water Revenue raised was approximately R111.43 million more than anticipated. This is attributable to actual water consumption patterns being higher than the anticipated reduction in use, due to the drought and higher tariffs.

Interest Earned – Outstanding Debtors

Interest Earned on Outstanding debtors was R6.59 million more than anticipated in the 2016/17 Adjustments Budget, due to the level of outstanding consumer debtors' balances growing on an annual basis.

Government Grants and subsidies

Government Grants and Subsidies were approximately R27.23 million more than anticipated:

TABLE 5.54: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	169,050,880	195,799,258	(26,748,378)

Please note that revenue can be recognised only once the conditions of the grant have been met. Funds received for which the conditions have not been met, will be disclosed under Unspent conditional grants, which will either have to be paid back into the National Revenue Fund or be approved by National Treasury for roll-over to the next financial year, based on a successful fully motivated application to National Treasury for the roll-over of funds, based on commitments already in place.

Other Income

Other Income was approximately R24.36 million less than anticipated:

TABLE 5.55: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
VAT: Government Grants - Capital	23,667,130	0	23,667,130

Expenditure:Employee Related Costs

Employee Related Costs were R24.14 million more than anticipated:

TABLE 5.56: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Basic Remuneration	70,032,850	66,823,015	3,209,835
Provision for Critical Vacancies	8,066,550	0	8,066,550
Provision for Leave Pay	465,770	2,936,086	(2,472,316)
Post Retirements Benefits Provision	8,212,520	(1,747,758)	9,960,278
Overtime	18,581,970	28,423,438	(9,841,468)
Provision: Long Service Bonus	4,550,450	38,355,151	(33,804,701)

Impairment – Receivables

Impairment – Receivables was 90.70 million less than anticipated in the 2016/17 Adjustments Budget, due to the write-off of doubtful debts in the amount of R182,93 million. The provision for doubtful debts was reduced by R80.03 million, whilst the Adjustments budget anticipated a contribution of R139,60 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%. As approximately R600 million was written off, mainly as a result of the May 2016 Indigent Policy implementation, the proportion of old debt changed and, therefore, only 55% of debtors is now regarded as doubtful, whilst the percentage applicable to the 2015/16 year was approximately 60%.

Depreciation

Depreciation was approximately R53.2 million less than anticipated. The mSCOA implementation resulted in assets being moved to the correct directorates. Further, the reassessment of useful life of assets also impacts on the depreciation written off.

Repairs and Maintenance

Repairs and Maintenance were R21.68 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.57: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Meters	14,966,320	7,271,390	7,694,930
Pipelines	25,614,540	22,458,091	3,156,449
Leaks Detection	28,152,530	35,217,871	(7,065,341)
Reconditioning Water Meters	8,142,850	1,405,139	6,737,711
Plant and Machinery	13,636,950	7,578,195	6,058,755

Bulk Purchases

Bulk Purchases were R22,51 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to lower than anticipated consumption. Due to the Municipality introducing and implementing higher Drought related Water Tariffs, the publicity drives to educate the public on water usage, as well as the implementation of further water use restrictions and the reduction of water losses during the 2016/17 year, the cost of bulk purchases has been materially reduced for the 2016/17 financial year. The total bulk purchases were only R3.31 million or 3.51% more in the 2016/17 financial year, as compared to the 2015/16 financial year, despite the increase of water tariffs as charged by the Department of Water Affairs to the Municipality.

General Expenses

General Expenses were R31.31million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.58: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Chemicals	56,000,880	43,862,141	12,138,739
Electricity – External	40,963,660	33,178,472	7,785,188
Materials and Supplies	280,320	(1,601,018)	1,881,338
Water Conservation	10,000,000	7,090,160	2,909,840
Meter Reading	1,755,590	0	1,755,590
Research Levy	5,147,870	4,220,205	927,665

TABLE 5.59: Vote 8: Sanitation Services

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Service Charges	-377 422 493	-478 262 820	-424 335 429	-385 064 080	-39 271 349
Interest Earned - Outstanding Debtors	-20 056 145	-21 250 170	-22 922 651	-21 250 170	-1 672 481
Government Grants and Subsidies	-324 052 412	-420 655 020	-456 549 429	-515 853 760	59 304 331
Other Income	-37 487 944	-129 766 470	-43 652 442	-109 172 190	65 519 748
Total	-759 018 994	-1 049 934 480	-947 459 951	-1 031 340 200	83 880 249
Employee Related Costs	152 928 399	161 571 070	187 785 098	161 563 030	26 222 068
Impairment - Receivables	67 397 191	35 125 070	49 892 162	102 698 390	-52 806 228
Contracted Services	25 084 921	51 449 570	39,218,981	67 753 510	-28,534 529
Depreciation	90 795 446	123 430 390	87 758 757	102 079 320	-14 320 563
Repairs and Maintenance	108 454 484	113 585 480	54 678 044	97 825 590	-43 147 546
Finance Cost	24 307 830	23 456 820	23 146 469	23 456 820	-310 351
Grants and Subsidies Paid	0	0	0	0	0
General Expenses	34 466 799	24 778 970	15 544 254	23 406 700	-7 862 446
Less : Amounts Charged Out	-73 313 918	0	0	0	0
Total	430 121 152	533 397 370	458 023 765	578 783 360	-120 759 595
(Surplus) / Deficit	-328 897 842	-516 537 110	-489 436 186	-452 556 840	-36 879 346

Revenue:Service charges – Sanitation Revenue

Sanitation revenue raised, amounted to R424.34 million, compared to the Adjustments budgeted amount of R385.06 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R199.098 million, relating to free basic services

provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Sanitation Revenue raised, was approximately R39.28 million more than anticipated. This is attributable to actual water consumption patterns being higher than anticipated.

Government Grants and Subsidies

Government Grants and Subsidies were R59.30 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.60: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	296,500,000	240,451,700	56,048,3000
E-Share ATTP	200,353,760	199,097,729	1,256,031

Other Income

Other Income was R65.52million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.61: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Trade Effluent Charges	19,688,550	30,884,515	(11,195,965)
Pail Service	34,758,650	0	34,758,650
VAT: Government Grants - Capital	41,510,000	0	41,510,000

Expenditure:

Employee Related Costs

Employee Related Costs were R26.22million more than anticipated.

TABLE 5.62: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Basic Remuneration	84,880,020	82,055,658	2,824,362
Provision for Critical Vacancies	1,427,640	0	1,427,640
Provision for Leave Pay	624,770	2,016,912	(1,392,142)
Post Retirements Benefits Provision	5,521,460	(5,426,253)	10,947,713
Overtime	4,240,600	6,551,956	(2,311,356)
Statutory Overtime	9,535,080	11,306,350	(1,771,270)
Incentive Bonus	3,612,700	4,766,307	(1,153,607)
Provision: Long Service Bonus	5,037,100	40,275,542	(35,238,442)

Impairment – Receivables

Impairment – Receivables was 50.81 million less than anticipated in the 2016/17 Adjustments Budget, due to the write-off of doubtful debts in the amount of R85.36 million. Further, the provision for doubtful debts was reduced by R35.47 million, required against an Adjustments budget contribution of R102.70 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%. As approximately R600 million was written off, mainly as a result of the May 2016 Indigent Policy implementation, the proportion of old debt changed and, therefore, only 55% of debtors is now regarded as doubtful, whilst the percentage applicable to the 2015/16 year was approximately 60%.

Contracted Services

Contracted Services were R28.53 million lower than anticipated, mainly due to the following: -

TABLE 5.63: contracted service

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Contract Security	4,570,010	6,424,686	(1,854,676)
Business & Advisory – Project Management	3,767,700	8,752,587	(4,984,887)
Hygiene Services	18,772,500	17,436,633	1,335,867
Sewerage Services	1,134,340	0	1,134,340
Business & Advisory – Project Management	1,261,020	172,502	1,088,518
Electrical	10,291,210	63,531	10,227,679
Maintenance of Equipment Services	5,756,020	621,059	5,134,961
Sewerage Services	16,423,600	1,385,151	15,038,449

Repairs and maintenance

Repairs and maintenance were R43,15 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.64: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Plant and Machinery	30,446,730	19,997,510	10,449,220
Sewers and Outfalls	48,169,710	25,891,735	22,277,975
Rising Mains	1,446,530	133,642	1,312,888
Pumps – Daily Inspections	4,162,000	8,811	4,153,189
Green Drop Compliance	2,206,580	70,000	2,136,580

General expenses

General expenses were R7.86million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.65: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Pail purchases	1,009,990	88,403	921,587
Assets less than capitalisation threshold	512,250	81,626	430,624
Skills Development Fund Levy	1,589,240	1,036,907	552,333
Finished Goods	1,418,890	95,682	1,323,208
Chemicals	3,562,970	2,662,257	900,713

TABLE 5.66: Vote 9: Electricity and Energy

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Service Charges	-3 467 071 567	-3 736 233 890	-3 569 229 388	-3 760 733 890	191,504,502
Interest Earned - Outstanding Debtors	-35 292 146	-32 212 810	-28 238 179	-32 212 810	3 974 631
Fines	-2 193 848	-3 327 280	-1 394 703	-3 327 280	1 932 577
Government Grants and Subsidies	-140 346 223	-102 708 140	-120 073 961	-105 420 040	-14 653 921
Rental of Facilities and equipment	-15 763	-18 000	-15 763	-18 000	2 237
Other Income	-63 437 656	-65 189 880	-70 552 566	-80 122 880	9 570 314
Total	-3 708 357 203	-3 939 690 000	-3 789 504 560	-3 981 834 900	192 330 340
Employee Related Costs	269 930 885	284 826 630	337 576 843	285 865 600	51 711 243
Impairment - Receivables	171 876 927	189 404 520	76 947 426	23 079 670	53 867 756
Contracted Services	35 695 764	62 608 710	60 930 656	57 587 510	3 343 146
Depreciation	106 840 439	118 627 000	69 382 374	124 454 460	-55 072 086
Impairment - OTHER	13 674 506			0	0
Repairs and Maintenance	45 141 457	56 409 200	45 560 287	55 657 630	-10 097 343
Finance Cost	49 730 751	44 649 290	43 767 556	44 649 290	-881 734
Bulk Purchases	2 721 669 918	2 871 220 930	2 913 232 138	2 898 720 930	14 511 208
Grants and Subsidies Paid	-53 998	0	0	0	0
General Expenses	111 274 247	58 366 730	50 386 503	58 664 440	-8 277 937
Less : Amounts Charged Out	-25 035 392	0		0	0
Total	3 500 745 504	3 686 113 010	3 597 783 783	3 548 679 530	49 104 253
(Surplus) / Deficit	-207 611 699	-253 576 990	-191 720 777	-433 155 370	241 434 593

Revenue:Service charges – Electricity Revenue

Electricity revenue raised, amount to R3.569 billion, compared to the Adjustments budgeted amount of R3.761 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R58.63 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is funded from the equitable share. The Electricity revenue raised was approximately R192 million less than anticipated. The impact of price, the elasticity of demand and other factors affecting the electricity revenue stream require urgent attention to mitigate the variance between electricity revenue budgeted and electricity revenue raised.

Interest Earned – Outstanding Debtors

Interest Earned on Outstanding debtors was R3.97 million more than anticipated in the 2016/17 Adjustments Budget, due to the level of outstanding consumer debtors' balances growing on an annual basis.

Fines

Fines were R1.93 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.67: Fines

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Tampering Charges - Disconnections	3,327,280	1,394,703	1,932,577

Government Grants and Subsidies

Government Grants and Subsidies were R14.65 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.68: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	36,701,760	50,761,985	(14,060,225)
E-Share – ATTP	53,006,380	58,630,342	(5,623,962)
Infrastructure Skills Development Grant	14,500,000	9,469,742	5,030,258

Other Income

Other Income was R9.57 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.69: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Income – Domestic Service Alterations	3,000,000	1,370,158	1,629,842
Stale Cheques Written Back	51,000	1,092,785	(1,041,785)
DPC Revenue	63,000,000	57,060,680	5,939,320
Take-on PPE – Prev. valued at R0	0	1,414,598	(1,414,598)

Expenditure:Employee Related Costs

Employee Related Costs were R51.71 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.70: Employment related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Overtime	22,538,530	30,975,974	8,437,444
Acting Allowance	1,577,750	3,117,316	(1,539,566)
Long Service Bonus	9,931,810	78,369,112	(68,437,302)
Provision for Leave Pay	1,130,920	4,107,584	(2,976,664)
Provision for Critical Vacancies	2,376,270	0	2,376,270
Post-Retirement Benefits Provisions	14,494,620	(5,074,264)	19,568,884
Contractual Staff Appointments - Section 57	1,857,600	0	1,857,600
Contractual Staff Appointments - Other	14,562,130	10,547,137	4,014,993

Impairment – Receivables

Impairment – Receivables was 53.87million more than anticipated in the 2016/17 Adjustments Budget. Further, the provision for doubtful debts was increased by R 36.63 million as required against an Adjustments budget contribution of R23.08 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%.

Contracted Services

Contracted Services were R3.34 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.71: Contracted service

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Contract Security	22,528,710	26,827,404	(4,298,694)
Electrical	4,921,370	7,825,000	(2,903,630)
Business & Advisory – Research & Advisory	2,367,760	788,725	1,579,035
Business & Advisory – Project Management	1,505,500	785,813	719,687

Depreciation

Depreciation was R55.07 million lower than anticipated. Due to the cleansing of the Assets Register as well as the reassessment of the useful life of assets, depreciation was recalculated.

Repairs and maintenance

Repairs and maintenance was R10.10 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.72: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Overhead lines	7,857,520	6,859,595	997,925
Underground	15,383,670	11,217,847	4,165,823
Plant and Machinery	1,059,960	440,272	619,688
Lightning	7,277,290	6,269,420	1,007,870

Bulk Purchases

Bulk Purchases were R14.51 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to higher than anticipated consumption, as approximately 1.64% more units were purchased. Electricity losses increased for the fourth consecutive year to 13.64% for the 2016/17 financial year.

General expenses

General expenses were R8.28 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.73: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Off-Grid Electrification	1,211,900	4,346,956	(3,135,056)
Pre-paid Vending Commission	17,752,880	16,220,653	1,532,227
Public Liability	1,602,990	82,796	1,520,194
Finished Goods	4,102,380	2,612,144	1,490,236
Expenditure - Domestic Service Alterations	1,890,000	925,276	964,724
Replace Stolen Conductor	1,822,470	936,359	886,111
Expenditure - Public Rechargeable Work	1,207,500	419,671	787,829

Vote 10: Executive and Council

Revenue was R1.53 million more than anticipated in the 2016/17 Adjustments Budget.

Government Grants and Subsidies

Government Grants and Subsidies were R0.54 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.74: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	8,136,850	9,648,290	1,511,440
E-Share - ATTP	2,234,750	1,697,274	(537,476)
EPWP Grant	8,496,000	8,205,351	(290,649)

Other Income

Other Income was R0.35 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.75: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Outdoor Advertising	2,000,000	2,871,766	(871,766)
VAT: Government Grants - Capital	1,139,160	1,350,484	(211,324)
Take-on PPE – Prev. valued at R0	0	(644,676)	644,676

Employee Related Costs

Employee Related Costs were R4.15 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.76: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Annual Bonus	3,453,430	3,082,066	371,364
Contractual Staff Appointments – Other	10,986,820	7,888,077	3,098,743
Basic Remuneration	38,762,610	38,397,913	364,697
Performance Bonus – Section 57	605,820	210,325	395,495

Contracted Services

Contracted Services were R1.27 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.77: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Business & Advisory – Accountants and Auditors	8,974,830	8,409,425	565,405
Business & Advisory – Audit Committee	720,000	239,308	480,692
Forensic Investigators	1,924,970	141,764	1,783,206
Contract Security	1,562,550	(42,792)	1,605,342
Legal Cost – Legal Advice and Litigation	10,846,300	12,123,611	(1,277,311)
Unauthorised Expenditure – no budget	0	(3,172,447)	3,172,447

Depreciation

Depreciation was R8.60 million higher than anticipated. Due to the cleansing of the Assets Register as well as the reassessment of the useful life of assets, depreciation was recalculated.

Repairs and Maintenance

Repairs and Maintenance were R2.40 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.78: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
GIS Software Maintenance Agreement	5,323,100	2,951,720	2,371,380

Grants and Subsidies Paid

Grants and Subsidies Paid were approximately R0.55 million lower than anticipated:

TABLE 5.79: Grants and subsidies paid

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
South African Local Government Association (SALGA)	12,267,470	11,717,000	550,470

General Expenses

General Expenses were R17.18 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.80: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Youth Unemployment	0	2,736,887	(2,736,887)
Baakens Valley Removal of Plant	0	1,746,040	(1,746,040)
Unauthorised Expenditure – no budget	0	(1,214,919)	1,214,919
School Ambassadors Project	8,296,000	2,827,060	5,468,940
Audit Fees: Auditor-General	13,188,530	14,193,621	(1,005,091)
Special projects and National Pride Celebrations	2,862,000	2,347,974	514,026

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Communications Strategy	7,295,720	3,000,314	4,295,406
Ward Councillors' Discretionary Allowance	6,000,000	3,945,963	2,054,037
IDP Review / EXPO	1,551,820	831,252	720,568
Domestic Accommodation	651,480	216,697	434,783
Systems Advisor	1,390,460	0	1,390,460
Civic Entertainment	1,280,070	390,185	889,885
Special Projects	1,350,700	147,774	1,202,926

TABLE 5.81: Vote 11: Safety and Security

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Revised	2016/2017 Actuals	Variance
Fines	-221 769 591	-237 658 350	-216 526 040	-200 677 249	15 848 791
Licences and permits	-8 919 166	-13 323 130	-13 323 130	-10 013 381	3 309 749
Rental of Facilities and equipment	-208 889	-166 130	-166 130	-231 652	-65 522
Other Income	-17 730 317	-15 755 590	-16 891 590	-15 445 063	1 446 527
Total	-248 627 963	-266 903 200	-246 906 890	-226 367 345	20 539 545
Employee Related Costs	378 965 062	413 478 150	428 597 580	428 982 556	384 976
Impairment - Receivables	13 921	0	0	0	0
Contracted Services	15 627 467	14 949 780	15 560 740	18 182 822	2 622 082
Depreciation	10 015 739	6 086 890	5 982 090	6 892 243	910 153
Impairment - OTHER	154 403 490	176 446 340	173 704 390	165 679 512	-8 024 878
Repairs and Maintenance	12 657 016	9 423 420	8 294 480	6 867 762	-1 426 718
Finance Cost	2 292 019	2 184 230	2 184 230	2 182 790	-1 440
General Expenses	47 832 268	56 650 750	37 250 360	32 752 928	-4 497 432
Less: Amounts charged out	-399,186				
Total	621 407,796	679 219 560	671 573 870	661 276 181	-10 297 689
(Surplus) / Deficit	372,779,833	412 316 360	424 666 980	434 908 836	10 241 856

Revenue was R20.54 million more than anticipated, due to the following:

Fines

Fines revenue source as per the Consolidated Annual Financial Statements had an actual received of R200.68 million, compared to the 2016/17 Adjustments budget estimate of R216.53. However, this does not reflect the cash that was collected. Due to GRAP being

applied in respect of Traffic Fines revenue, the Municipality must in its financial records disclose the value of fines issued. Therefore, when analysing the traffic fines revenue of R200.68 million, one must also analyse it against the Impairment of fines, as disclosed under the Financial Performance line item Impairment –Other in the amount of R165.68 million. The remaining balance would then consist of Cash collected and traffic fines issued that are still regarded as recoverable.

Licences and Permits

Licences and Permits revenue earned from Drivers Licence Card Conversions amounted to R8.88 million, representing only 76.77% of the 2016/17 Adjustments Budget of R11.56 million. The Revenue earned in the 2016/17 financial year in the amount of R8,875,285 is 13.23% higher than was earned in the 2015/16 financial year (R7,838,152).

Licences and Permits revenue earned from Drivers Permits amounted to R1.14 million, representing only 64.57% of the 2016/17 Adjustments Budget of R1.76 million. The Revenue earned in the 2016/17 financial year in the amount of R1,138,095 is only 5.28% higher than was earned in the 2015/16 financial year (R1,081,014).

The Safety and Security Directorate has indicated that the following factors caused the actual revenue to be lower than the required / budgeted level:

- Legislation does not specify where card conversions must take place, with such services also provided by neighbouring municipalities.

However, strategies should be put in place to ensure that NMBM residents view the institution as the preferred services provider.

Other Income

Other income was R972,929 lower than anticipated due to the following:

TABLE 5.82: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under Revenue received
Fuel Levy	1,000,000	0	1,000,000
Drivers Licence Application Fees	5,771,630	2,668,422	3,103,208

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under Revenue received
Drivers Licence Certificate	800,000	1,310,970	(510,970)
Training Fees	1,262,490	2,181,650	(919,160)
Escort Fees	363,910	1,188,237	(824,327)
Fire Services	603,050	1,910,669	(1,307,619)

Expenditure:

Employee related costs

Employee related costs were R384,976 more than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.83: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Basic Remuneration	250,360,160	239,700,139	10,660,021
Provision for Vacancies	4,170,820	254,400	3,916,420
Provision for Critical Vacancies	843,250	0	843,250
Contractual Staff Appointments - Other	2,742,660	1,862,034	880,626
Overtime	24,222,210	40,753,546	(16,531,336)

The above clearly illustrates the dynamic between overtime worked and the filling of vacancies.

Depreciation

Depreciation was R2.49 million more than anticipated in the 2016/17 Adjustments Budget.

Repairs and Maintenance

Repairs and Maintenance was R1.43 million less than anticipated, mainly due to the following:

TABLE 5.84: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
CCTV Integrated Security Systems Maintenance	994,380	410,574	583,806
Computer Equipment	1,105,400	656,749	448,651
Furniture and Office Equipment	319,680	6,489	313,191

Contracted Services

Contracted Services were R2.62million more than anticipated, mainly due to the following: -

TABLE 5.85: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Contravention System	9,354,770	12,726,403	(3,371,633)
Grass Cutting Contracts	408,570	18,499	390,071
Maintenance of Equipment	352,110	96,148	255,962

General Expenses

General Expenses were R4.50million less than anticipated, due to the following: -

TABLE 5.86: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Experiential Learning (NDR)	0	2,333,850	(2,333,850)
Skills Development Fund Levy	2,628,730	3,586,924	(958,194)
Drivers Licence Card Account	4,702,580	3,772,669	929,911
Metro Police Operating Costs	464,200	52,708	411,492
Petrol, Diesel and Paraffin	10,866,950	7,816,670	3,050,280
Computer Equipment	1,182,550	0	1,182,550

Impairment – Other

Impairment – Other was R8.02 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the impairment calculated in terms of fines issued.

TABLE 5.87: Vote 12: Nelson Mandela Bay Stadium

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Other Income	-50 931 696	-51 410 000	-14 192 870	-16 410 000	2 217 130
Employee Related Costs	0	0	814 591	7 984 600	-7 170 009
Contracted Services	110 817 047	25 000 000	42 317 158	37 560 640	4 756 518
Repairs and Maintenance	0	4 480 000	4 185 848	4 663 070	-477 222
Depreciation	63 778 855	71 393 700	69 994 027	64 859 650	5 134 377
Grants and Subsidies Paid	0	0	0	6 000 000	-6 000 000
General Expenses	17 548 750	14 313 630	11 385 172	11 025 060	360 112
Total	192 144 652	115 187 330	128 696 796	132 093 020	-3 396 224
(Surplus) / Deficit	141 212 956	63 777 330	114 503 926	115 683 020	-1 179 094

Revenue was R2.22 million less than anticipated in the 2016/17 Adjustments Budget, due to the level of Events income.

Expenditure:Employee related costs

Employee related costs were R7.17 million lower than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.88: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Provision for Leave Pay	0	814,591	(814,591)
Contractual Staff Appointments – Other	7,984,600	0	7,984,600

Contracted Services

Contracted Services were R4.76 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.89: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Business & Advisory – Project Management	25,000,000	17,024,736	7,975,264
Business & Advisory – Occupational Health	500,000	81	499,919
Maintenance of Buildings and Facilities	1,058,830	3,699,700	(2,640,870)
Stadium Event – VAT 14%	3,804,100	8,864,769	(5,060,669)
Stadium Manpower	0	6,265,639	(6,265,639)

Grants and Subsidies Paid were R6.00 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.90: Grant and subsidies paid

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Other Non-Profit Organisations	6,000,000	0	(6,000,000)

Repairs and maintenance

Repairs and maintenance was also R0.48 million less than anticipated:

TABLE 5.91: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Computer Equipment	2,055,730	1,625,272	430,458

General Expenses

General Expenses were R0.36 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.92: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Chippa United Agreement	7,500,000	7,000,000	500,000

TABLE 5.93: Vote 13: Strategic Programmes Directorate

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Government Grants and Subsidies	-22 008 481	-22 217 710	-16 885 484	-22 391 650	5 506 166
Other Income	-417 074	-766 780	-166 426	-233 310	66 884
Total	-22 425 555	-22 984 490	-17 051 910	-22 624 960	5 573 050
					0
Employee Related Costs	6 710 589	7 003 230	6 319 161	6 692 620	-373 459
Contracted Services	2 760 396	3 715 670	1 989 633	3 153 730	-1 164 097
Depreciation	2 957 590	1 351 130	3 010 019	810 430	2 199 589
Repairs and Maintenance	6 061	83 180	1 380	83 180	-81 800
General Expenses	10 313 054	1 435 040	2 152 918	5 486 650	-3 333 732
Total	22 747 690	13 588 250	13 473 111	16 226 610	-2 753 499
(Surplus) / Deficit	322 135	-9 396 240	-3 578 799	-6 398 350	2 819 551

Revenue was R5.57 million less than anticipated in the 2016/17 Adjustments Budget, due to the following:

Government Grants and Subsidies

Government Grants and Subsidies were R5.51 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.94: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
EU Funding – 3 rd Tranche	4,560,070	1,860,539	2,699,531
E-Share	11,471,830	8,740,640	2,731,190

Expenditure:

Expenses were R2.75 million less than anticipated in the 2016/17 Adjustments Budget.

Contracted Services

Contracted Services were R1.16 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.95: contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Contract Security	2,104,950	2,293,083	(188,132)
Infrastructure and Planning - Architectural	930,000	1,461	928,539

Depreciation

Depreciation was R2.20 million higher than anticipated in the 2016/17 Adjustments Budget.

General Expenses

General Expenses were R3.33 million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.96: General expenses

Description	2015/16 Adjustments Budget	2015/16 Actual	(Over) under expenditure
Community Development (3 rd Tranche)	3,875,340	1,565,789	2,309,551
Cellular Telephones	268,590	136,289	132,301
Ward Based Projects (3 rd Tranche)	130,000	0	130,000

TABLE 5.97: Vote 14: Sport, Recreation, Arts and Culture

Category	2015/2016 Actuals	2016/2017 Budget	2016/2017 Actuals	2016/2017 Revised	Variance
Fines	-474 423	-1 455 430	-232 843	-1 348 830	1 115 987
Licences and Permits	-3 509	-25 000	-1 163	-25 000	23 837
Government Grants and Subsidies	-12 785 149	-15 000 000	-15 000 000	-15 660 400	660 400
Rental of Facilities and Equipment	-1 628 961	-2 459 070	-1 770 276	-2 350 960	580 684
Other Income	-18 403 662	-26 335 590	-28 603 705	-31 884 980	3 281 275
Total	-33 295 704	-45 275 090	-45 607 987	-51 270 170	5 662 183
Employee Related Costs	134 291 558	159 137 610	148 463 758	156 702 630	-8 238 872
Contracted Services	16 883 485	20 222 160	21 721 820	19 442 340	2 279 480
Impairment Receivables	71 182				
Depreciation	68 972 644	29 456 100	30 495 497	27 498 430	2 997 067
Impairment - OTHER	97 520	0		0	0
Repairs and Maintenance	16 981 569	25 315 400	21 265 910	22 352 920	-1 087 010
Finance Cost	8 297 893	7 877 520	7 846 643	7 877 520	-30 877
Grants and Subsidies Paid	182 185	18 104 040	22 542 374	23 854 040	-1 311 666
General Expenses	58 291 583	79 630 510	52 046 187	69 537 030	-17 490 843
Loss on Disposal of PPE	0	0	1	0	1
Total	304 070 619	339 743 340	304 382 190	327 264 910	-22 882 720
(Surplus) Deficit	270 774 915	294 468 250	258 774 203	275 994 740	-17 220 537

Revenue:

Fines

Fines revenue was R1.12 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.98: Fines

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Fines	725,880	344,424	(381,456)
Lost Books	622,950	(111,581)	(734,531)

Government Grants and Subsidies

Government Grants and Subsidies revenue were R0.66 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.99: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
National Lotteries Grant	15,660,400	15,000,000	(660,400)

Rental of Facilities and Equipment

Rental of Facilities and Equipment was R0.58 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.100: Rental of facilities and equipment

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Hall	942,340	680,167	262,173
Sporting Bodies	571,580	397,346	174,234

Other Income

Other Income was R3.28million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.101: Other Income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Sundry Income	0	307,463	307,463
Accommodation Fees	342,100	140,362	(201,738)
Admission Fees	3,114,660	2,920,345	(194,315)
Fuel Levy	27,762,570	26,020,142	(1,742,428)
Photocopier Charges	363,600	186,175	(177,425)
Take-on PPE – Prev. valued at R0	0	1,030,781	1,030,781

Fuel Levy is allocated to municipal directorates equal to the amount of spending incurred in respect of Fuel Levy funded projects.

Expenditure:

Employee related costs

Employee related costs were R8.24 million lower than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.102: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Seasonal Staff	7,620,620	7,318,881	301,739
Pension Fund Contributions	17,531,590	17,033,410	498,180
Travel Allowance – Business Kilometers	1,673,790	1,332,920	340,870
Overtime	4,748,550	5,914,578	(1,166,028)
Basic Remuneration	93,339,370	87,207,207	6,132,163
Annual Bonus	8,071,340	7,629,079	442,261

Contracted Services

Contracted Services were R2.28 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.103: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Contract Security	10,099,660	16,245,615	(6,145,955)
Administrative and Support Staff	926,430	412,376	514,054
Business & Advisory – Accountants & Auditors	485,970	0	485,970
Maintenance of Equipment	721,120	223,640	497,480
Grass Cutting Contracts	3,250,130	2,040,679	1,209,451

Depreciation

Depreciation was R3.00 million higher than anticipated in the 2016/17 Adjustments Budget.

Repairs and maintenance

Repairs and maintenance was also R1.09 million less than anticipated:

TABLE 5.104: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Buildings	9,632,410	9,301,732	330,678
Detection Systems	724,450	84,297	640,153
Maintenance Services	1,673,230	2,388,274	(715,044)
Plant and Machinery	1,627,380	1,424,673	202,707
Maintenance of Heritage Sites	722,770	593,240	129,530
Roads and Fences	591,850	437,523	154,327
Furniture and Office Equipment	158,080	0	158,080
Security Systems	440,760	308,015	132,745
Unauthorised expenditure – no budget	0	643,788	(643,788)

Grants and Subsidies Paid

Grants and Subsidies Paid were approximately R1.31 million lower than anticipated:

TABLE 5.105: Grants and subsidies paid

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Other Non-Profit Institutions	18,750,000	17,275,216	1,474,784

General Expenses

General Expenses were R17.49million less than anticipated in the 2016/17 Adjustments Budget:

TABLE 5.106: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Book processing Materials	1,115,230	205,213	910,017
Cleaning	1,745,940	1,192,634	553,306
Communication Equipment and Telephone	2,118,200	1,630,718	487,482
Computer Equipment	567,990	7,056	560,934
Rental of Office Equipment	1,152,250	673,934	478,316
Arts and Culture Programmes	1,344,380	986,482	357,898
Library Books	6,354,830	4,629,994	1,724,836
Project 2: Living Arts & Culture Development	660,400	0	660,400
Special projects	13,833,270	14,398,709	(565,439)
PPE-Purchases	0	(5,924,243)	5,924,243
Operating levies projects	22,762,570	21,287,939	1,474,631
Public transport – Road (Bus & Shuttle Services)	630,370	8,798	621,572
Data Lines	503,640	44,753	458,887

Conclusion:

The Municipality recorded an operating surplus of R5.66 million for the 2015/16 financial year. The 2015/16 Financial Year has been restated in the 2016/17 Consolidated Annual Financial Statements to a deficit amounting to R37,706,215 as at 30 June 2016. It was recognised that an amount of R52,011,251 for Public Contributions and Donations could not be recognised as operating revenue as it funded capital budget projects.

The Audited 2016/17 Consolidated Annual Financial Statements reflected an operating deficit in the amount of R235,310,036. Compared to the Deficit as provided for in the 2016/17 Consolidated Adjustments Budget in the amount of R 470,854,944 it would appear that the financial performance has improved considering what was anticipated. However, the introduction of an **actuarial valuation** in respect of the Provision for Long Service Awards and Long Services Bonuses for the first time during the 2016/17 financial year resulted in a surplus position turning into a deficit position. The impact of the actuarial valuation introduction was an amount of R587,604,257 expensed more than the budgeted R82,988,640. Total expense was therefore R670,592,897 for the provision. It is therefore clear that the Municipality has in fact improved its performance over the 2016/17 financial year.

Financial performance by Function**Water****Revenue:**Service charges – Water Revenue

Water revenue raised, amounted to R761.65 million, compared to the Adjustments budgeted amount of R650.22 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R141.677 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. Due to the implementation of water tariffs applicable in periods of drought the Water Revenue raised was approximately R111.43 million more than anticipated. This is attributable to actual water consumption patterns being higher than the anticipated reduction in use due to drought and higher tariffs.

Interest Earned – Outstanding Debtors

Interest Earned on Outstanding debtors was R6.59 million more than anticipated in the 2016/17 Adjustments Budget due to the level of outstanding consumer debtors' balances growing on an annual basis.

Government Grants and subsidies

Government Grants and subsidies was approximately R27.23 million more than anticipated.

TABLE 5.107: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	169,050,880	195,799,258	(26,748,378)

Please note that revenue can only be recognised once the conditions of the grant have been met. Funds received for which the conditions have not been met will be disclosed under unspent conditional grants which will either have to be paid back into the National Revenue Fund or will received an approval from National Treasury to be rolled over to the next financial year based on a successful fully motivated application to National Treasury to allow roll-over of funds based on commitments already in place.

Other Income

Other Income was approximately R24.36 million less than anticipated.

TABLE 5.108: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
VAT: Government Grants - Capital	23,667,130	0	23,667,130

Expenditure:Employee Related Costs

Employee Related Costs were R24.14 million more than anticipated:

TABLE 5.109: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Basic Remuneration	70,032,850	66,823,015	3,209,835
Provision for Critical Vacancies	8,066,550	0	8,066,550
Provision for Leave Pay	465,770	2,936,086	(2,472,316)
Post Retirements Benefits Provision	8,212,520	(1,747,758)	9,960,278
Overtime	18,581,970	28,423,438	(9,841,468)
Provision: Long Service Bonus	4,550,450	38,355,151	(33,804,701)

Impairment – Receivables

Impairment – Receivables was 90.70 million less than anticipated in the 2016/17 Adjustments Budget, due to the write-off of doubtful debts in the amount of R182,93 million. The provision for doubtful debts was reduced by R80.03 million, whilst the Adjustments budget anticipated a contribution of R139,60 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%. As approximately R600 million was written off, mainly as a result of the May 2016 Indigent Policy implementation, the proportion of old debt changed and, therefore, only 55% of debtors is now regarded as doubtful, whilst the percentage applicable to the 2015/16 year was approximately 60%.

Depreciation

Depreciation was approximately R53.2 million less than anticipated. The mSCOA implementation resulted in assets being moved to the correct directorates. Further, the reassessment of useful life of assets also impacts on the depreciation written off.

Repairs and Maintenance

Repairs and Maintenance were R21.68 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.110: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Meters	14,966,320	7,271,390	7,694,930
Pipelines	25,614,540	22,458,091	3,156,449
Leaks Detection	28,152,530	35,217,871	(7,065,341)
Reconditioning Water Meters	8,142,850	1,405,139	6,737,711
Plant and Machinery	13,636,950	7,578,195	6,058,755

Bulk Purchases

Bulk Purchases were R22,51 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to lower than anticipated consumption. Due to the Municipality introducing and implementing higher Drought related Water Tariffs, the publicity drives to educate the public on water usage, as well as the implementation of further water use restrictions and the reduction of water losses during the 2016/17 year, the cost of bulk purchases has been materially reduced for the 2016/17 financial year. The total bulk purchases were only R3.31 million or 3.51% more in the 2016/17 financial year, as compared to the 2015/16 financial year, despite the increase of water tariffs as charged by the Department of Water Affairs to the Municipality.

General Expenses

General Expenses were R31.31 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.111: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Chemicals	56,000,880	43,862,141	12,138,739
Electricity – External	40,963,660	33,178,472	7,785,188
Materials and Supplies	280,320	(1,601,018)	1,881,338
Water Conservation	10,000,000	7,090,160	2,909,840
Meter Reading	1,755,590	0	1,755,590
Research Levy	5,147,870	4,220,205	927,665

Waste Water (Sanitation)

Revenue:

Sanitation revenue

Sanitation revenue raised, amounted to R424.34 million, compared to the Adjustments budgeted amount of R385.06 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R199.098 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Sanitation Revenue raised was approximately R39.28 million more than anticipated. This is attributable to actual water consumption patterns being higher than anticipated.

Government Grants and Subsidies

Government Grants and Subsidies were R59.30 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.112: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	296,500,000	240,451,700	56,048,3000
E-Share ATTP	200,353,760	199,097,729	1,256,031

Other Income

Other Income was R65.52 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.113: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Trade Effluent Charges	19,688,550	30,884,515	(11,195,965)
Pail Service	34,758,650	0	34,758,650
VAT: Government Grants - Capital	41,510,000	0	41,510,000

Expenditure:Employee Related Costs

Employee Related Costs were R26.22 million more than anticipated.

TABLE 5.114: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Basic Remuneration	84,880,020	82,055,658	2,824,362
Provision for Critical Vacancies	1,427,640	0	1,427,640
Provision for Leave Pay	624,770	2,016,912	(1,392,142)
Post Retirements Benefits Provision	5,521,460	(5,426,253)	10,947,713
Overtime	4,240,600	6,551,956	(2,311,356)
Statutory Overtime	9,535,080	11,306,350	(1,771,270)
Incentive Bonus	3,612,700	4,766,307	(1,153,607)
Provision: Long Service Bonus	5,037,100	40,275,542	(35,238,442)

Impairment – Receivables

Impairment – Receivables was 50.81 million less than anticipated in the 2016/17 Adjustments Budget due to the write-off of doubtful debts in the amount of R85.36 million. Further, the provision for doubtful debts were reduced by R 35.47 million was required against an

adjustments budget contribution of R102.70 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%. Due to approximately R600 million written off mainly as a result of the May 2016 Indigent Policy implementation the proportion of old debt changed and therefore, only 55% of debtors is now regarded as doubtful, whilst the percentage applicable to the 2015/16 year was approximately 60%.

Contracted Services

Contracted Services were R28.53 million lower than anticipated, mainly due to the following: -

TABLE 5.115: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Contract Security	4,570,010	6,424,686	(1,854,676)
Business & Advisory – Project Management	3,767,700	8,752,587	(4,984,887)
Hygiene Services	18,772,500	17,436,633	1,335,867
Sewerage Services	1,134,340	0	1,134,340
Business & Advisory – Project Management	1,261,020	172,502	1,088,518
Electrical	10,291,210	63,531	10,227,679
Maintenance of Equipment Services	5,756,020	621,059	5,134,961
Sewerage Services	16,423,600	1,385,151	15,038,449

Repairs and maintenance

Repairs and maintenance was R43,15 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.116: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Plant and Machinery	30,446,730	19,997,510	10,449,220
Sewers and Outfalls	48,169,710	25,891,735	22,277,975
Rising Mains	1,446,530	133,642	1,312,888
Pumps – Daily Inspections	4,162,000	8,811	4,153,189
Green Drop Compliance	2,206,580	70,000	2,136,580

General expenses

General expenses were R7.86 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.117: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Pail purchases	1,009,990	88,403	921,587
Assets less than capitalisation threshold	512,250	81,626	430,624
Skills Development Fund Levy	1,589,240	1,036,907	552,333
Finished Goods	1,418,890	95,682	1,323,208
Chemicals	3,562,970	2,662,257	900,713

Electricity and Energy

Revenue:

Electricity revenue

Electricity revenue raised, amount to R3.569 billion, compared to the Adjustments budgeted amount of R3.761 billion. It is, however, important to note that revenue raised, has been reduced by an amount of approximately R58.63 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with the Municipality's ATTP Policy, which is

funded from the equitable share. The Electricity revenue raised was approximately R192 million less than anticipated. The impact of price, the elasticity of demand and other factors affecting the electricity revenue stream require urgent attention to mitigate the variance between electricity revenue budgeted and electricity revenue raised.

Interest Earned – Outstanding Debtors

Interest Earned on Outstanding debtors was R3.97 million more than anticipated in the 2016/17 Adjustments Budget due to the level of outstanding consumer debtors' balances growing on an annual basis.

Fines

Fines were R1.93 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.118: Fines

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Tampering Charges - Disconnections	3,327,280	1,394,703	1,932,577

Government Grants and Subsidies

Government Grants and Subsidies were R14.65 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.119: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
GGR Revenue	36,701,760	50,761,985	(14,060,225)
E-Share - ATTP	53,006,380	58,630,342	(5,623,962)
Infrastructure Skills Development Grant	14,500,000	9,469,742	5,030,258

Other Income

Other Income was R9.57 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.120: Other income

Description	2016/17 Adjustments Budget	2016/17 Actual	Difference
Income – Domestic Service Alterations	3,000,000	1,370,158	1,629,842
Stale Cheques Written Back	51,000	1,092,785	(1,041,785)
DPC Revenue	63,000,000	57,060,680	5,939,320
Take-on PPE – Prev. valued at R0	0	1,414,598	(1,414,598)

Expenditure:Employee Related Costs

Employee Related Costs were R51.71 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.121: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Overtime	22,538,530	30,975,974	8,437,444
Acting Allowance	1,577,750	3,117,316	(1,539,566)
Long Service Bonus	9,931,810	78,369,112	(68,437,302)
Provision for Leave Pay	1,130,920	4,107,584	(2,976,664)
Provision for Critical Vacancies	2,376,270	0	2,376,270
Post-Retirement Benefits Provisions	14,494,620	(5,074,264)	19,568,884
Contractual Staff Appointments - Section 57	1,857,600	0	1,857,600
Contractual Staff Appointments - Other	14,562,130	10,547,137	4,014,993

Impairment – Receivables

Impairment – Receivables was 53.87 million more than anticipated in the 2016/17 Adjustments Budget. Further, the provision for doubtful debts was increased by R 36.63 million as required against an Adjustments budget contribution of R23.08 million. The debtors' collection rate for 2016/17 was 94.3%, compared to the budgeted debtors' collection rate of 94%.

Contracted Services

Contracted Services were R3.34 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.122: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Contract Security	22,528,710	26,827,404	(4,298,694)
Electrical	4,921,370	7,825,000	(2,903,630)
Business & Advisory – Research & Advisory	2,367,760	788,725	1,579,035
Business & Advisory – Project Management	1,505,500	785,813	719,687

Depreciation

Depreciation was R55.07 million lower than anticipated. Due to the cleansing of the Assets Register as well as the reassessment of the useful life of assets, depreciation was recalculated.

Repairs and maintenance

Repairs and maintenance was R10.10 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.123: Repairs and maintenance

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Overhead lines	7,857,520	6,859,595	997,925
Underground	15,383,670	11,217,847	4,165,823
Plant and Machinery	1,059,960	440,272	619,688
Lightning	7,277,290	6,269,420	1,007,870

Bulk Purchases

Bulk Purchases were R14.51 million more than anticipated in the 2016/17 Adjustments Budget, mainly due to higher than anticipated consumption, as approximately 1.64% more units were purchased. Electricity losses increased for the fourth consecutive year to 13.64% for the 2016/17 financial year.

General expenses

General expenses were R8.28 million less than anticipated in the 2016/17 Adjustments Budget, mainly due to the following:

TABLE 5.124: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Off-Grid Electrification	1,211,900	4,346,956	(3,135,056)
Pre-paid Vending Commission	17,752,880	16,220,653	1,532,227
Public Liability	1,602,990	82,796	1,520,194
Finished Goods	4,102,380	2,612,144	1,490,236
Expenditure - Domestic Service Alterations	1,890,000	925,276	964,724
Replace Stolen Conductor	1,822,470	936,359	886,111
Expenditure - Public Rechargeable Work	1,207,500	419,671	787,829

Waste Management (Refuse)

Revenue:

Refuse revenue

Refuse revenue raised, amounted to R127,05 million, compared to the Adjustments budgeted amount of R126.93 million. It is, however, important to note that revenue raised has been reduced by an amount of approximately R119.79 million, relating to free basic services provided to qualifying ATTP consumers, in accordance with Municipality's ATTP Policy, which is funded from the equitable share. The Refuse Revenue raised was approximately R0.12 million less than anticipated.

Rentals of Facilities and Equipment

Rental of Facilities and Equipment was R580,412 less than anticipated in the 2016/17 Adjustments Budget. This is attributable due to:

TABLE 5.125: Rentals of facilities and equipment

Description	2016/17 Adjustments Budget	2016/17 Actual	Over / (under) revenue
Container - 1.1m Sprico	4,889,860	4,309,448	(580,412)

Government Grants and Subsidies

Government Grants and Subsidies were R15.18 million more than anticipated in the 2016/17 Adjustments Budget. This is attributable due to:

TABLE 5.126: Government grants and subsidies

Description	2016/17 Adjustments Budget	2016/17 Actual	Over / (under) revenue
E-Share ATTP	119,105,880	134,290,737	15,184,857

Operating Expenditure matters:Employee related costs

Employee related costs were R20.08 million more than anticipated in the 2016/17 Adjustments Budget. This is mainly attributable to the following: -

TABLE 5.127: Employee related costs

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Provision for Long Service Bonus	2,679,460	22,739,945	(20,060,485)
Provision for Critical Vacancies	2,981,280	0	2,981,280
Post-Retirement Benefits Provision	3,236,610	(180,756)	3,417,366
Overtime	8,396,830	12,642,301	(4,245,471)
Basic Remuneration	36,406,750	36,048,036	358,714
Provision for Leave Pay	377,060	1,224,788	(847,728)

Impairment – Receivables

Impairment – Receivables was R79.36 million less than anticipated in the 2016/17 Adjustments Budget. The decrease is due to the reduction in Doubtful Debt Provision as a result of the approximately R599 million of old debt written off mainly because of the implementation of the May 2016 Indigent Policy.

TABLE 5.128: Impairment - receivables

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Bad Debts	0	73,585,743	(73,585,743)
Provision for Doubtful Debts	88,781,200	(64,160,293)	152,941,493

Contracted Services

Contracted Services was R7.18 million less than anticipated mainly due to the following: -

TABLE 5.129: Contracted services

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) / Under Expenditure
Community Based Contractors	17,817,120	6,188,112	11,629,008
Litter Picking and Street Cleaning	13,160,620	19,533,660	(6,373,040)
Contract Security	4,268,450	6,482,458	(2,214,008)
Administrative and Support Staff	756,130	0	756,130
Refuse Removal	2,000,000	4,133	1,995,867
Hygiene Services	623,720	384,535	239,185
Maintenance of Equipment	1,101,600	86,349	1,015,251
Business & Advisory – Accountants & Auditors	0	847,422	(847,422)

Depreciation

Depreciation was R19.93 million lower than anticipated.

General Expenses

General Expenses were R9.12 million less than anticipated due to the following: -

TABLE 5.130: General expenses

Description	2016/17 Adjustments Budget	2016/17 Actual	(Over) under expenditure
Petrol, Oil and Paraffin	15,737,760	10,132,197	5,605,563
Illegal Dumping Strategy	603,000	(487,787)	1,090,787
External Hire: Solid Waste Disposal	7,943,930	5,847,714	2,090,216
Equipment and Machinery	14,893,450	12,449,871	2,443,579
Unauthorised Expenditure	0	6,193,759	(6,193,759)
External Non-Passenger Vehicle Hire-Vatable	15,617,150	13,781,962	1,835,188
Consultants Fees	1,276,050	(55,000)	1,331,050

Conclusion:

The Municipality recorded an operating surplus of R5.66 million for the 2015/16 financial year. The 2015/16 Financial Year has been restated in the 2016/17 Consolidated Annual Financial Statements to a deficit amounting to R37,706,215 as at 30 June 2016. It was recognised that an amount of R52,011,251 for Public Contributions and Donations could not be recognised as operating revenue as it funded capital budget projects.

The Audited 2016/17 Consolidated Annual Financial Statements reflected an operating deficit in the amount of R235,310,036. Compared to the deficit provided for in the 2016/17 Consolidated Adjustments Budget in the amount of R 470,854,944, it would appear that the financial performance has improved, considering what was anticipated. However, the introduction of an **actuarial valuation** in respect of the Provision for Long Service Awards and Long Services Bonuses for the first time during the 2016/17 financial year, turned the surplus position into a deficit position. The impact of the introduction of the actuarial valuation was that an amount of R587,604,257 more was expensed than the budgeted R82,988,640. Total expense was therefore R670,592,897 for the provision. It is therefore clear that the Municipality has in fact improved its performance over the 2016/17 financial year.

5.2 GRANTS

The revenue amounted to R954 million, compared to the Adjustments budgeted amount of R1.440 billion. This means that R485.6 million or 33.73% of transfers could not be recognised as revenue.

The following accounts for the performance of grants and explains the variance:

DORA Operating Grants:**1. Expanded Public Works Programme (EPWP)**

This grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery.

DORA Allocation:	R8,496,000
Amount of Grant Received:	R8,496,000
Expenditure to date:	R8,205,351
Unspent as at 30 June 2017	R 290,649

As at 30 June 2017, 96.58% of the DORA allocation was spent. A roll-over application in the amount of R296,649 is therefore required. An Application was submitted to National Treasury to roll-over the committed funds to the 2017/18 financial year. National Treasury approval for roll-over of an amount of R290 thousand was received on 16 October 2017. The approval is for the cleaning of storm water drains and canals.

2. Public Transport Networks Operations

This grant is to provide supplementary operational funding in order to operationalize the IPTS project within NMBM.

DORA Allocation:	R	0
Amount of Grant Received:	R	0
Roll-over from the 2015/16 financial year	R26,557,535	
Expenditure to date:	R26,137,161	
Unspent as at 30 June 2017:	R	420,374

As at 30 June 2017, 98.42% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury do not allow roll-over funds to roll-over for a second year and therefore the unspent funds will be paid back to National Treasury.

3. Infrastructure Skills Development

This grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R14,500,000
Amount of Grant Received:	R14,500,000
Expenditure to date:	R 9,779,556
Unspent as at 30 June 2017:	R 4,720,444

As at 30 June 2017, 67.45% of the DORA allocation was spent. A roll-over application in the amount of R4,720,444 is therefore required. An Application was submitted to National Treasury to roll-over the committed funds to the 2017/18 financial year. National Treasury rejected the application due to the Municipality not providing sufficient evidence that the amount is committed. The rollover application was earmarked for salaries and training that are yet to take place and is therefore not contractually committed expenses as at 30 June 2017.

4. Integrated City Development Grant

This grant is to provide a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form.

DORA Allocation:	R9,276,000
Amount of Grant Received:	R9,276,000
Expenditure to date:	R9,276,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, 100% of the DORA allocation was spent.

Grant rolled over from 2015/16, included in the 2016/17 Adjustments Budget

DORA roll-over approved:	R1,722,774
Expenditure to date:	R1,722,774
Unspent as at 30 June 2017:	R 0

The approved rolled-over grant was fully spent, as at 30 June 2017.

5. Finance Management Grant

This grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R1,050,000
Amount of Grant Received:	R1,050,000
Expenditure to date:	R1,050,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

6. Human Settlements Development Grant

This grant is to provide funding to create sustainable human settlements that enable an improved quality of household life, improved access, integration and settlements

Unspent as at 30 June 2016	R 8,069,417
Amount of Grant Received:	R 68,623,413
Debtors raised	R 218,035,411
Reversal of prior year accrual	(R234,346,189)
Expenditure to date:	R 58,507,300
Unspent as at 30 June 2017:	R 1,874,752

As this grant is not a DORA grant, no application is required to rollover the unspent funds to the 2016/17 financial year

As at financial year-end a Debtor was raised in the amount of R234,346,189 for outstanding claims to be paid by Provincial Treasury for Top Structure that are built by the municipality based on an Agency Agreement Basis. As at 30 June 2017, the Municipality was bridge-funding this project by approximately R194.4 million increasing from R177 million in the 2015/16 financial year. This has an impact on the municipalities' cash flows as well as the investment portfolio resulting in less interest revenue earned and /or not funding critical projects that could enhance the revenue base of the municipality.

7. Municipality Human Settlements Capacity Grant

This grant is to provide funding to ensure effective management of human settlements programmes at the local government level in line with the accreditation framework.

Unspent as at 30 June 2016:	R 5,028,404
DORA Allocation:	R 0
Amount of Grant Received:	R 0
Off-set via Equitable Share:	R 5,028,404
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the balance was R0.

The roll-over request submitted to National Treasury for the unspent amount was not approved. Funds were off-set from Equitable Share by National Treasury

8. Urban Settlements Development Grant

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R17,000,000
Amount of Grant Received:	R17,000,000
Expenditure to date:	R17,000,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Operating Grants

9. Off-Grid Electrification

This grant is used for the socio-economic development of previously disadvantaged communities through household and institutional electrification of associated community value-adding facilities

Unspent as at 30 June 2016: R 1,211,893

Expenditure to date: R 1,211,893

Unspent as at 30 June 2017: R 0

As at 30 June 2017, the allocation was spent.

10. Provincial Department of Human Settlements: Accreditation Grant

This grant is used for capacity building of level 3 accreditation in the preparation of NMBM in Human Settlement matters.

Unspent as at 30 June 2016: R 8,140,757

Expenditure to date: R 6,166,805

Unspent as at 30 June 2017: R 1,973,952

As at 30 June 2017, 75.8% of the allocation was spent.

As this grant is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

11. European Union Grant (3rd Tranche)

This grant is to contribute to the improvement of the quality of life of marginalized people in urban areas within the framework of the SA Government's Urban Renewal Programme.

Unspent as at 30 June 2016: R8,896,191

Expenditure to date: R7,030,809

Unspent as at 30 June 2017: R1,865,382

The spending incurred against the unspent 2014/15 European Union Grant amounted to 79.0%, as at 30 June 2017.

12. National Lotteries

This grant is used to fund Arts and Culture Programmes

Unspent as at 30 June 2016: R 1,750,037

Expenditure to date: R 0

Unspent as at 30 June 2017: R 1,750,037

The spending incurred against the unspent 2013/14 National Lotteries grant amounted to 0%, as at 30 June 2017.

13. Smart Grid Initiative

This grant is used to develop innovative, interactive and improved technological solutions to deal with revenue enhancement.

Unspent as at 30 June 2016: R 711,836

Amount of Grant Received: R 2,250,000

Debtors raised (R 2 250 000)

Expenditure to date: R 0

Unspent as at 30 June 2017: R 711 836

As at 30 June 2017, 0% of the allocation was spent. As this grant is not a DORA grant, no application is required to rollover the unspent funds to the 2017/18 financial year.

The main reason for operating transfers to be less than the 2016/17 Adjustments Budget is the Human Settlements Development Grant. The Municipality is required to budget in accordance with the Provincial DORA as Gazetted. However, it was decided to redistribute the major portion of the allocation to the Housing Development Agency. This outcome was only known after the 2016/17 Adjustments Budget was approved by Council.

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The following grants were unspent as at 30 June 2017:

TABLE 5.131: Unspent grants

Description	Amount (R)
DORA Grants	
Public Transport Networks Operations Grant	420,374
Infrastructure Skills Development Grant	4,720,444
EPWP Incentive Grant	290,648
	5,431,466
Other Grants	
Municipal Human settlements Capacity Grant	1,973,952
PHB Subsidies	1,874,752
EU Grant	1,865,383
National Lotteries Grant	1,660,389
LGSETA Discretionary Learnership Funding	4,957,859
Provincial Department Agency: Communication Grant	872,782
Other Grants	-4,541,031
Smart-Grid Initiative Grant	711,836
	9,375,922
Total Unspent Operational Conditional Grants	14,807,388

The unspent portion of the Public Transport Networks Operations Grant must be paid over to the National Revenue Fund or will be off-set against the November 2017 Equitable Share as a DORA grant may not be rolled-over for a second financial year.

The Municipality has applied for the roll-over of the unspent balances of the Infrastructure Development Grant and the EPWP Incentive Grant to the 2017/18 financial year. Notification of approval by National Treasury is expected not later than 31 October 2017.

The following accounts for the performance of capital grants and explains the variance:

DORA Capital Grants:

1. Urban Settlements Development Grant

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R851,282,000
Amount of Grant Received:	R851,282,000
Expenditure to date:	R851,282,000
Unspent as at 30 June 2017	R 0

As at 30 June 2017, the DORA allocation was fully spent.

2. Public Transport Infrastructure Grant

This grant provides for the accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

DORA Allocation rolled-over:	R66,505,614
Amount of Grant Received:	R 0
Expenditure to date:	R64,153,951
Unspent as at 30 June 2017:	R 2,351,663

As at 30 June 2017, 96.46% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury does not allow roll-over funds to roll over for a second year, and therefore the unspent funds will be paid back to National Treasury.

3. Neighbourhood Development Partnership Grant

This grant is to support and facilitate the planning and development of Neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation:	R21,476,000
DORA Adjustments Budget	R10,390,000
Amount of Grant Received:	R10,390,000
Expenditure to date:	R 9,827,778
Unspent as at 30 June 2017:	R 562,222

As at 30 June 2017, 94.6% of the Adjusted DORA allocation was spent. An Application was submitted to National Treasury to roll-over the committed funds to the 2017/18 financial year. National Treasury did not approve the roll-over.

The Neighbourhood Development Partnership Grant has been reduced by National treasury by R11 million. The Njoli project that has been put on hold until the Precinct Plan, which has already been commissioned, has been redone.

4. Integrated National Electrification Programme

This grant is to provide funding to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.

DORA Allocation:	R35,000,000
Amount of Grant Received:	R35,000,000
Expenditure to date:	R35,000,000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Capital Grants

5. CDC Walmer Intervention Funding Grant

This grant is used to speed up service delivery intervention in Walmer Gqebera township

Received 2015/16:	R 5,546,957
Received 2016/17	R15,000,000
Expenditure to date:	R 0
Unspent as at 30 June 2017:	R20,546,957

No spending was incurred against this grant.

Applications were submitted to National Treasury for roll-overs to the 2017/18 financial year in respect of all unspent conditional DORA grants. Notification of approval of roll-over funds is anticipated by 31 October 2017.

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met.

6. CDC Coega Grant

This grant is used to speed up service delivery intervention in Walmer Gqebera township

Amount of Grant Received:	R	0
Expenditure to date:	R50,451,940	
Debtor as at 30 June 2017:	R50,451,940	

A debtor was raised for the R50,451,940 spending that was incurred. The amount owed by Coega should be collected as a matter of urgency.

Applications were submitted to National Treasury for roll-overs to the 2017/18 financial year in respect of all unspent conditional DORA grants. Notification of approval of the roll-over funds was received during October 2017. National Treasury did not approve any DORA Capital Grant roll-overs.

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

According to the Asset Management and Disposal Policies of the municipality Directorates are responsible for the acquisition, management, control, safeguarding and disposal of all municipal assets under their control. Asset Management Sub Directorate is responsible for the coordination of the Asset Management function to ensure compliance with the requirements of the MFMA 56 of 2003 in order for the municipality to maintain a complete asset register.

Currently Asset management is run by only four (4) permanent staff members and five (5) interns.

Annually all directorates are required to perform a physical verification of movable assets under their control. Once the verification exercise is done, directorates are expected to account for all assets that could not be verified during the verification period.

In terms of the Asset Disposal Policy directorates are required to identify assets that are no longer required for the delivery of municipal services. The various directorates are required to

follow the Asset Disposal procedures to ensure that such assets are disposed of in a proper manner.

The Asset Management Policy outlines the following key elements:

- Roles and Responsibilities
- Classification of an asset
- Accounting for Property, Plant and Equipment
- Safekeeping of Assets
- Maintenance of Assets
- Verification of assets
- Carrying Values and Depreciation of Assets

The Asset Disposal Policy outlines the following key elements:

- Roles and Responsibilities
- Planning and disposal of movable assets
- Transfer of Ownership
- Accounting for the Disposal of municipal assets
- Approval of Asset Disposals
- Procedures to be followed - Disposal of municipal assets Asset
 - Disposal of lost, stolen and missing assets
 - Disposal of Computer Equipment
 - Disposal of used uniforms
 - Library Books

TABLE 5.132: Treatment of the three largest assets

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0 (2016-17)				
Asset 1				
Name	Pipe Laser			
Description	Laser Pipe			
Asset Type	Plant & Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3 (2013-14)	Year -2 (2014-15)	Year -1 (2015-16)	Year 0 (2016-17)
				70,000.00
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Infrastructure & Engineering			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 2				
Name	Computer Server			
Description	Computer File Server			
Asset Type	Computer Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
				22,100.00
Capital Implications	Capitalised			
Future Purpose of Asset	Use by MIS Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 3				
Name	Machine			
Description	Machine High Pressure Water			

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0 (2016-17)				
Asset 1				
Name	Pipe Laser			
Description	Laser Pipe			
Asset Type	Plant & Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3 (2013-14)	Year -2 (2014-15)	Year -1 (2015-16)	Year 0 (2016-17)
				70,000.00
Asset Type	Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
				24,840.00
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Cape Recife Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			

COMMENT ON ASSET MANAGEMENT:

Council adopted both Asset Management and Disposal Policies in order to provide guidance on the roles and responsibilities of the various directorates in respect of the management, control and safeguarding of municipal assets under their control. The Asset Management Policy also provides guidance on the capitalisation details, as well as the depreciation methods to be used in respect of municipal assets. Council further adopted the Asset Disposal Policy in order to provide guidance on procedures to be followed on disposal of municipal assets. The Municipality maintains bar coded asset audit system of movable assets to ensure proper management and control of municipal assets, municipal fleet has a separate system installed to monitor, track and control the use of municipal vehicles.

The repairs and maintenance of assets are undertaken on an ongoing basis. Having major maintenance backlogs on infrastructure assets will require a more focused provision of the repairs and maintenance budget in the short to medium term. The under spending by approximately 24.05% is poor. In the mSCOA environment to be implemented as regulated by 1 July 2017 Repairs and Maintenance will be budgeted at the project level and it will reference what assets have been maintained.

As a percentage of Operating Expenditure, Repairs and Maintenance was maintained in the bracket of 6.5% to 7.5% for the 2012/13 to 2014/15 financial years. However, it dropped to 4.66% and 3.53% in the 2015/16 and 2016/17 Financial years respectively.

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2016/17 Adjustments Budget.

TABLE 5.133: Analysis of actual repairs and maintenance expenditure by Directorate

Directorate	2016/17 Adjustments Budget R	2016/17 Actual R	% of Adjustments Budget
Budget & Treasury	0	(156,250)	
Public Health	8,085,190	6,135,429	75.88
Human Settlements	1,782,760	1,894,926	106.29
Economic Development, Tourism and Agriculture	4,236,650	5,523,462	130.37
Sports, Recreation, Arts and Culture	22,352,920	21,265,910	95.14
Corporate Services	16,255,070	17,137,383	105.43
Rate and General: Infrastructure & Engineering	88,706,060	79,681,660	89.83
Water Services	118,074,390	96,398,032	81.64
Sanitation Services	97,825,590	54,678,044	55.89
Electricity and Energy	55,657,630	45,560,287	81.86
Executive and Council	5,519,720	3,124,248	56.60
Safety and Security	8,294,480	6,867,762	82.80
Strategic Programmes Directorate	83,180	1,380	1.66
Nelson Mandela Bay Stadium	4,663,070	4,185,848	89.77
Total	431,536,710	342,298,119	79.32

Repairs and maintenance was therefore underspent by an amount of R89.24 million, compared to the 2016/17 Adjustments Budget due to the following:

TABLE 5.134: Unspent repairs and expenditure budget

Item description	2016/17 Adjustments Budget R	Actual R	Variance R
Pipelines	25,614,540	22,458,091	3,156,449
Planned Maintenance	8,122,460	5,696,580	2,425,880
Plant and Machinery	47,690,960	29,891,361	17,799,599
Sewers and Outfalls	48,169,710	25,891,735	22,277,975
Meters	14,984,700	7,271,390	7,713,310
Reconditioning Water Meters	8,142,850	1,405,139	6,737,711
Roads and Stormwater Gangs	23,396,410	17,514,791	5,881,619
Underground	15,383,670	11,217,847	4,165,823
Pumps – Daily Inspections	4,162,000	8,811	4,153,189
Computer Equipment	11,661,070	8,373,804	3,287,266
Buildings	26,585,940	23,699,553	2,886,387
Green Drop Compliance	2,206,580	70,000	2,136,580
Contractors	6,251,800	4,571,813	1,679,987
GIS Software Maintenance Agreement	6,316,790	3,155,536	3,161,254
Furniture and Office Equipment	1,255,960	64,331	1,191,629
TOTAL	249,945,440	161,290,782	88,654,658

The above mentioned illustrates that considering the extent of water and electricity losses an opportunity to address some backlogs had been lost due to the under spending of repairs and maintenance funds related to the Infrastructure Assets.

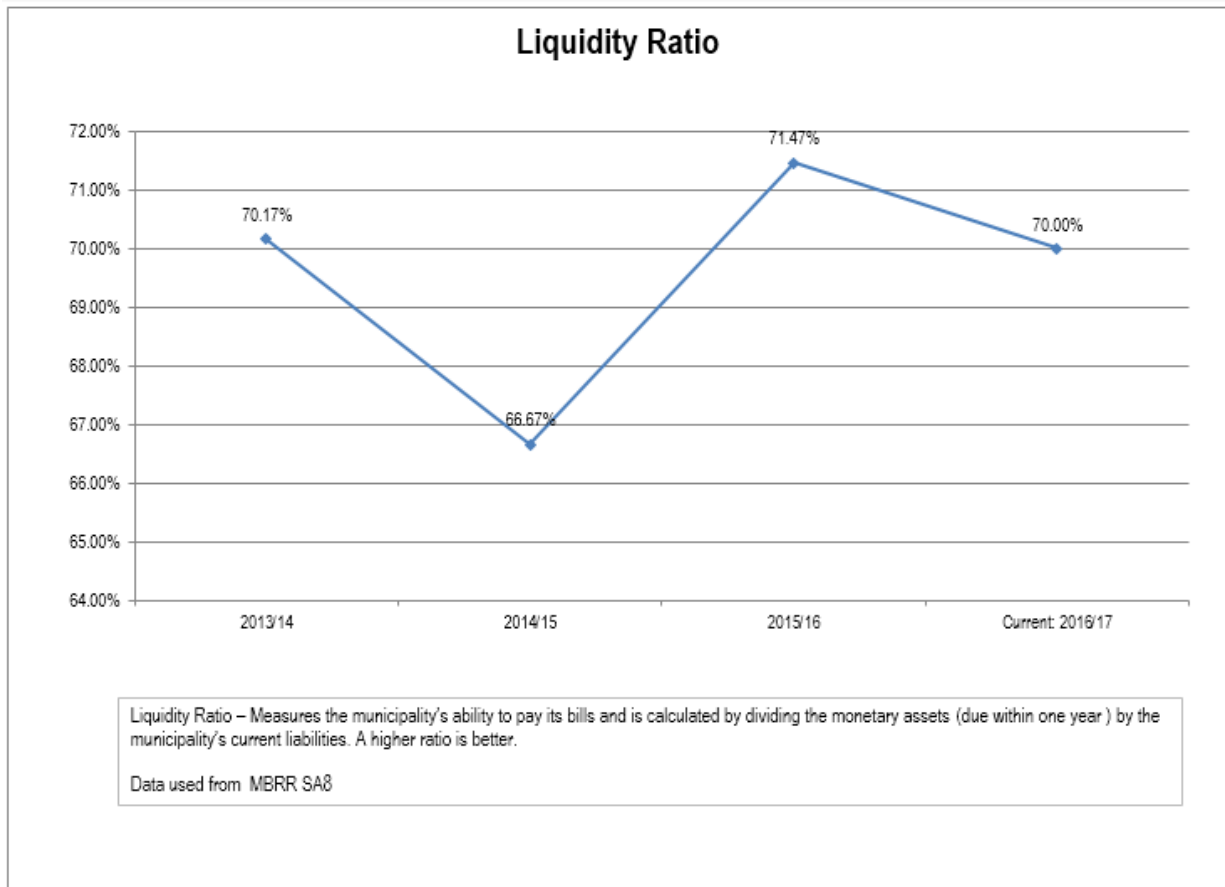
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

The comments will focus on the Ratio tables as follows:

Liquidity ratio:

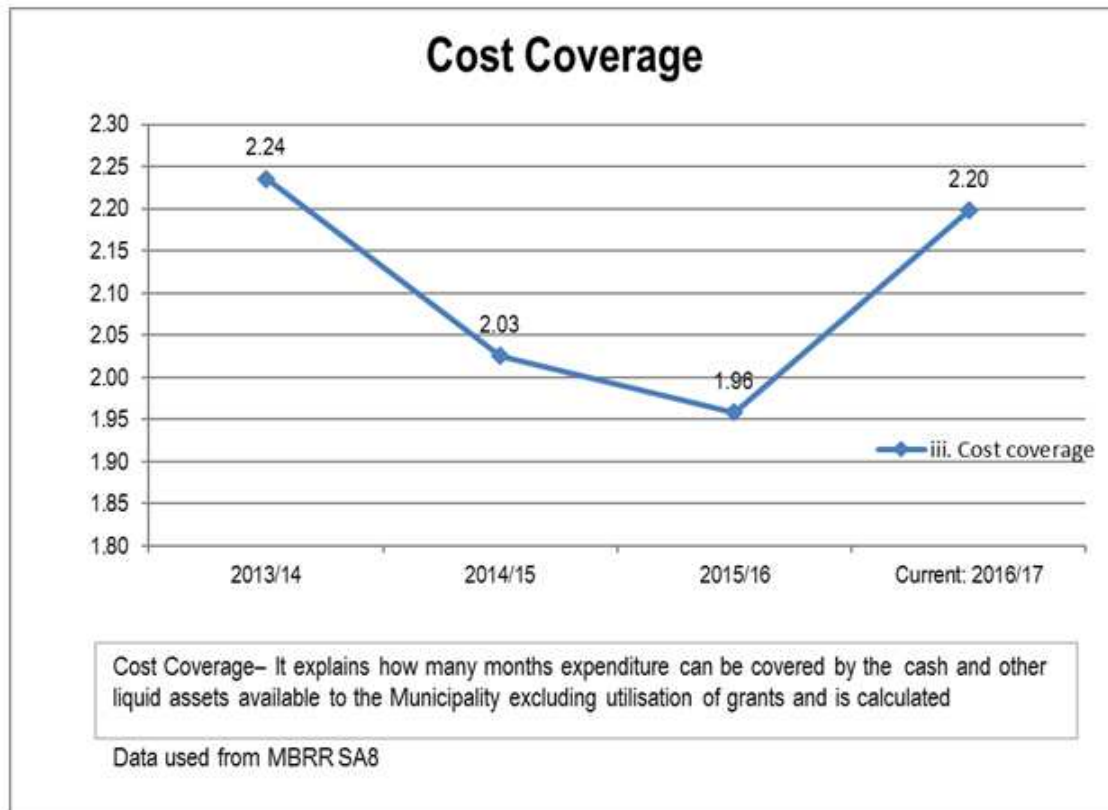
The liquidity ratio represents the monetary assets, divided by current liabilities. The ratio remains at a level of approximately 0.7:1 from the 2012/13 to the 2016/17 financial years. This indicates that the NMBM has become more stable. The NMBM must, however, achieve a ratio of at least 1:1 to be considered financially sustainable. The Cash and Cash equivalents increased by only R18.05 million during the 2016/17 financial year. Current liabilities increased by R73.07 million, from R2.26 billion in 2015/16 to R2.33 billion in 2016/17. The moderate increase in current liabilities is mainly due to a general decrease in unspent conditional grants over the same period. It contributed to the decrease, in the amount of R55.35 million, in respect of Trade and Other payables during the 2016/17 financial year. The major impact on the ratio is the increase in the current provisions. The provision for long service awards and long service bonuses increased by R69.61 million, following the introduction of an actuarial determination of the value of the provision. The provision for Litigation and Claims also increased by R44.41 million. **The liquidity ratio decreased from 0.7136:1 in the 2015/16 financial year to 0.7000 in the 2016/17 financial year, which still indicates a short to medium term risk to the financial sustainability of the Municipality.**

FIGURE 5.1: Liquidity

**Cost coverage:**

The cost coverage ratio closely follows the trends observed in the liquidity ratio. The 2016/17 ratio of 2.20 months is higher than the 2015/16 ratio of 1.958 months. Although Cash and Cash Equivalents increased by R18.05 million from R1,615 billion in 2015/16 to R1.633 billion in 2016/17, it was mainly due to the Unspent Conditional Grants as at 30 June 2017 decreasing by R198.14 million from R375.471 million in 2015/16 to R177.329 million (cash as at 30 June) in 2016/17. The annual cash payments in respect of suppliers and employees increased by only 4.64% from R7.596 billion to R7,948 billion due to various initiatives, such as the implementation of the cost containment policy. **The cost coverage ratio, therefore, increased from 1.96 months in the 2015/16 financial year to 2.20 in the 2016/17 financial year, which has had a positive influence on the financial sustainability of the Municipality. The National Treasury promotes a ratio of at least 3 months to be assessed as adequately sustainable**

FIGURE 5.2: Cost coverage

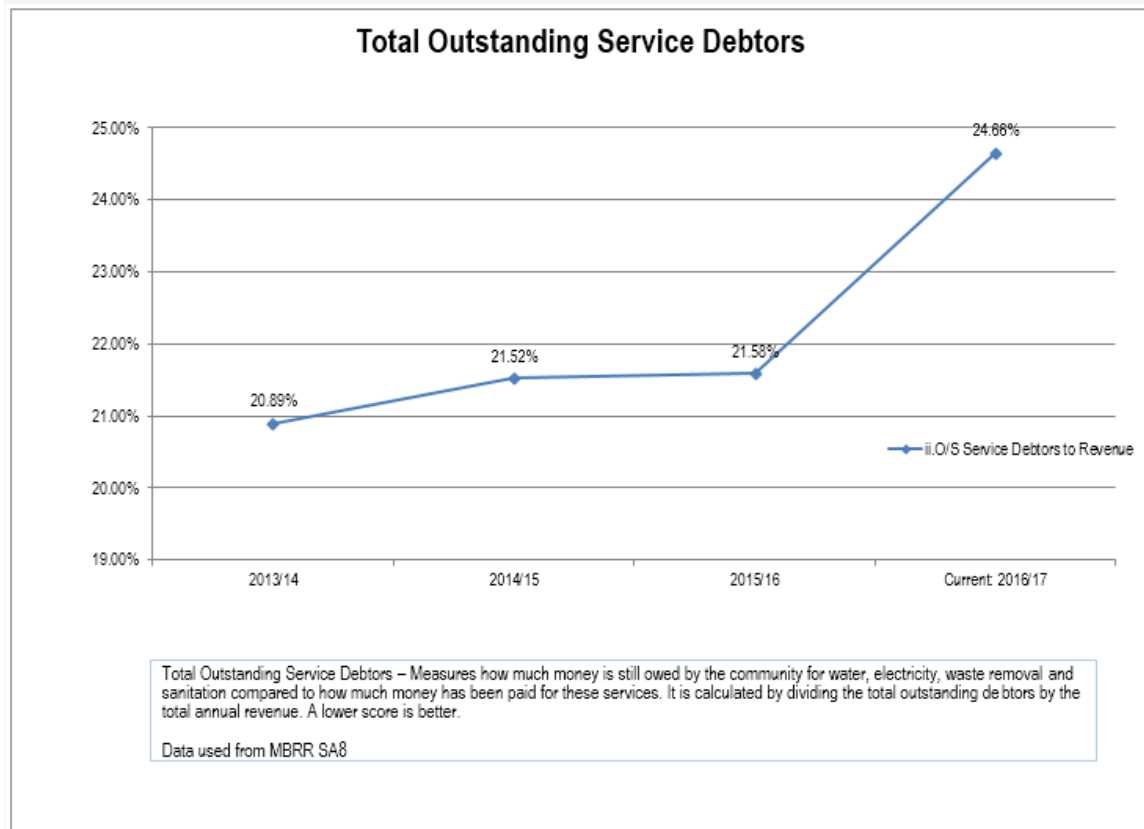


Total outstanding Service Debtors:

The ratio increased from 12.6% in 2011/12 to 24.7% in 2016/17. This trend must be viewed with caution. The gross outstanding service debtors increased by 4.56% from R3.308 billion in 2015/16 to R3.459 billion in 2016/17. The debtors' collection rate was 94.3% for the 2016/17 financial year. The provision for doubtful debtors had to be adjusted from R2.041 billion to R1.915 billion. The provisioning levels indicate that 61.70% of gross debtors for 2015/16 and 55.36% for 2016/17 are considered to be doubtful. Due to the considerable write-offs as a result of the implementation of the May 2016 ATTP Policy, it would appear that outstanding debtors has not grown as much as it has. Also a large portion of old debt has been written off, resulting in the debt profile to be considered more recoverable; hence the reduction in the estimation of doubtful debtors. Debt collection must therefore be prioritised to improve the financial sustainability of the Municipality. The high energy users are still not paying the electricity bills raised, which affect outstanding debtors as well as the debtors' collection rate and therefore the cash position of the Municipality. **The current level of outstanding service debtors is cause for concern and all credit control and other related strategies should**

be implemented to improve the collection rate of the Municipality, so as to arrest this ever- increasing ratio, which impacts negatively on the cash position of the institution.

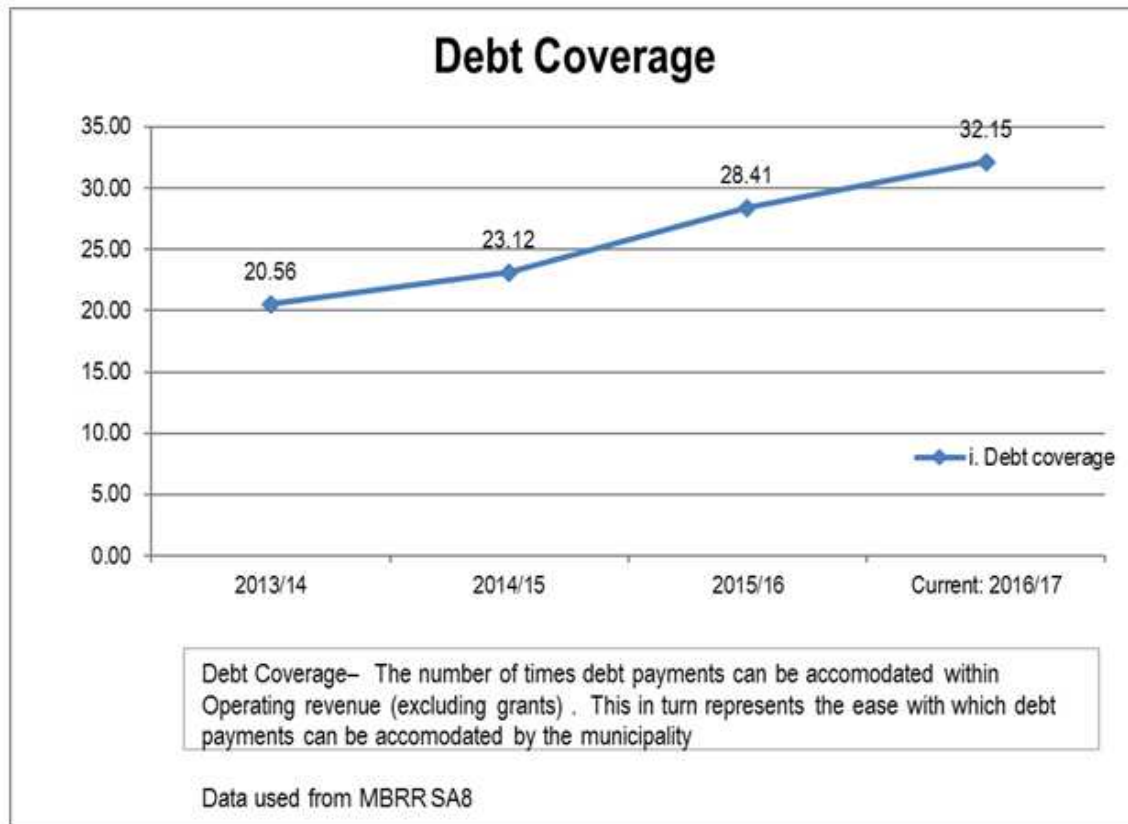
FIGURE 5.3: Total outstanding service debtors



Debt coverage:

The ratio improved positively over the last financial year, from 20.3 times in 2013/14 to 32.15 times in 2016/17. This improvement is attributable to the fact that no external borrowing was raised as from the 2011/12 financial year. **In order to ensure financial sustainability over the medium to long term, the NMBM should not take up any external borrowing for at least the period 2017/18. Thereafter, external borrowing could possibly be considered for revenue generating assets.**

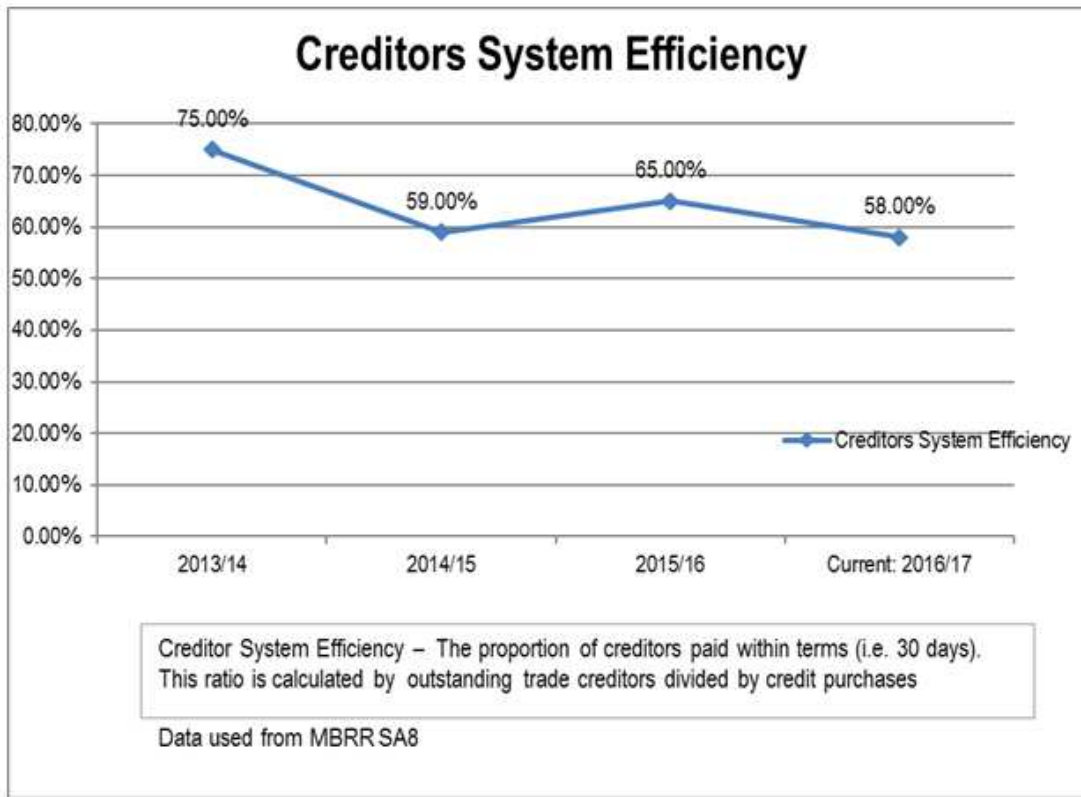
FIGURE 5.4: Debt coverage



Creditors System Efficiency:

A ratio of 58% indicates that the NMBM is not performing at the required level and is therefore not legislatively compliant. Management reports are prepared on a monthly basis, indicating the total days each directorate takes to process payments from the date of receipt of the invoice. Most directorates are not meeting the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice. This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by each directorate until the processing of the payment through the creditors payment system. The scorecards of Executive Directors do include the legislative timeframes for processing payments. **The ratio of 58% is a deterioration from the 65% achieved in the 2015/16 financial year.**

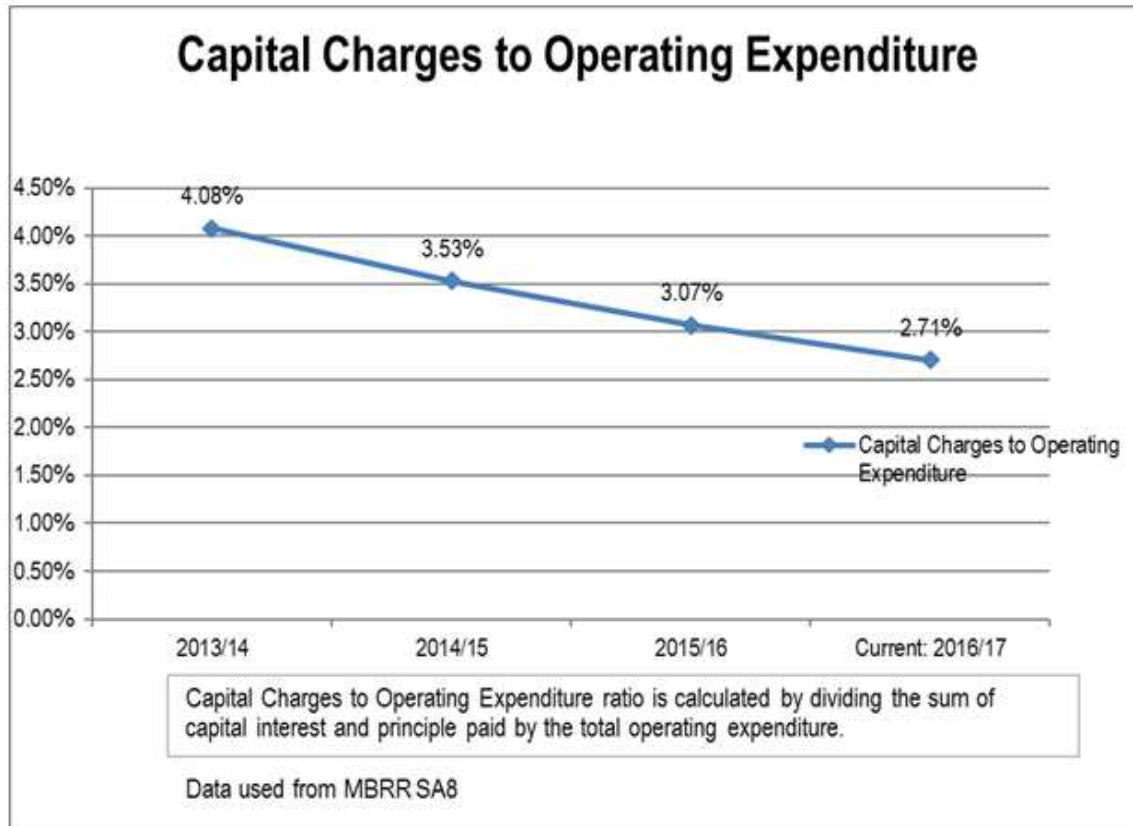
FIGURE 5.5: Creditors system efficiency



Capital Charges to Operating Expenditure:

The ratio has decreased from 4.2% in 2010/11 to 2.71% in 2016/17, and will further decrease until new external borrowings are taken up. Council has indicated its intention to take up external borrowing during the second half of the 2017/18 financial year.

FIGURE 5.6: Capital charges to operating expenditure

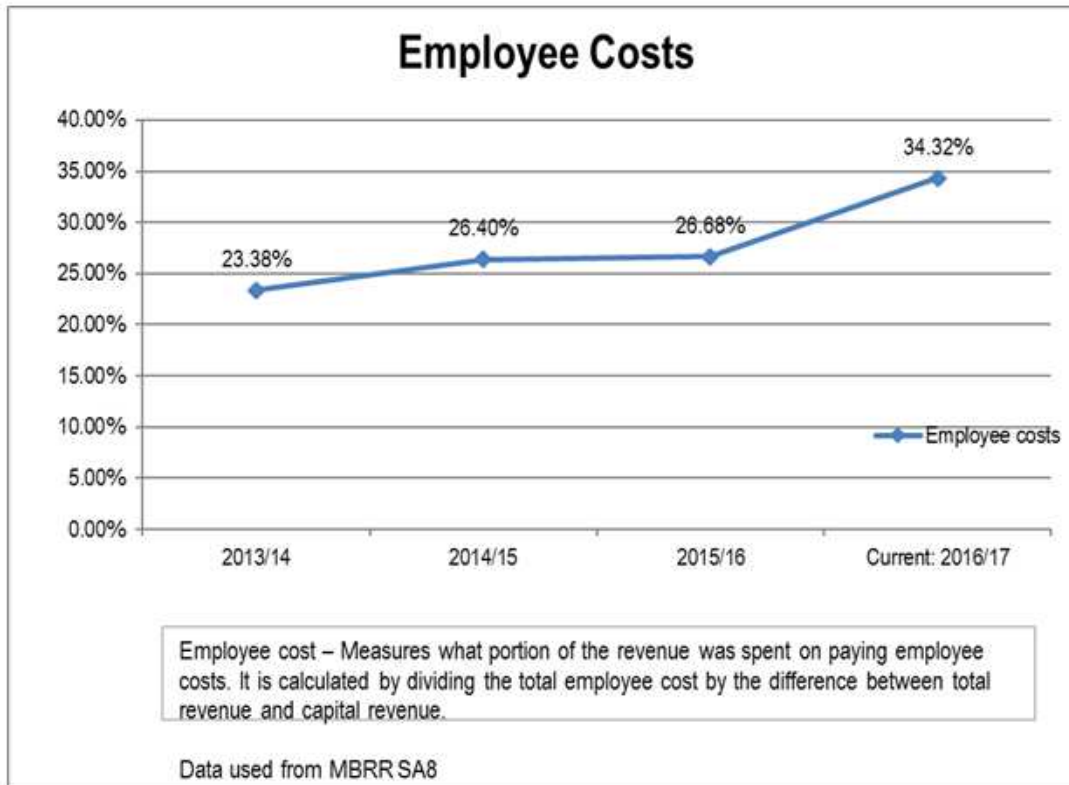


Employee costs

Employee costs as a percentage of operating revenue increased from 26.7% in the 2015/16 financial year to 34.3% in 2016/17. The ratio has, however, been increasing annually since the 2013/14 financial year, in which the ratio was 23.38%. National Treasury has stated that there is no benchmark for employee costs for municipalities, as they operate under different circumstances. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, the filling of vacancies and the finalisation of the new organisational structure will be significant factors to manage over the 2017/18 MTREF. It must be noted that the actuarial valuation in respect of the provision for long service awards and long service bonuses contributed to the increase of employee related costs. Employee related costs increased by R758.23 million from R2.342 billion to R3.101 billion. The provision has been increased by R587.60 million from the anticipated R82.99 million to R670.59 million. If this transaction was not taken into consideration, employee costs would have been 27.02% of operating revenue.

The increase in the ratio indicates further cash flow pressures over the short to medium term and will also negatively impact on the financial sustainability of the Municipality.

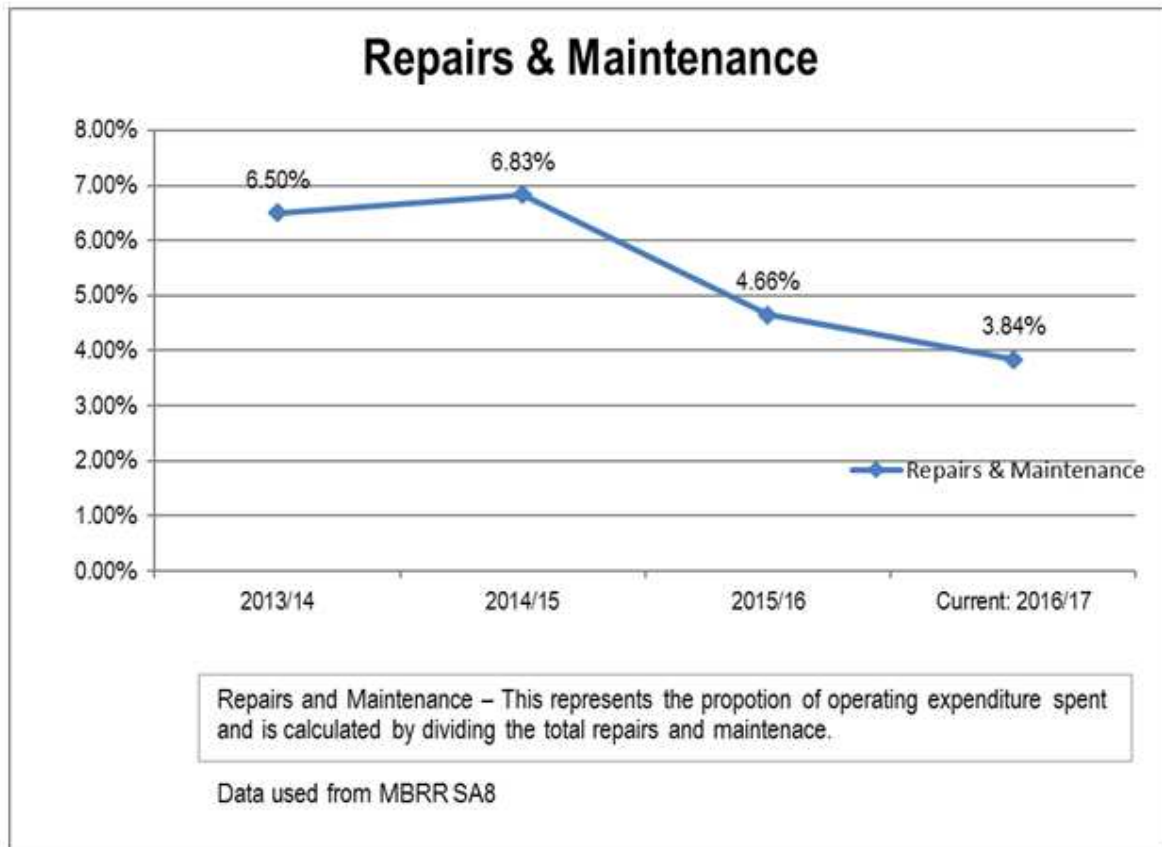
FIGURE 5.7: Employee costs



Repairs and Maintenance:

The ratio is at a low 3.84%. It is critical that the Municipality either increases its spending on infrastructural repairs and maintenance or increases its capital spending on the renewal of current assets in order to deal with the ever-growing backlog in maintaining old infrastructure. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 7% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms must be developed to address the eradication of infrastructure maintenance backlogs. The main risk associated with a low repairs and maintenance ratio is that the expected useful lives of assets will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM's current revenue base.

FIGURE 5.8: Repairs and maintenance



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The 2016/17 Capital Budget was funded as follows:

TABLE 5.135: Capital expenditure

Funding Source	% of Original Budget	% of Adjustments Budget	% of Actual Expenditure
Grant Funding	58.65%	55.84%	59.76%
Internal Funding	37.61%	40.10%	32.73%
Borrowing	0.00%	0.00%	0.00%
Public Contributions	3.74%	4.06%	7.51%
Total	100.00%	100.00%	100.00%

The Municipality performed as follows on the DORA Capital Grants:

1. Urban Settlements Development Grant

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R851,282,000
Amount of Grant Received:	R851,282,000
Expenditure to date:	R851,282,000
Unspent as at 30 June 2017	R 0

As at 30 June 2017, the DORA allocation was fully spent.

2. Public Transport Infrastructure Grant

This grant provides for the accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

DORA Allocation rolled-over:	R66,505,614
Amount of Grant Received:	R 0
Expenditure to date:	R64,153,951
Unspent as at 30 June 2017:	R 2,351,663

As at 30 June 2017, 96.46% of the approved roll-over of the 2014/15 DORA allocation was spent. National Treasury does not allow roll-over funds to roll over for a second year, and therefore the unspent funds will be paid back to National Treasury.

3. Neighbourhood Development Partnership Grant

This grant is to support and facilitate the planning and development of Neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation:	R21,476,000
DORA Adjustments Budget	R10,390,000
Amount of Grant Received:	R10,390,000
Expenditure to date:	R 9,827,778
Unspent as at 30 June 2017:	R 562,222

4. Integrated National Electrification Programme

This grant is to provide funding to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.

DORA Allocation:	R35 000 000
Amount of Grant Received:	R35 000 000
Expenditure to date:	R35 000 000
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

5. Integrated City Development Grant

This grant is to build more sustainable, productive, liveable and inclusive cities by transforming the spatial patterns of the city.

DORA Allocation:	R 9 276,000
Amount of Grant Received	R 9 276 000
Carry-over from 2015/16	R 1 722 800
Expenditure to date:	R10 998 800
Unspent as at 30 June 2017:	R 0

As at 30 June 2017, the DORA allocation was fully spent.

Other Capital Grants

6. CDC Walmer Intervention Funding Grant

This grant is used to speed up service delivery intervention in the Walmer Gqebera township.

Received 2015/16:	R 5,546,957
Received 2016/17	R15,000,000
Expenditure to date:	R 0
Unspent as at 30 June 2017:	R20,546,957

No spending was incurred against this grant.

7. CDC Coega Grant

This grant is used to speed up service delivery intervention in the Walmer Gqebera township.

Amount of Grant Received:	R	0
Expenditure to date:	R50,451,940	
Debtor as at 30 June 2017:	R50,451,940	

A debtor was raised for the R50,451,940 spending that was incurred. The amount owed by Coega should be collected as a matter of urgency.

Applications were submitted to National Treasury for roll-overs to the 2017/18 financial year in respect of all unspent conditional DORA grants. Notification of approval of the roll-over funds was received during October 2017. National Treasury did not approve any DORA Capital Grant roll-overs.

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met.

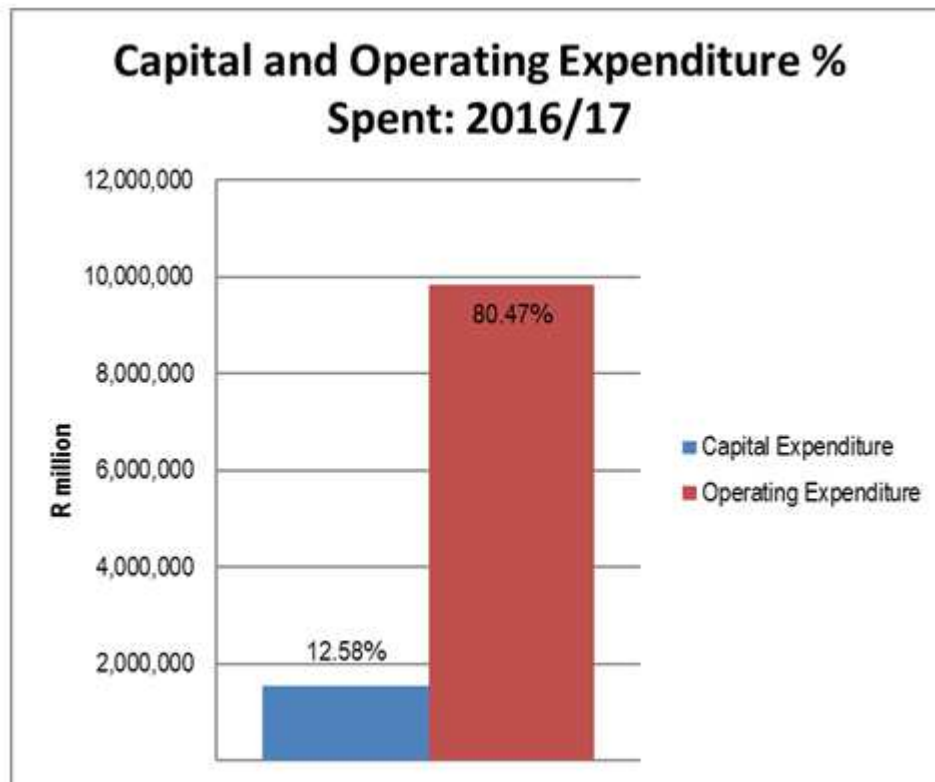
TABLE 5.136: Financial overview of operating and capital expenditure

Financial overview of operating and capital expenditure						
R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance	
Capital Expenditure	1,416,400	1,552,012	1,430,913	-1.02%	7.80%	12.58%
	1,416,400	1,552,012	1,430,913	-1.02%	7.80%	
Operating Expenditure	9,503,483	9,823,533	9,154,000	3.68%	6.82%	80.47%
	9,503,483	9,823,533	9,154,000	3.68%	6.82%	
Total expenditure	10,919,883	11,375,544	10,584,913	3.07%	6.95%	
Water and sanitation	483,301	479,051	446,004	7.72%	6.90%	
Electricity	228,244	241,244	301,576	-32.13%	-25.01%	
Housing	211,100	199,100	205,227	2.78%	-3.08%	
Roads, Pavements, Bridges and storm water	221,789	266,588	254,428	-14.72%	4.56%	
Other	271,967	366,029	223,679	17.76%	38.89%	
	1,416,400	1,552,012	1,430,913	-1.02%	7.80%	
External Loans						
Internal contributions	532,733	622,409	468,333	12.09%	24.75%	
Grants and subsidies	830,667	866,603	855,067	-2.94%	1.33%	
Other	53,000	63,000	107,513	-102.85%	-70.65%	
	1,416,400	1,552,012	1,430,913	-1.02%	7.80%	
External Loans						

Financial overview of operating and capital expenditure						
R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance	
Grants and subsidies	2,331,711	2,379,306	1,861,336	20.17%	21.77%	
Investments Redeemed						
Statutory Receipts (including VAT)	6,228,744	6,149,760	5,950,152	4.47%	3.25%	
Other Receipts	1,147,558	1,065,347	1,631,563	-42.18%	-53.15%	
	9,708,013	9,594,413	9,443,051	2.73%	1.58%	
Salaries, wages and allowances			2,393,170			
Cash and creditor payments	7,756,281	7,741,897	5,334,402	31.22%	31.10%	
Capital payments	1,459,151	1,459,957	1,383,251	5.20%	5.25%	
Investments made						
External loans repaid	93,920	93,920	93,920	0.00%	0.00%	
Statutory Payments (including VAT)						
Other payments	231,488	237,993	220,441	4.77%	7.38%	
	9,540,840	9,533,767	9,425,183	1.21%	1.14%	
	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance	
Property rates	1,638,304	1,619,001	1,599,357	2.38%	1.21%	
Service charges	4,988,019	4,923,297	4,890,609	1.95%	0.66%	
Other own revenue	2,909,534	2,859,373	2,501,377	14.03%	12.52%	
	9,535,857	9,401,671	8,991,343	5.71%	4.36%	
Employee related costs	2,501,615	2,470,432	3,060,663	-22.35%	-23.89%	
Provision for working capital						
Repairs and maintenance	457,648	431,427	342,298	25.20%	20.66%	
Bulk purchases	2,991,096	3,018,596	3,010,600	-0.65%	0.26%	
Other expenditure	3,553,124	3,903,078	2,740,438	22.87%	29.79%	
	9,503,483	9,823,533	9,154,000	3.68%	6.82%	
Service charges: Electricity	3,736,584	3,761,084	3,569,229	4.48%	5.10%	
Grants & subsidies: Electricity	66,006	68,718	69,312	-5.01%	-0.86%	
Other revenue: Electricity	100,748	115,681	100,201	0.54%	13.38%	
	3,903,338	3,945,483	3,738,743	4.22%	5.24%	
Employee related costs: Electricity	284,827	285,866	337,577	-18.52%	-18.09%	
Provision for working capital: Electricity						
Repairs and maintenance: Electricity	56,409	55,658	45,560	19.23%	18.14%	
Bulk purchases: Electricity	2,871,221	2,898,721	2,913,232	-1.46%	-0.50%	
Other expenditure: Electricity	478,559	308,785	301,415	37.02%	2.39%	
	3,691,016	3,549,030	3,597,784	2.53%	-1.37%	

Financial overview of operating and capital expenditure						
R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance	
Service charges: Water	612,076	650,216	761,650	-24.44%	-17.14%	
Grants & subsidies: Water	113,546	150,958	151,444	-33.38%	-0.32%	
Other revenue: Water	69,954	72,354	54,678	21.84%	24.43%	
	795,576	873,529	967,772	-21.64%	-10.79%	
Employee related costs: Water	147,584	152,917	177,060	-19.97%	-15.79%	
Provision for working capital: Water						
Repairs and maintenance: Water	105,960	118,074	96,398	9.02%	18.36%	
Bulk purchases: Water	119,876	1,198,775	97,368	18.78%	91.88%	
Other expenditure: Water	744,667	515,838	356,374	52.14%	30.91%	
	1,118,087	1,985,604	727,200	34.96%	63.38%	

FIGURE 5.9: Capital and operating expenditure



5.6 SOURCES OF FINANCE

Public Contributions and Donations – Projects in this category are demand driven and therefore spending follows accordingly. The Adjustments Budget had an allocation of R63 million for projects that were to be undertaken during the financial year. An additional amount of R50 million was brought onto the budget by means of a Budget Amendment item for additional funds that were received.

Grants and Subsidies – This category is mainly driven by capital DORA Grants. In terms of GRAP revenue is only recognized once the conditions of the grant had been met. Most of the DORA Conditional grants were fully spent as at 30 June 2017, with the exception of NDPG and IPTS. The IPTS is in respect of an existing carry-over from a prior year and may not be carried over for another year.

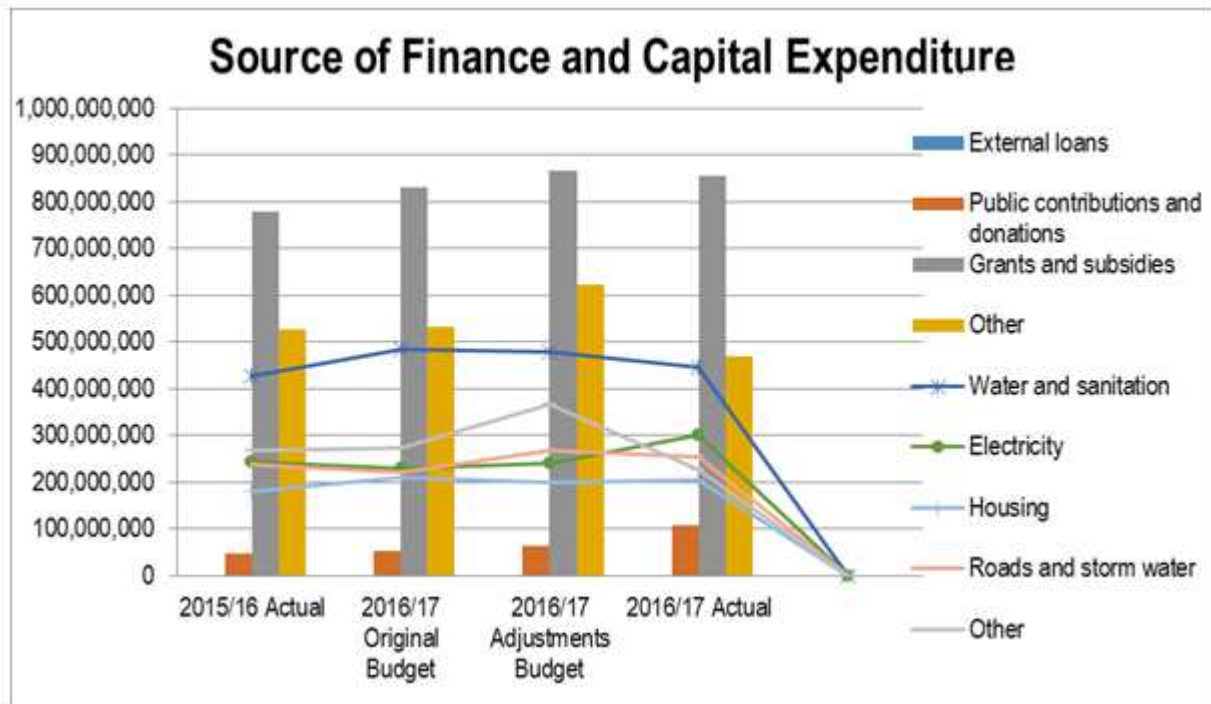
Internally Generated Funding – This category is mainly funded through the Fuel Levy, Equitable Share and Capital Replacement Reserve funding.

TABLE 5.137: Capital expenditure - funding sources

Capital Expenditure - Funding Sources: 2015/16 to 2016/17						
Details	R' 000					
	2015/16	2016/17				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans					0.00%	0.00%
Public contributions and donations	47,747	53,000	63,000	107,513	18.87%	102.85%
Grants and subsidies	777,512	830,667	866,603	855,067	4.33%	2.94%
Other	527,039	532,733	622,409	468,333	16.83%	-12.09%
Total	1,352,298	1,416,400	1,552,012	1,430,913	9.57%	1.02%
Percentage of finance						
External loans					0.00%	0.00%
Public contributions					197.07%	10038.09%

Capital Expenditure - Funding Sources: 2015/16 to 2016/17						
Details	R' 000					
	2015/16	2016/17				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
and donations						
Grants and subsidies					45.18%	286.69%
Other					175.81%	-1179.80%
Capital expenditure						
Water and sanitation	425,680	483,301	479,051	445,534	-0.88%	-7.81%
Electricity	242,331	228,244	241,244	299,326	5.70%	31.14%
Housing	180,459	211,100	199,100	205,107	-5.68%	-2.84%
Roads and storm water	237,347	221,789	266,588	253,668	20.20%	14.37%
Other	266,481	271,967	366,029	227,277	34.59%	-16.43%
Total	1,352,298	1,416,400	1,552,012	1,430,913	53.92%	18.43%
Percentage of expenditure						
Water and sanitation					-1.63%	-42.40%
Electricity					10.56%	168.96%
Housing					-10.54%	-15.40%
Roads and storm water					37.46%	77.98%
Other					64.15%	-89.15%

FIGURE 5.10: Source of finance and capital expenditure



5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Fishwater Flats Waste Water Treatment Works – This is a long term capital project which focuses on the restoration and upgrade of the Waste Water Treatment Works. The project is scheduled to conclude by 2030, and will follow a phased-approach subject to budget availability.

Some of the challenges experienced include work stoppages by EME's as well as time delays due to the existing ageing infrastructure that needs to be assessed before certain works can continue.

The Adjustments Budget for this project was increased by about R15 million. Work was accelerated on this project due to savings identified within the Sanitation Capital Budget and the cashflow was then managed accordingly to ensure maximum benefit.

Tarring of Gravel Roads – This is an annual project that is geared towards eradicating the backlog of roads that still need to be tarred, especially within the previously disadvantaged areas. The budget allocation per annum is determined by the funding availability as well as the ward-based priorities determined in the IDP. The work is then executed in line with the budget

availability. Future budget requirements and work to be undertaken will be determined by the individual ward priorities.

Nooitgedagt/Coega Low Level System - Work on the civil contracts was expected to accelerate during 2015/16, however delays were experienced due to sub-standard materials having to be returned to the manufacturer. The original budget of R40 million for 2016/17 was insufficient to conclude the planned contracts as well as the outstanding work component from the previous financial year. The budget was then increased by R24,5 million in order to accommodate all the planned works.

Kelvin Jones WWTW Upgrade – The aim of this project is to upgrade the treatment works to treat raw effluent more effectively. This upgrade will enable the municipality to produce an effluent that is within the required environmental standards and legislation. This is a multi-phased project limited by funding availability per annum. The spending for the 2017 financial year was in line with the projected cashflows.

Reinforcement of Electricity Network (Coega) - There is a plan to move the Transnet Manganese Tanks from Humewood to Coega IDZ. In order to be able to provide a sufficient electricity supply to Coega Main, it was important that the electricity network be reinforced. Furthermore, there is an increase in industrial business tenants that have come into Coega Zone 3, hence the requirement for reinforcement. This is an ongoing project that is dependent on developments within the Coega IDZ.

TABLE 5.138: Capital expenditure of 5 largest projects

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Kelvin Jones WWTW: Upgrade	31,000	40,000	46,473	-49.91%	-29.03%
Reinforcement of Electricity Network - Coega	15,000	30,000	72,027	-380.18%	-100.00%
Nooitgedagt/Coega Low Level System	40,000	64,500	70,991	-77.48%	-61.25%
Tarring of Gravel Roads	72,000	72,000	71,197	1.12%	0.00%
Fishwater Flats WWTW Upgrade	65,000	77,257	72,942	-12.22%	-18.86%
* Projects with the highest capital expenditure in Year 0					

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Name of Project - Kelvin Jones WWTW: Upgrade					
Objective of Project	To upgrade the treatment works to treat raw effluent sufficiently and effectively. To treat the raw effluent to the required standards and legislation. To produce an effluent in accordance with the standards.				
Delays	Weather Ward Social Issues e.g. appointment of labour, appointment of Ward base EMEs etc. Old Existing services positions that were not recorded properly on drawings				
Future Challenges	Financial provisions per financial year is limited resulting in a limited phased project implementation approach				
Anticipated citizen benefits	Proper and dignified service delivery; Treatment of raw effluent; To also accommodate future developments that will be erected on close by areas				
Name of Project - Reinforcement of Electricity Network – Coega					
Objective of Project	This objective of the project is to ensure uninterrupted, safe and reliable supply to the Coega IDZ. The IDZ was identified as a special economy zone (SEZ) and the management of the IDZ electrical network is performed through a joint agreement signed with the Municipality. 80% of the funding of this project is through Public contributions.				
Delays	There are no delays as the project is mainly customer demand driven.				
Future Challenges	The Municipality is not able to properly plan because future developments are not confirmed or even better known as yet.				
Anticipated citizen benefits	Reliable supply without interruptions will increase investor confidence. An increase in investments in Coega will result to more job opportunities for the resident of the NMBM.				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Name of Project - Nooitgedagt/Coega Low Level System					
Objective of Project	The low level scheme will augment the existing high level scheme by an additional 90MI per day of treatment capacity. The scope of work of the low level scheme includes civil, mechanical and electrical work to upgrade the capacity of the Nooitgedagt WTW by an additional 90MI per day, the civil, mechanical and electrical work for the new low level pump station at the Nooitgedagt WTW, upgrading the electrical transformer and switchgear at the WTW, construction of bulk pumping and gravity water pipelines between the WTW and Coega/Motherwell, construction of 1 x 10MI and 1 x 45MI reservoir at Olifantskop, civil, electrical and mechanical works for new booster pump stations at Motherwell and Stanford Road to allow for transfer of water from Nooitgedagt to the western parts of the NMBM				
Delays	Budget constraints, EME participation delays, Inclement weather delays, national strikes				
Future Challenges	Budget availability through DWS, dealing with Amatola water, EME challenges				
Anticipated citizen benefits	Security of water supply during periods of low rainfall				
Name of Project - Tarring of Gravel Roads					
Objective of Project	To eliminate the huge tarring backlog in the Metro with emphasis on previously disadvantaged areas.				
Delays	Project stoppages as a result of Emerging Enterprise Development programme & policy implementation.				
Future Challenges	Insufficient budget to meet objectives.				
Anticipated citizen benefits	Upliftment of residential areas.				
Name of Project - Fishwater Flats WWTW Upgrade					
Objective of Project	To upgrade the treatment works to treat raw effluent sufficiently and effectively. To treat the raw effluent to the required standards and legislation. To produce an effluent in accordance with the standards.				
Delays	Weather; stoppages by Emerging Micro Enterprises; Existing services positions are unknown.				
Future Challenges	Financial provisions per financial year is limited resulting in a limited phased project implementation approach.				
Anticipated citizen benefits	Proper service delivery; Treatment of raw effluent; Allowance for inflow from the bucket eradication programme.				

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Nelson Mandela Bay Municipality has undertaken studies to quantify institutional backlogs. Based on the findings, large portions of the Municipality's Capital Budget have been allocated to maintenance backlogs.

The estimated total capital budget backlogs which excluded amenities are as follows:

TABLE 5.139: Estimated total capital budget backlogs

BACKLOGS	AMOUNT
Infrastructure capital backlog (Water, Sanitation, Roads and Stormwater)	10,541,000,000
Capital Refurbishment and Rehabilitation Maintenance (All Infrastructure)	11,697,000,000
Electricity Network Refurbishment and Infrastructure Recapitalization	1,324,000,000
Total	23,562,000,000

Key to the Capital Budget of the Nelson Mandela Bay Municipality is the Urban Settlements Development Grant, which may be used for the following:

- Acquisition, Development or re-Development of Land
- Basic Infrastructure Services for Poor Households including Bulk Services
- Upgrading of Informal Settlements

In this regard, the Municipality has used the Grant to prioritise infrastructure for:

- (a) Internal services
- (b) Bulk sanitation
- (c) Bucket eradication through the provision of chemical toilets
- (d) Bulk water
- (e) Upgrading of roads
- (f) Upgrading of public open spaces
- (g) Acquisition of land
- (h) Public lighting and switchgear upgrading for housing reticulation to support integrated and sustainable development of residential areas incorporating the full basket of services.

TABLE 5.140: 2016-17 URBAN SETTLEMENTS DEVELOPMENT GRANT CAPITAL BUDGET VS EXPENDITURE

CAPITAL SPENDING COMPARED TO BUDGET - 1 JULY 2016 - 30 JUNE 2017				
Directorate	Adjusted Budget	Total Actual Expenditure	Balance	% Spent 2016-17
Human Settlements	229,254,034	232,640,850	-3,386,816	101%
Servicing of sites and Informal Settlements Upgrades	229,254,034	232,640,850	-3,386,816	101%
Infrastructure and Engineering	615,217,281.30	611,830,465.49	3,386,815.81	99%
Roads, Storm water and Transportation	96,539,418.00	95,261,344.89	1,278,073.11	99%
Sanitation Service Capital	277,241,997.50	273,978,004.19	3,263,993.31	99%
Sanitation Service Operating (0453 6285)	19,380,000.00	19,380,000.00	-	100%
Water Service	222,055,865.80	223,211,116.41	-1,155,250.61	101%
Electricity and Energy	23,810,684.50	23,810,684.50	-	100%
TOTAL VAT INCL	868,282,000.00	868,282,000.00	-0.00	100.0%

TABLE 5.141: Urban Settlements Development Grant (USDG) - Expenditure Year 0 on Service backlogs

R' 000			
Details	Budget	Adjustments Budget	Actual
Infrastructure - Road transport			
Roads, Pavements & Bridges	72,000	72,000	83,771
Storm water			
Infrastructure - Electricity			
Generation			
Transmission & Reticulation			3,200
Street Lighting	6,000	6,000	16,860
Infrastructure - Water	10,551	9,051	6,780
Dams & Reservoirs	10,000	2,800	2,889
Water purification	16,000	9,750	8,337
Reticulation	122,500	147,450	177,793
Infrastructure - Sanitation	1,000	2,000	1,981
Reticulation	167,400	151,500	97,495
Sewerage purification	128,100	143,000	140,976
Infrastructure - Other	211,100	199,100	204,568
Waste Management			
Transportation			
Gas			
Other Specify:			
Total	744,651	742,651	744,651

COMMENT ON BACKLOGS:

The condition of municipal infrastructure in South Africa is a crucial element in its ability to ensure service provision to all communities. The Nelson Mandela Bay Municipality is challenged with the eradication of major service delivery backlogs versus the available budget. While the institution has gradually increased its budgetary spending on the eradication of backlogs in the maintenance of critical infrastructure, it is clear that additional funding is required from external sources for this purpose. Notwithstanding this, the Municipality is committed in addressing backlogs and providing quality services to its residents.

TABLE 5.142: Grant Performance

Description	R' 000				2016/17 Variance	
	2015/16	2016/17		Original Budget (%)	Adjustments Budget (%)	
	Actual	Budget	Adjustments Budget			Actual
Operating Transfers and Grants						
National Government:	896,048	826,737	862,326	851,584	3.01%	-1.25%
Equitable share	774,617	798,043	798,043	798,043	0.00%	0.00%
Finance Management Grant	1,050	1,050	1,050	1,050	0.00%	0.00%
Smart Grid Initiative	13,848					
Municipal Human Settlements Capacity Grant	28,054	3,148	6,528		-100.00%	-100.00%
EPWP Incentive	8,664	8,496	8,496	8,205	-3.42%	-3.42%
Public Transport Network Operations	26,386		26,558	26,137		-1.58%
Infrastructure Skills Development	8,672	14,500	14,500	9,780	-32.55%	-32.55%
Integrated City Development	3,985		1,723	1,723		-0.01%
Off-Grid Electrification Grant	20,788		1,212	1,212		-0.01%
LGSETA Discretionary Learnership	9,985	1,500	4,216	5,435	262.31%	28.91%
Other transfers/grants [insert description]						
Provincial Government:	247,266	536,462	553,013	89,252	-83.36%	-83.86%
Health Subsidy	3,334			1,578		
Library Services	9,752	15,624	16,095	15,000	-3.99%	-6.80%
PHB Subsidies	222,854	517,128	517,128	58,507	-88.69%	-88.69%
Vuna Awards	16					
Dept of Roads and Public			8,000	8,000		0.00%

Description	R' 000				2016/17 Variance	
	2015/16	2016/17			Original Budget (%)	Adjustments Budget (%)
	Actual	Budget	Adjustments Budget	Actual		
Works						
Provincial Department of Human settlements: Accreditation Grant	5,833	3,148	11,289	6,167	95.90%	-45.37%
Provincial Department Agency: Communication	5,201					
Marine Coastal	275	562	501		-100.00%	-100.00%
District Municipality:						
[insert description]						
Other grant providers:	5,626		2,410	13,286		451.19%
EU Sector Policy Support Project	1,470		1,750	7,031		301.76%
National Lotteries Grant	3,113		660			-100.00%
Groen Sebenza (SANBI) Grant	216					
Other	827			6,255		
Total Operating Transfers and Grants	1,148,940	1,363,199	1,417,749	954,122	-30.01%	-32.70%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.9 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT

NMBM had a major cash flow challenge during the period 2010/11 to 2011/12 and had introduced daily cash flow management. Cash flow is determined from historic trends and assumptions in respect of over flow of expenditure from one year to another are determined. Therefore, payments to be accrued for example to the 2015/16 budget, but are paid during the 2016/17 year are taken into account in determining the cash flow for the 2016/17 financial year. At the same time an estimation is made of what portion of the 2015/16 budget will only be paid in the 2016/17 year for services rendered and goods received in the 2015/16 financial year. This differs from the national Treasury approach to only take into account the budget year for determining cash flow. Especially in the case of capital expenditure where the budget may materially differ from one year to another the NMBM methodology is more secure especially in a cash challenge situation.

NMBM determine the actual cash flow for each expenditure and revenue category. Non-cash line items and categories are eliminated where appropriate. Further, NMBM does not include the value budgeted for interest on outstanding debtors as this revenue source normally exists of long outstanding debts which are regarded as doubtful and therefore limited possibility of being converted into cash.

Cash flow in respect of the statement of financial position such as provisions (Post-retirement benefits) and creditors (Provision for leave pay) are also taken into consideration when determining cash flow.

NMBM plans its investment around the cash needs of the NMBM. Take into consideration when revenue is due in respect of all revenue categories. The same applies to capital expenditure and the operational categories.

The cost coverage is being managed and calculated monthly to determine whether risk indicators are present.

All cash available are invested in accordance with the Cash and investments policy of Council.

TABLE 5.143: Cash-flow outcomes

Cash Flow Outcomes				
	R'000			
	2015/16	Current: 2016/17		
Description	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	7,237,647	7,284,807	7,117,428	7,460,513
Government - operating	1,206,016	1,391,004	1,402,517	878,217
Government - capital	932,291	940,707	976,789	983,120
Interest	112,372	91,495	97,234	120,860
Dividends	77			341
Payments				
Suppliers and employees	(7,321,511)	(7,756,281)	(7,741,897)	(7,727,572)
Finance charges	(168,838)	(158,019)	(157,804)	(157,624)
Transfers and Grants	(105,376)	(73,469)	(80,189)	(62,817)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,892,677	1,720,244	1,614,078	1,495,039
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		(2,000)	(6,063)	
Decrease (increase) in non-current investments				
Payments				
Capital assets	(1,621,917)	(1,459,151)	(1,459,957)	(1,383,251)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,621,917)	(1,461,151)	(1,466,020)	(1,383,251)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits		2,000	6,508	
Payments				
Repayment of borrowing	(104,093)	(93,920)	(93,920)	(93,920)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(104,093)	(91,920)	(87,412)	(93,920)
NET INCREASE/ (DECREASE) IN CASH HELD	166,667	167,173	60,646	17,868
Cash/cash equivalents at the year begin:	1,445,839	1,358,756	1,612,505	1,612,505
Cash/cash equivalents at the year-end:	1,612,505	1,525,929	1,673,151	1,630,374

COMMENT ON CASH FLOW OUTCOMES

Cash and cash equivalents at year-end increased from a relatively low level of R427.66 million in 2010/11 to R 1.61 billion in the 2015/16 financial year. The cash flow, however, decreased from the 2013/14 financial year by R162.56 million from R1.61 billion to R1.45 billion in the 2014/15 financial year. The cash flow, however, recovered back to the R1.61 billion as at 30 June 2016. The cash flow further improved to R1.63 million as at 30 June 2017.

The implementation of the Operations Efficiency Policy should further enhance the growth in the cash flow position. National Treasury views a 3-month cost coverage ratio as critical from a financial sustainability perspective. The Audited Consolidated Annual Financial Statements reflects a cost coverage ratio of only 2.22 months indicating that NMBM still faces short to medium term challenges in respect of cash flow.

Due to improved cash flow balances and adjustments to the interest rate for investment purposes more interest was earned than anticipated. Also to note is that finance costs are decreasing due to no additional borrowing.

Components of the Cash Flow outcomes:

Cash flow from operating activities

Revenue from Services did not increase at the same rate as the tariff increases over the last five financial years due to a reduced consumption levels and increased water and electricity unit losses despite implementing loss mitigating and reduction measures. The fact that the high energy users have not paid electricity at the approved tariff has had a detrimental impact on the cash recovered for services rendered. The subsequent outcome of negotiations with the high energy users will have a material impact on electricity revenue and will require other users to either subsidise the loss of revenue or will require further budgetary reductions that will negatively impact on NMBM's ability to deliver quality services. The actual debtors' collection rate was 94.3%, compared to the budgeted collection rate of 94%. The debtors' collection rate was calculated on revenue raised and not revenue billed. Analysis is required for future budgetary periods to ensure that raised revenue is closer to the budgeted revenue. The impact of the May 2016 ATTP Policy implementation on revenue streams was uncertain at the time the original and adjustments budgets were approved.

Due to the investment portfolio being boosted once again with high levels of Unspent Conditional Grants during the financial year and interest rates being slightly higher than anticipated at budget preparation time the interest earned was approximately R23.80 million more than anticipated in the 2016/17 Adjustments Budget. Lower than anticipated spending on capital projects in the amount of R121.10 million also contributed towards the higher cash balance than anticipated. The risk is that a large portion of the cash balance as at 30 June 2017 could already be committed to projects for which the cash outflows have been delayed from one year to another.

Finance charges was in line with the budget provision.

Operating grants was lower than anticipated due to Housing Top Structure Grant Funding being received or claimed from the Eastern Cape Provincial Government.

Cash flows from Investing Activities:

Consist mainly of the acquisition and the creation of assets. Capital payments were R76.71 million lower than anticipated, as all the DORA Grant funding and other revenue sources was not spent as at 30 June 2017.

It consisted of the following:

TABLE 5.144: Cash-flow from investing activities

Description	2016/17	Restated 2015/16
Purchase of PPE	(1,345,607,709)	(1,564,436,421)
Proceeds on Disposal of PPE	605,938	27,900
Loss on Disposal of Assets		(99,885)
Purchase of Intangible Assets	(17,691,531)	(47,026,784)
Purchase of Investment Property	(2,422,240)	(5,187,617)
Purchase of Heritage Assets	(18,135,309)	(5,194,326)
Total	(1,383,250,851)	(1,621,917,133)

Cash flows from Financing Activities:

Consist of the repayment of external borrowing, which continues to decrease as no borrowing is taken up.

Cash and cash equivalents increased from R1.613 billion in 2015/16 to R1,630 billion in 2016/17. It is important to note that the cash balance of unspent conditional grants at 30 June decreased from approximately R375.47 million in 2015/16 to R177,33 million in 2016/17. The accrued values as at 30 June decreased from R200.57 million in 2015/16 to R47.20 million in 2016/17. During July and August 2017 approximately R138.31 million of the cash balance as at 30 June was spent on Grant funded projects in respect of the 2016/17 financial year. The aforementioned cash balance in respect of cash funds as at 30 June 2017 (excluding unspent conditional grants), indicates an increase of R216,191,123 from R1,239,504,680 to R1,455,695,803.

TABLE 5.145: Financial summary

Financial Summary						
Description	R' 000					
	2015/16	Current: 2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	1,502,463	1,638,304	1,619,001	1,639,399	0.07%	1.24%
Service charges	4,649,224	4,988,019	4,923,297	4,882,016	-2.17%	-0.85%
Investment revenue	113,431	92,295	97,234	121,377	23.96%	19.89%
Transfers recognised - operational	1,148,940	1,385,051	1,439,682	954,122	-45.16%	-50.89%
Other own revenue	1,314,919	1,432,188	1,322,457	1,321,776	-8.35%	-0.05%
Total Revenue (excluding capital transfers and contributions)	8,728,976	9,535,857	9,401,671	8,918,690	-6.92%	-5.42%
Employee costs	2,343,747	2,501,615	2,470,432	3,060,663	18.27%	19.28%
Remuneration of councillors	62,196	67,716	66,116	64,284	-5.34%	-2.85%
Depreciation & asset impairment	859,730	1,023,933	1,009,034	612,571	-67.15%	-64.72%
Finance charges	166,492	158,019	158,019	155,281	-1.76%	-1.76%
Materials and bulk purchases	3,225,021	3,448,744	3,450,023	3,352,899	-2.86%	-2.90%
Transfers and grants	22,835	73,469	80,149	47,462	-54.80%	-68.87%
Other expenditure	2,086,661	2,229,987	2,589,759	1,860,841	-19.84%	-39.17%
Total Expenditure	8,766,683	9,503,483	9,823,533	9,154,000	-3.82%	-7.31%
Surplus/(Deficit)	(37,706)	32,375	(421,861)	(235,310)	113.76%	-79.28%
Transfers recognised - capital						
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	(37,706)	32,375	(421,861)	(235,310)	113.76%	-79.28%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	(37,706)	32,375	(421,861)	(235,310)	113.76%	-79.28%

Financial Summary						
Description	R' 000					
	2015/16	Current: 2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Capital expenditure & funds sources						
Capital expenditure	1,352,298	1,416,400	1,552,012	1,430,913		
Transfers recognised - capital	777,512	830,667	866,603	855,067	2.85%	-1.35%
Public contributions & donations	47,747	53,000	63,000	107,513	50.70%	41.40%
Borrowing						
Internally generated funds	527,039	532,733	622,409	468,333	-13.75%	-32.90%
Total sources of capital funds	1,352,298	1,416,400	1,552,012	1,430,913	1.01%	-8.46%
Financial position						
Total current assets	3,480,108	3,279,030	3,616,571	3,799,983	13.71%	4.83%
Total non-current assets	14,816,561	15,056,755	15,522,802	15,643,788	3.75%	0.77%
Total current liabilities	2,259,708	2,428,604	2,274,532	2,332,781	-4.11%	2.50%
Total non-current liabilities	3,312,032	3,152,482	3,315,388	3,648,214	13.59%	9.12%
Community wealth/Equity	12,724,930	12,754,699	13,549,454	13,462,776	5.26%	-0.64%
Cash flows						
Net cash from (used) operating	1,892,677	1,720,244	1,614,078	1,495,039	-15.06%	-7.96%
Net cash from (used) investing	(1,621,917)	(1,461,151)	(1,466,020)	(1,383,251)	-5.63%	-5.98%
Net cash from (used) financing	(104,093)	(91,920)	(87,412)	(93,920)	2.13%	6.93%
Cash/cash equivalents at the year end	1,612,505	1,525,929	1,673,151	1,630,374	6.41%	-2.62%

TABLE 5.146: Financial performance of operational services

Financial Performance of Operational Services						
Description	R '000					
	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	(112,493)	(63,509)	33,446	(240,571)	73.60%	113.90%
Waste Water (Sanitation)	(92,970)	(261,515)	(198,706)	(250,322)	-4.47%	20.62%
Electricity	(111,016)	(216,875)	(333,454)	(83,651)	-159.26%	-298.63%
Waste Management	(13,238)	(88,685)	21,879	(86,626)	-2.38%	125.26%
Housing	37,214	265,176	261,898	77,707	-241.25%	-237.03%
Component A: sub-total	(292,503)	(365,409)	(214,938)	(583,463)	37.37%	63.16%
Waste Water (Stormwater Drainage)	53,331	40,774	42,368	29,906	-36.34%	-41.67%
Roads	261,872	347,601	310,860	333,166	-4.33%	6.70%
Transport	(1,660)	(811)	8,327	31,784	102.55%	73.80%

Financial Performance of Operational Services						
Description	R '000				2016/17 Variance	
	2015/16	2016/17				
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Component B: sub-total	313,543	387,564	361,556	394,856	1.85%	8.43%
Planning	188,682	(12,193)	1,623	107,607	111.33%	98.49%
Local Economic Development	152,114	73,532	100,346	107,558	31.63%	6.71%
Component B: sub-total	340,796	61,339	101,970	215,165	71.49%	52.61%
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total						
Community & Social Services	160,813	173,861	168,280	177,108	1.83%	4.98%
Environmental Protection	143,248	160,864	156,792	141,610	-13.60%	-10.72%
Health	130,037	188,218	191,615	203,936	7.71%	6.04%
Security and Safety	520,621	422,856	436,295	443,982	4.76%	1.73%
Sport and Recreation	191,714	195,213	180,141	176,718	-10.47%	-1.94%
Corporate Policy Offices and Other	(1,470,563)	(1,256,880)	(959,851)	(934,603)	-34.48%	-2.70%
Component D: sub-total	(324,130)	(115,868)	173,273	208,751	155.51%	17.00%
Total Expenditure	37,706	(32,375)	421,861	235,310	113.76%	-79.28%

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing:

The NMBM has not taken up new borrowing as it is in the process of identifying revenue generating and / or cost reducing projects to fund from External Loans. It is anticipated that the Municipality may take up external loan funding for capital projects during the second half of the 2017/18 financial year.

Investments:

Investments are made on a short term (3 months or less depending on cash flow level) basis and in terms of the Cash management and Investment Policy. The available cash are invested at various financial institutions and consist of only bank deposits. **Once the short and medium term has been secured from a cash flow perspective, longer term investments will be evaluated to be implemented without increasing the risk from a cash flow perspective to the Municipality.**

TABLE 5.147: Actual borrowings

Actual Borrowings:2014/15 to 2016/17			
	R' 000		
Instrument	2014/15	2015/16	2016/17
Municipality			
Long-Term Loans (annuity/reducing balance)	1,456,393	1,360,123	1,271,371
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1,456,393	1,360,123	1,271,371
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			

Actual Borrowings:2014/15 to 2016/17			
Instrument	R' 000		
	2014/15	2015/16	2016/17
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			

FIGURE 5.11: Actual borrowings

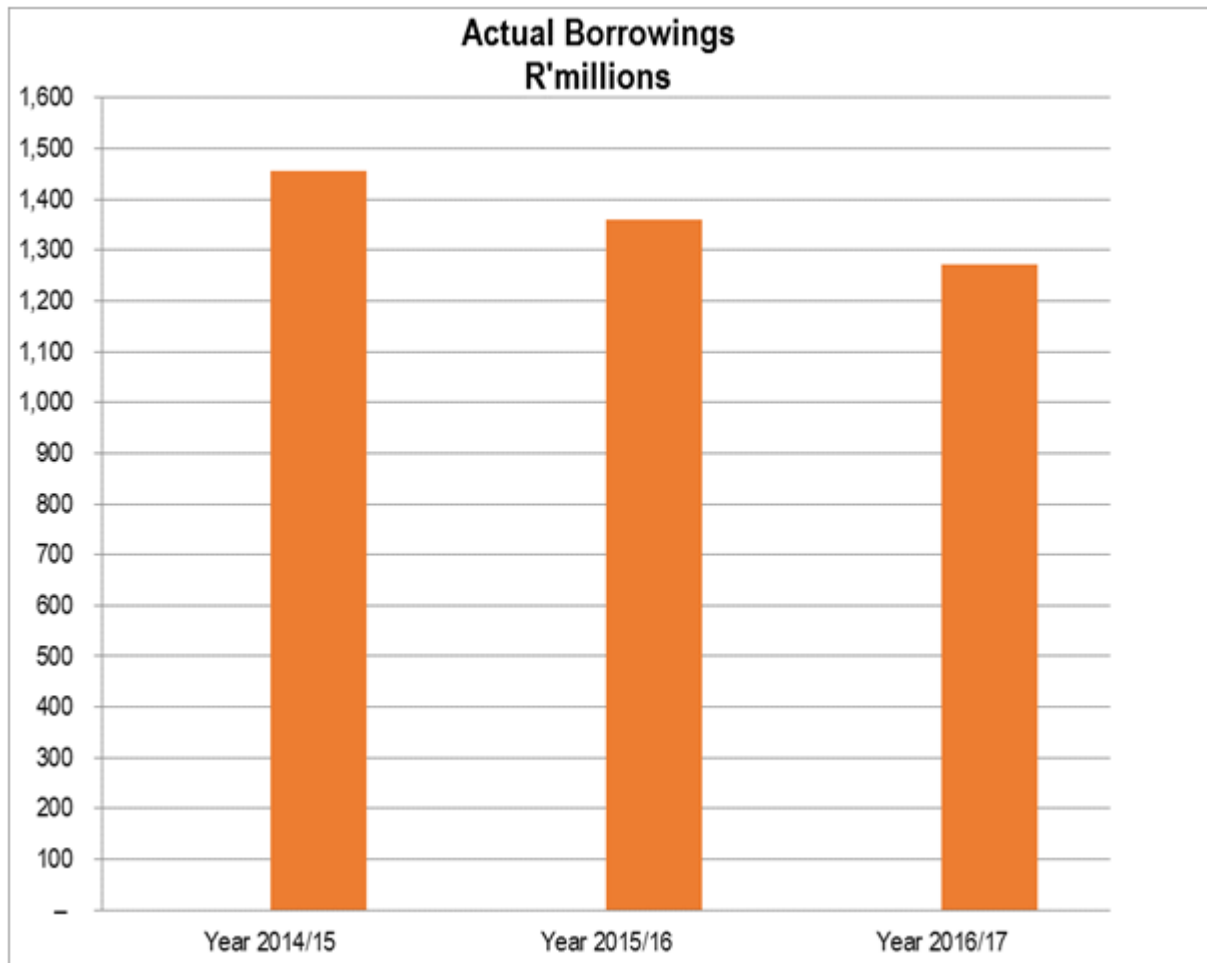


TABLE 5.148 : Municipal and entity investments

Municipal and Entity Investments			
	R' 000		
	2014/15	2015/16	2016/17
Investment* type	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	1,252,259	1,365,338	1,344,723
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other	2,715	2,470	2,652
Municipality sub-total	1,254,974	1,367,808	1,347,375
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	0	0	0
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	1,254,974	1,367,808	1,347,375

COMMENT ON BORROWING AND INVESTMENTS

The NMBM Investments portfolio consists mainly of bank deposits at various financial institutions.

Since the 2009/10 financial year, no borrowing has been taken up. The NMBM is considering taking up loan funding to finance revenue generating / cost reducing Capital Projects during the second half of the 2017/18 financial year. The municipality does not have any short borrowing and / or bank overdraft. No borrowing has been made by the Municipality to other municipalities, municipal entities, other organizations or governmental institutions.

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Nelson Mandela Bay Municipality had no public private partnerships during the review period.

COMPONENT D: OTHER FINANCIAL MATTERS**5.12 SUPPLY CHAIN MANAGEMENT****CHECKLIST: STATE OF READINESS IN RESPECT OF SUPPLY CHAIN MANAGEMENT (SCM) WITHIN MUNICIPALITIES****Name of Municipality: NELSON MANDELA METRO LOCAL MUNICIPALITY**

TABLE 5.149: Supply chain management checklist

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
1. Is your municipality's SCM Unit (SCMU) established within the office of the CFO? If yes, provide copy of the approved populated structure	Yes		
2. Indicate the number of staff employed within the SCMU?	95		
3. Have job descriptions been drawn up for each post within the SCMU?	Yes		Duty lists were developed for post that do not have form job descriptions

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
<p>4. Has a detailed implementation plan for SCM been developed? If yes, is progress measured against it?</p> <p>4.1. Is a report on the implementation of the SCM Policy provided to the mayor (or the board of directors for an entity) within 10 days of the end of each quarter (reg 6(3))</p>	<p>Yes</p> <p>Yes</p>	<p>SCM office submits a quarterly SCM implementation report to the Chief Financial Officer</p>	<p>SCM has been fully implemented.</p> <p>NMBM is in the process of implementing a quality management system</p>
<p>5. Has the municipality provided for all the elements of the SCM function (Demand to Assessment of SCM performance)?</p> <ul style="list-style-type: none"> • Are needs assessment done before each acquisition? • Does the municipality have a procurement plan? If yes, provide copy of the plan. • Does the municipality obtain budgetary authorization before order is placed? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Directorates conduct needs analysis</p>	<p>Demand management has been implemented in the last quarter of 2016/2017 financial year.</p> <p>Procurement Plan for the 2017/2018 financial year has been prepared.</p>

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
<ul style="list-style-type: none"> Are the preferential policy objectives identified that could be met through each contract? Are the threshold values contained in the SCM Policy aligned with the values stipulated in regulation 12? 	<p>Yes</p> <p>Yes</p>	<p>System is designed in such a way that order cannot be generated where there are no funds available</p> <p>80/20 and 90/10 principle is applied on all SCM tenders above R30 000</p> <p>Informal tenders are tenders with a tender value that is below R200 000</p> <p>All tenders above R200 000 are regarded as formal tenders</p>	<p>Accountants approve and comment on the availability of funds before the bid specification is presented to the bid specification committee.</p> <p>Budget and Treasury Directorate signs off and confirms the availability of funds prior to bids being advertised</p> <p>Contract Management Section has</p>

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
<ul style="list-style-type: none"> Is the performance of vendors monitored? If yes, how? Does the municipality analyse whether proper processes are followed and desired objectives are reached? 	<p>Yes</p> <p>Yes</p>	<p>WEF 01 July 2017 – monthly performance reports must be sent to the SCM office</p> <p>Section 32 reports are required in the event that an NMBM official contravenes with the SCM policy</p>	<p>been implemented with effect from the 01 July 2017</p>
<p>6. Confirm whether the structures are in place (e.g. Specifications Committee, Bid Evaluation Committee, Adjudication Committee with written delegation) to operate outside the TRC?</p> <ul style="list-style-type: none"> Does the department's specification/bid evaluation/bid adjudication committees comprise of cross-functional teams? How are the members identified? 	<p>Yes</p> <p>Yes</p>	<p>The Accounting office / Delegated official has duly appointed all the members of the relevant bid committees.</p> <p>Members of technical committees are identified by Directorates themselves. All other bid committee members are identified and appointed by the City Manager.</p>	

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
<ul style="list-style-type: none"> Have they been appointed in writing? 	Yes		
<p>7. Has the Accounting Officer (AO) Procedures been compiled in Accordance of the SCM Regulatory Documents (Policy Strategy, Framework, Practice Notes and the Guide for AO's for SCM?)</p> <p>If yes, provide copy of Procedure Manual</p>	Yes	NMBM developed process flows (Flow Charts)	Quality Management System requirement
<p>8. Are bid documents compiled in accordance with the relevant Treasury's Practice Notes and Directives?</p>	Yes		
<p>9. Are evaluation and adjudication criteria included in the bid documents?</p>	Yes		
<p>10. Are measures in place to ensure that all SCM practitioners are acquainted with SCM Code of Conduct issued by the National Treasury?</p>	Yes		
<p>11. Have responsibilities (including values) been delegated to SCM Practitioners/ committees in writing?</p>	Yes		In accordance with SCM policy and regulations

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
12. Is there a mechanism in place to verify bidder's claims for preferences/ compliance to SARS/ requirements/ capabilities, etc. prior to the award of the contract?	Yes	SCM Unit utilizes a check list to verify the existence of the documents Information is verified on CSD	SCM Unit utilizes a check list to verify the existence of the documents Information is verified on CSD
13. Is the procurement of goods and services decentralized? If yes, indicate to what level.	Yes	Directorates are responsible for identifying and developing a specification of their needs. SCM facilitates the procurement process and ensures compliance with SCM regulations and requirements	
14. How are decisions on bid awards documented?		Tenders below R10 million are awarded by the BAC Tenders above R10 million – BAC recommends to the Accounting Officer	
15. Are all invitations for bids above R30 000 advertised for at least 7 days on the website and official notice board? (reg 18(a))	Yes	Tenders are advertised on the Newspaper, NMBM website, National Treasury E-tender Portal and CIDB tender register.	

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
15.1 In addition, are all invitations for competitive bids publicly advertised in newspapers commonly circulating locally? (reg 22(1))	Yes		
16. Is the "list of accredited prospective providers" required by regulation 14 updated at least quarterly?	Yes	List is updated daily CSD is linked to SARS and other databases.	Service providers update their details on CSD, NMBM verifies updated details
17. How regularly is your database for BEE, SMME and HDI suppliers updated?		Database is link to the master database and it is updated daily.	
18. Is there a database established for the redundant/obsolete store items?	Yes	- (Supporting document filed) - Redundant/obsolete items are kept in store.	
19. Are debriefing sessions held with unsuccessful suppliers?	No	Letters of non-acceptance will be issued to all bidders - Implementation will be during the 2017/18 financial year.	

BASIC EVALUATION	YES/ NO	ACTUAL PERFORMANCE	REMARKS
20. Are you aware that SITA can assist with the procurement of IT related goods and services (regulation 31)	Yes	All ICT items needs to be signed off by the by IT Steering Committee, before they are presented to the BSC.	
21. Are IT contracts arranged through SITA?	Yes	Through SCM policy	
22. What is the 2016/17 budget for the training of SCM practitioners?		R136 270 (2017/2018 fin year)	
23. How are training needs for SCM practitioners determined? 23.1 Has the municipality or entity used an outsourced training provider for SCM?	Yes	Work Skills Plan is completed annually. MFMA competence requirements are prioritized.	

5.13 GRAP

Entities are required to apply the Standards of GRAP where the Minister has determined the effective date. The Minister has determined the effective date for the Standards of GRAP outlined below (paragraph .09 of Directive 5) relating to the 2016/17 financial year:

TABLE 5.150: GRAP

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

The above standards are currently applied by the Municipality, where applicable and no issues were raised in the prior year with regards to non-compliance in terms of GRAP standards of which we were not aware of at the time.

All Accounting Policies included in the AFS are aligned towards the GRAP Framework above and therefore no issues were raised in the prior year with regards to non-compliance on these Accounting Policies.

There have been new GRAP standards approved, but no effective date has been given by the Minister with regard to when it must be taken into account, hence not applicable for the 2016/17 financial year.

CHAPTER 6 - AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

The Nelson Mandela Bay Municipality produces an Annual Report and Financial Statements on an annual basis, which are then submitted to the Auditor-General for auditing purposes. Once the Auditor-General's Audit Report is received by the institution, an Action Plan is developed to address the audit findings raised by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS (YEAR -1)

6.1 AUDITOR-GENERAL'S REPORT: YEAR -1 (2015/16)

TABLE 6.1: Auditor-General's report

Auditor-General Report on Financial Performance Year -1	
Status of audit report:	Qualified audit opinion.
Non-Compliance Issues	Remedial Action
<p>Irregular expenditure</p> <p>The Municipality did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year as required by section 125(2)(d)(i) of the MFMA. The irregular expenditure disclosed in note 44.2 to the financial statements was understated. Due to lack of systems, and non-availability of sufficient appropriate audit evidence for all awards, it was impractical to determine the full extent of the understatement of irregular expenditure. Consequently, I was unable to determine whether any further adjustments were necessary to the closing balance of irregular expenditure disclosed at R3.37 billion (2015: R2.1 billion).</p>	<p>The municipality has already commenced with dealing with the prior year Irregular Expenditure issues dating back to many financial years in order to deal with the Limitation of Scope issues and also irregular expenditure issues. Upon completion of the exercise the decision will be made on what to table to Council for approval or request for condonation from National Treasury in line with Section 170 of the Municipal Finance Management Act (56 of 2003).</p> <p>Part of the plan is also to ascertain at mid-term the extent of any irregularities of the tenders awarded in the current financial year (2016/17) in order for this occurrence not to be repeated going forward.</p> <p>The Municipality has also approved on 1 December 2016 the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy which will also assist in giving guidance on how these issues should / must be dealt with. The Policy will also assist in guiding on how to deal with all other "compliance related issues".</p>

Auditor-General Report on Service Delivery Performance: Year -1

Audit Report Status:

Section 54(1)(c) of the MFMA determines that the Service Delivery and Budget Implementation Plan adopted by the Municipal Council may be amended only if the Council approves an adjustments budget. Changes to the Service Delivery and Budget Implementation Plan in the year have to be made in accordance with the process as prescribed per section 28 of the MFMA. Material changes were made to important indicators and targets in the annual performance report without adoption by the Municipal Council

The comments are noted and it can be confirmed that going forward the issues raised will be attended to and any amendments to the SDBIP will be approved by Council / Mayor within the Financial Year concerned

COMPONENT B: AUDITOR-GENERAL OPINION: YEAR 0

6.2 AUDITOR-GENERAL'S REPORT: YEAR 0 (2016/17)

TABLE 6.2: Auditor-General's report

Auditor-General Report on Financial Performance Year 0	
Status of audit report:	Qualified audit opinion.
Non-Compliance Issues	Remedial Action
<p>Property, plant and equipment (PPE)</p> <p>The Municipality did not assess whether there were any indications that its expectations about the useful lives of PPE had changed, as required by SA Standard of GRAP 17, <i>Property, plant and equipment</i>. I was also unable to confirm PPE balance, alternative means. Consequently, I was unable to if any further adjustments to PPE disclosed at R15,1 billion in the consolidated and separate statement of financial position and depreciation stated at R589,1 million in the consolidated and separate statement of financial performance were necessary.</p>	<p>The Municipality is busy in the process of assessing the useful lives of PPE and will provide the details of the assessment to the AG during their 4th quarter visit to the municipality. The other initiative that is to be considered in order to deal with PPE related issues is to assess the human capital capacity and applicable accounting systems in the Sections (i.e. Capital and Annual Financial Statements and Audit matters) that handle PPE reconciliations etc. as the value of PPE for the municipality exceeds R15 billion and as such requires to be attended to continuously instead of only once at financial year-end.</p>
<p>Creditors- exchange transactions</p> <p>I was unable to obtain sufficient appropriate audit evidence for retention creditors due to the poor status of accounting records. I was unable to confirm these retentions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to retentions stated at R207,1 million (2016: R186,8) in note 7 to the consolidated and separate financial statements.</p>	<p>The Municipality has started with an automated system and will enhance this system to be able to correctly reconcile the creditors' retentions to show what is actually outstanding at year end.</p>

Irregular expenditure

The Municipality did not include all irregular expenditure in the notes to the consolidated and separate financial statements, as required by section 125(2)(d) of the MFMA. This resulted from payments made in contravention of the supply chain management requirements. Additionally, I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure included in the note 44.2 to the consolidated and separate financial statements. I was unable to confirm irregular expenditure by alternative means. Consequently, I unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R11,5 billion (2016: R3,4 billion) in the consolidated and separate financial statements.

The Municipality has already commenced with dealing with the prior year (historic) Irregular Expenditure issues dating back to many financial years in order to deal with the Limitation of Scope issues and also irregular expenditure issues. Upon completion of the exercise the decision will be made on what to table to Council for approval or request for condonation from National Treasury in line with Section 170 of the Municipal Finance Management Act (56 of 2003).

Part of the plan is also to ascertain at mid-term the extent of any irregularities of the tenders awarded in the current financial year (2017/18) in order for this occurrence not to be repeated going forward.

The Municipality has also approved on 1 December 2016 the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy which will also assist in giving guidance on how these issues should / must be dealt with. This Policy will now be amended to take into account the guidance received from National Treasury (NT) during recent discussions held between NT, AG and other relevant parties. The amended Policy will also assist in guiding on how to deal with all other "compliance related issues". The amended policy will be tabled to Council for approval during the third quarter of the 2017/18 financial year.

Report on the audit of the annual performance report: Year 0**Audit Report Status:**

I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes. (KPA 2: Integrated Service delivery To A Well-Structured City and KPA 3: Inclusive Economic Development and Job Creation)

The comments are noted.

6.2.1 AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0 (2016/17)

The Auditor-General's Report for the Nelson Mandela Bay Municipality for the 2016/2017 financial year is herein attached as "Volume III" of this Annual Report.

6.2.2 COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0 (2016/17):

In accordance with the *Public Audit Act, No. 25 of 2004*, Council has to consider the audit report within one month after its first sitting after the audit report has been submitted by the Auditor-General. Section 131(1) of the Municipal Finance Management Act (Act 56 of 2003) states inter-alia as follows; “(1) A municipality **must** address any issues raised by the Auditor-General in an Audit Report.....”.

Detailed below are the responses, with reference being made to the relevant paragraph numbering in the audit report:

REPORT ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Basis for qualified opinion

Property, plant and equipment (PPE)

3. The municipality is busy in the process of assessing the useful lives of PPE and will provide the details of the assessment to the AG during their 4th quarter visit to the municipality. The other initiative that is to be considered in order to deal with PPE related issues is to assess the human capital capacity and applicable accounting systems in the Sections (i.e. Capital and Annual Financial Statements and Audit matters) that handle PPE reconciliations as the value of PPE for the Municipality exceeds **R15 billion** and as such requires to be attended to continuously instead of only once at financial year-end.

Creditors- exchange transactions

4. The municipality has started with an automated system and will enhance this system to be able to correctly reconcile the creditors' retentions to show what is actually outstanding at year end.

Irregular expenditure

5. The municipality has already commenced with dealing with the prior year (historic) Irregular Expenditure issues dating back to many financial years in order to deal with the Limitation of Scope issues and also irregular expenditure issues. Upon completion of the exercise the decision will be made on what to table to Council for approval or request for condonation from National Treasury in line with Section 170 of the Municipal Finance Management Act (56 of 2003).

Part of the plan is also to ascertain at mid-term the extent of any irregularities of the tenders awarded in the current financial year (2017/18) in order for this occurrence not to be repeated going forward.

The Municipality has also approved on the 1 December 2016 the **Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy** which will also assist in giving guidance on how these issues should / must be dealt with. This Policy will now be amended to take into account the guidance received from National Treasury during recent discussions held between National Treasury, the Auditor-General and other relevant parties. The amended Policy will also assist in guiding on how to deal with all other “compliance related issues”. The amended policy will be tabled in Council for approval during the third quarter of the 2017/18 financial year.

Emphasis of matters

Restatement of comparative figures

10. It is the intention of management to institute internal controls that can assist in preventing, detecting and correcting errors as and when they occur. One of the actions that can assist is to implement month end accounting activities (e.g. raising accruals monthly / performance monthly reconciliations including their reviews / prepare mini-financial statements, etc.), amongst other demands or processes.

The other important action that must be reported is the implementation of the new EMS system in line with mSCOA requirements which will have built in internal controls that will assist in preventing, detecting and correcting such errors. When this system is implemented with effect from 1 July 2018, the plan is to be able to be in a position to prepare the Annual Financial Statements on an ongoing basis (month end).

Unauthorised expenditure

11. The comments are noted. An item detailing the reasons for the occurrence of the unauthorised expenditure will be submitted to Council for the portion that caused / resulted to an unauthorised expenditure relating to employee benefits during January 2018 meeting.

Fruitless and Wasteful expenditure

12. The comments are noted, however, it must be mentioned that the aim of the NMBM is to ensure that IPTS buses are operational during 2017/18 financial year. This will ensure that the fruitless and wasteful expenditure reported is dealt with accordingly.

Material losses and impairments

13. Part of the actions already taken by the NMBM is the appointment of the service provider for enhancing revenue management of the municipality. The service provider started operating in late 2015/16 financial year.
14. The municipality has since implemented various strategies for dealing with the excessive water losses which, amongst others, include hiring Plumbers internally and also encourage residents to report "frequently" any identified water leaks.
15. Part of the action/s to be taken as it relates to point "14" above is also to identify meters that are neither recording nor registered in the Billing System and progress will be monitored on an ongoing basis.

Other matter

16. The comments are noted.

Unaudited disclosure notes

17. The comments are noted.

Responsibilities of the Accounting Officer for the financial statements

- 18 – 19 The comments are noted.

Auditor General's responsibilities for the audit of the Consolidated and Separate financial statements

20 – 21 The comments are noted.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

22 – 26 The comments are noted.

Other matters

27 N/A

Achievement of planned targets

28 The comments are noted.

Adjustment of material misstatements

29 The comments are noted.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

30 – 31 The comments are noted.

Consolidated and separate Annual financial statements, performance and annual reports

32 The comments are noted and it must be stated that in order to improve the situation going forward, as mentioned previously, the improved internal controls, monthly procedures and stringent reviews are to be undertaken. As also stated above implementing the new EMS / ERP system is to improve the situation as the AFS are not to be prepared manually as soon as the system is in place.

Expenditure management

33 The matter will be attended going forward and necessary remedial actions be undertaken.

34 Refer item "5" above on action to be taken

35 Refer item "12" above on action to be taken

Budget management

36 Refer item "11" above on action to be taken. The matter will be attended going forward to avoid this in future.

Consequence management

37 The matter will be attended going forward and necessary remedial actions be undertaken.

38 The matter will be attended going forward and necessary remedial actions be undertaken.

Procurement and contract management

39 The comments are noted and the matter will be addressed going forward.

40 The comments are noted and the matter will be addressed going forward.

41 The comments are noted and the matter will be addressed going forward.

42 The comments are noted and the matter will be addressed going forward.

43 The comments are noted and the matter will be addressed.

44 The necessary procedures will be implemented to ensure effective contract management going forward.

45 The necessary procedures will be implemented to ensure effective contract management going forward.

46 The matter will be attended going forward and necessary remedial actions be undertaken.

Asset management

47 The comments are noted and the matter will be addressed going forward.

OTHER INFORMATION

48 The comments are noted.

49 The comments are noted.

50 The comments are noted.

51 The comments are noted.

Internal control deficiencies

52 The comments are noted.

Leadership

53 The comments are noted and the matter will be addressed going forward.

Financial management

54 The comments are noted and the internal control measures to be instituted have already been commented upon or previously explained.

OTHER REPORTS

55 The comments are noted.

56 The comments are noted.

ANNEXURE - AUDITOR- GENERAL'S RESPONSIBILITY FOR THE AUDIT

1 The comments are noted.

Consolidated and separate financial statements

2 The comments are noted.

Communication with those charged with governance

3 – 5 The comments are noted.

7 – 8 The comments are noted.

Financial statements

6 The comments are noted.

APPENDICES

APPENDIX A- COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
R.A.P. Trollip	FT	Executive Mayor	DA	100%	
M. Bobani	FT	Deputy Executive Mayor	UDM	100%	
J. Lawack	FT	Speaker	DA	100%	
W. Senekal	FT	Chief Whip	DA	100%	
MAYORAL COMMITTEE (started in August 2017)					
A. Whitfield	FT	Member of Mayoral Committee	DA	100%	
R. Kayser	FT	Member of Mayoral Committee	DA	100%	
J. Best	FT	Member of Mayoral Committee	DA	100%	
S. Sijadu	FT	Member of Mayoral Committee	COPE	100%	
D. Biddulph	FT	Member of Mayoral Committee	DA	100%	
N. Banga	FT	Member of Mayoral Committee	DA	100%	
A Lovemore	FT	Member of Mayoral Committee	DA	100%	
R. Odendaal	FT	Member of Mayoral Committee	DA	100%	
S. Sauls	FT	Member of Mayoral Committee	DA	100%	
L. Grootboom	FT	Chairperson of Mayoral Committee	ACPD	100%	
BUDGET AND TREASURY COMMITTEE					
R Odendaal (Chairperson)	FT	Budget and Treasury Committee Member	DA	100%	
SD Davids	PT	Budget and Treasury Committee Member	DA	100%	
L A Gallant	PT	Budget and Treasury Committee Member	DA	50%	
D A Hayselden	PT	Budget and Treasury Committee Member	DA	86%	
A G Jordan	PT	Budget and Treasury Committee Member	DA	100%	
L Kruger	PT	Budget and Treasury Committee Member	DA	100%	
M L Makunga	PT	Budget and Treasury Committee Member	ANC	100%	
N A Mthi	PT	Budget and Treasury Committee Member	ANC	100%	

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
M J Mtsila	PT	Budget and Treasury Committee Member	UFEC	100%	
P S Ndoni	PT	Budget and Treasury Committee Member	ANC	100%	
B Nodada	PT	Budget and Treasury Committee Member	DA	100%	
R B Riordan	PT	Budget and Treasury Committee Member	ANC	67%	
S Tyukana	PT	Budget and Treasury Committee Member	ANC	100%	
F A van de Linde	PT	Budget and Treasury Committee Member	DA	100%	
Y N Yako	PT	Budget and Treasury Committee Member	EFF	83%	
ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE COMMITTEE					
A G Whitfield (Chairperson)	FT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
S Beynon	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
G Faldtman	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
R Gouws	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
B N Mafaya	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	
A M Maqolo	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	10%
P A Mfama	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	-
G Miggles	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-
L v Mlungwana	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
L D Mnyimba	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	-
M J Mtsila	PT	Economic Development, Tourism and Agriculture	UFEC	100%	-
B Nodada	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-
Y M Pali	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	-
Y N Yako	PT	Economic Development, Tourism and Agriculture Committee Member	EFF	100%	-
M Zinto	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-
PUBLIC HEALTH					
The Executive Mayor (Chairperson)	FT	Public Health Committee Member	DA	100%	-
M L Boti	PT	Public Health Committee Member	ANC	80%	20%
L M Dano	PT	Public Health Committee Member	ANC	100%	-
S Fillis	PT	Public Health Committee Member	DA	100%	-
F van N Greyling	PT	Public Health Committee Member	DA	100%	-
A D Isaacs	PT	Public Health Committee Member	DA	100%	-
G D Maqula	PT	Public Health Committee Member	ANC	100%	-
R Meyer	PT	Public Health Committee Member	DA	100%	-
T S Mhlongo	PT	Public Health Committee Member	EFF	100%	-
K O Ngumbela	PT	Public Health Committee Member	DA	100%	-
M Nkosi	PT	Public Health Committee Member	DA	100%	-
N Q Pink	PT	Public Health Committee Member	ANC	100%	-
N E Sikweyiya	PT	Public Health Committee Member	ANC	100%	-
HUMAN SETTLEMENTS COMMITTEE					
B M Bhanga (Chairperson)	FT	Human Settlements Committee Member	DA	100%	-
M S Breakfast	PT	Human Settlements Committee Member	DA	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
N M Booi	PT	Human Settlements Committee Member	ANC	100%	-
R Daaminds	PT	Human Settlements Committee Member	ANC	90%	-
A B Gibbon	PT	Human Settlements Committee Member	DA	100%	-
N R Higgins	PT	Human Settlements Committee Member	DA	100%	-
M S Jodwana	PT	Human Settlements Committee Member	ANC	50%	-
T P Louw	PT	Human Settlements Committee Member	DA	100%	-
A W Lungisa	PT	Human Settlements Committee Member	ANC	0%	-
B P Mbuqu	PT	Human Settlements Committee Member	ANC	100%	-
D J S Monks	PT	Human Settlements Committee Member	DA	100%	-
S Soyas	PT	Human Settlements Committee Member	DA	100%	-
Z M Vena	PT	Human Settlements Committee Member	EFF	90%	-
HUMAN RESOURCES AND COPORATE ADMINISTRATION COMMITTEE					
D N Biddulph (Chairperson)	FT	Human Resources and Corporate Administration Committee Member	DA	100%	-
N P Antoni	PT	Human Resources and Corporate Administration Committee Member	ANC	100%	-
K Boqwana	PT	Human Resources and Corporate Administration	ANC	100%	-
D Buti	PT	Human Resources and Corporate Administration Committee Member	ANC	100%	-
M Feni	PT	Human Resources and Corporate Administration Committee Member	ANC	100%	-
L A Gallant	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
O H Kepe	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
R Meyer	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
N J Mhlobiso	PT	Human Resources and Corporate Administration Committee Member	ANC	100%	-
K O Ngumbela	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
S L Sauls	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
P W Terblanche	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
P F Toys	PT	Human Resources and Corporate Administration Committee Member	EFF	100%	-
INFRASTRUCTURE, ENGINEERING & ENERGY COMMITTEE					
A T Lovemore (Chairperson)	FT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
T C S Buyeye	PT	Infrastructure, Engineering & Energy	AIC	90%	10%
T Faltain	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
C Garai	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
P Hermaans	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
L V Mlungwana	PT	Infrastructure, Engineering & Energy Committee Member	DA	90%	10%
L Mrara	PT	Infrastructure, Engineering & Energy Committee Member	EFF	100%	-
B Nombiba	PT	Infrastructure, Engineering & Energy Committee Member	ANC	90%	10%
T S Noqoli	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
S D Nzanzeka	PT	Infrastructure, Engineering & Energy Committee Member	ANC	90%	10%
L P Qukubana	PT	Infrastructure, Engineering & Energy Committee Member	ANC	100%	-
I F Ranyele	PT	Infrastructure, Engineering & Energy Committee Member	ANC	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
L Suka	PT	Infrastructure, Engineering & Energy Committee Member	ANC	50%	50%
A van der Westhuyzen	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
M Zinto	PT	Infrastructure, Engineering & Energy Committee Member	DA	100%	-
SPORT, ARTS, RECREATION AND CULTURAL SERVICES COMMITTEE					
S Sijadu (Chairperson)	FT	Sports, Arts, Recreation and Cultural Services Committee Member	COPE	100%	-
R Adams	PT	Sports, Arts, Recreation and Cultural Services Committee Member	DA	100%	-
S Beynon	PT	Sports, Arts, Recreation and Cultural Services Committee Member	DA	50%	50%
M V Daniels	PT	Sports, Arts, Recreation and Cultural Services Committee Member	PA	100%	-
M J de Andrade	PT	Sports, Arts, Recreation and Cultural Services Committee Member	DA	90%	10%
R Gouws	PT	Sports, Arts, Recreation and Cultural Services Committee Member	DA	90%	10%
T Jacobs	PT	Sports, Arts, Recreation and Cultural Services Committee Member	ANC	100%	-
V M Manyati	PT	Sports, Arts, Recreation and Cultural Services	DA	100%	-
L Mfana	PT	Sports, Arts, Recreation and Cultural Services Committee Member	ANC	100%	-
S J Plaatjies	PT	Sports, Arts, Recreation and Cultural Services Committee Member	ANC	100%	-
S Rafani	PT	Sports, Arts, Recreation and Cultural Services Committee Member	DA	100%	-
X Sabani	PT	Sports, Arts, Recreation and Cultural Services Committee Member	ANC	90%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
M Tshaka	PT	Sports, Arts, Recreation and Cultural Services Committee Member	ANC	90%	-
T F Tshangela	PT	Sports, Arts, Recreation and Cultural Services Committee Member	UDM	50%	-
Z M Vena	PT	Sports, Arts, Recreation and Cultural Services Committee Member	EFF	100%	-
SAFETY AND SECURITY SERVICES COMMITTEE					
J S Best (Chairperson)	FT	Safety and Security Services Committee Member	DA	100%	-
T P Adams	PT	Safety and Security Services Committee Member	DA	100%	-
J A Arends	PT	Safety and Security Services Committee Member	DA	100%	-
M V Daniels	PT	Safety and Security Services Committee Member	PA	90%	-
G Faldtman	PT	Safety and Security Services Committee Member	DA	100%	-
J Grobbelaar	PT	Safety and Security Services Committee Member	DA	100%	-
E J Harker	PT	Safety and Security Services Committee Member	DA	100%	-
A C G Mfunda	PT	Safety and Security Services Committee Member	ANC	90%	-
T S Mhlongo	PT	Safety and Security Services Committee Member	EFF	100%	-
M Nkosi	PT	Safety and Security Services Committee Member	DA	100%	-
G Rautenbach	PT	Safety and Security Services Committee Member	DA	100%	-
N P Sonti	PT	Safety and Security Services Committee Member	ANC	100%	-
X C Tyali	PT	Safety and Security Services Committee Member	ANC	100%	-
P B Vani	PT	Safety and Security Services Committee Member	ANC	100%	-
N Zuma	PT	Safety and Security Services Committee Member	ANC	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
TRANSPORT COMMITTEE					
R C Kayser (Chairperson)	FT	Transport Committee Member	DA	100%	-
M S Breakfast	PT	Transport Committee Member	DA	100%	-
T C S Buyeye	PT	Transport Committee Member	AIC	100%	-
T Faltain	PT	Transport Committee Member	DA	90%	-
M A Gidane	PT	Transport Committee Member	ANC	100%	-
V M Manyati	PT	Transport Committee Member	DA	100%	-
M E Mbelekane	PT	Transport Committee Member	ANC	100%	-
M Mgcokoca	PT	Transport Committee Member	ANC	90%	-
G Miggels	PT	Transport Committee Member	DA	100%	-
M K Mogatosi	PT	Transport Committee Member	DA	100%	-
N C Mtati	PT	Transport Committee Member	ANC	100%	-
L X Nombexeza	PT	Transport Committee Member	ANC	100%	-
S Rwexwana	PT	Transport Committee Member	DA	100%	-
P F Tshanga	PT	Transport Committee Member	EFF	100%	-
H C van Staaden	PT	Transport Committee Member	DA	100%	-
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE					
L P Grootboom (Chairperson)	FT	Municipal Public Accounts Committee Member	ACDP	100%	-
R N Captain	PT	Municipal Public Accounts Committee Member	ANC	100%	-
M V Daniels	PT	Municipal Public Accounts Committee Member	PA	100%	-
M Feni	PT	Municipal Public Accounts Committee Member	ANC	100%	-
C Garai	PT	Municipal Public Accounts Committee Member	DA	100%	-
B N Mafaya	PT	Municipal Public Accounts Committee Member	ANC	100%	-
M K Mogatosi	PT	Municipal Public Accounts Committee Member	DA	100%	-
L Mrara	PT	Municipal Public Accounts Committee Member	EFF	100%	-
H Muller	PT	Municipal Public Accounts Committee Member	DA	100%	-
L Nombola	PT	Municipal Public Accounts	ANC	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
		Committee Member			
T S Noqoli	PT	Municipal Public Accounts Committee Member	DA	100%	-
M G Steyn	PT	Municipal Public Accounts Committee Member	DA	100%	-
T F Tshangela	PT	Municipal Public Accounts Committee Member	UDM	33%	67%
A Tyokwana	PT	Municipal Public Accounts Committee Member	ANC	66%	34%
H C van Staaden	PT	Municipal Public Accounts Committee Member	DA	100%	-
RULES AND ETHICS COMMITTEE					
A G Jordan	PT	Rules and Ethics Committee Member	DA	100%	-
M Feni	PT	Rules and Ethics Committee Member	ANC	50%	50%
L P Grootboom	FT	Rules and Ethics Committee Member	ACDP	100%	-
L Kruger	PT	Rules and Ethics Committee Member	DA	100%	-
B N Mafaya	PT	Rules and Ethics Committee Member	ANC	100%	-
L Mrara	PT	Rules and Ethics Committee Member	EFF	50%	50%
K O Ngumbela	PT	Rules and Ethics Committee Member	DA	100%	-
M G Steyn	PT	Rules and Ethics Committee Member	DA	100%	-
One Councillor representing		Rules and Ethics Committee Member	AIC, UFEC and PA	0%	100%
LOCAL LABOUR FORUM					
Ms Amanda Olivier – IMATU (Chairperson)		Local Labour Forum Committee Member		60%	40%
D N Biddulph	FT	Local Labour Forum Committee Member	DA	80%	20%
K Boqwana	PT	Local Labour Forum Committee Member	ANC	100%	-
O H Kepe	PT	Local Labour Forum Committee Member (appointed as a member from 4/5/2017)	DA	100%	-

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
R Meyer	PT	Local Labour Forum Committee Member (appointed as a member from 4/5/2017)	DA	50%	50%
N J Mhlobiso	PT	Local Labour Forum Committee Member	ANC	80%	20%
* H Muller	PT	Local Labour Forum Committee Member (no longer a member as from 30/3/2017)	DA	100%	-
S L Sauls	FT	Local Labour Forum Committee Member	DA	80%	20%
P W Terblanche	PT	Local Labour Forum Committee Member	DA	100%	-
P F Tshanga	PT	Local Labour Forum Committee Member (appointed as a member from 4/5/2017)	EFF	0%	0%
Executive Director: Corporate Services		Local Labour Forum Committee Member (had an acting ED stand in for her at times)		100%	-
Director: Labour Relations & Human Resources Planning		Local Labour Forum Committee Member (had an acting stand in for at times)		100%	-
Director: Skills Development and Employment Equity		Local Labour Forum Committee Member (had an acting stand in at times)		80%	-
Director: Human Resources Management Services		Local Labour Forum Committee Member (had an acting Deputy Director stand in at times)			
Ms Amanda Olivier – IMATU (Chairperson)		Local Labour Forum Committee Member (repetition)			
D N Biddulph ** Feni	FT M	Local Labour Forum Committee Member (repetition)	DA ANC	33%	33%
K Boqwana	PT	Local Labour Forum Committee Member (repetition)	ANC		
		* replaced Cllr Muller on LLF who was a member until 30/03/2017) ** also no longer a member of the LLF. Replaced by Cllr Boqwana			
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					

APPENDIX B- COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Public Health	Addresses all matters relating to Environmental Health Services in terms of legislation and by-laws. The Fresh produce market and its concerns are included in this committee..
Sport, Recreation, Arts and Cultural Services	Considers all matters concerning the natural environment, parks & recreation centres, libraries, sport, arts and culture within the institution.
Infrastructure, Engineering & Energy	Addresses all matters concerning civil engineering, infrastructure (ie) roads, stormwater, sewerage, water services, etc. and monitoring as well as controlling electricity in the institution.
Safety & Security	Addresses all matters concerning Security Services, Disaster Management, Traffic Control as well as Fire services. All committee recommendations are submitted to the Executive Mayor.
Human Resources & Corporate Administration	Deals with all HR related matters as well as Administrative matters on an institutional level. (i.e.) Administrative matters - traveling of officials, cellphones, land lines, catering, etc.
Budget & Treasury	Financial planning both short and long term. This committee also monitors the functional performance of the institutional budget for NMBM.
Economic Development Tourism & Agriculture	Deals with all areas of operation that has bearing on economic development, tourism and / or agriculture in the NMBM geographical area.
Human Settlements	Attends to all Land related matters. (e.g.) purchase, hire, sale and lease of Council property for the intended purpose.
Municipal Public Accounts	Exercises an oversight role in terms of the activities of Council, examine the Financial Statements, Annual Reports and Auditor General reports.
Bid Specification Committee	Develop specifications for each procurement process that NMBM engages upon.
Bid Evaluation Committee	Evaluate bids received according to a set criteria developed for the said committee.
Bid Adjudication Committee	Considers the Bid Evaluation Committee report and recommendations after which it makes a final award or a recommendation to the accounting officer if the delegation for a particular item is outside the scope of the committee.
Executive Mayor	To consider matters / proposals emanating from all Portfolio Committees and exercise his / her delegated authority thereon
Audit Committee	An independent advisory body that advises Council and the executive on matters related to Internal Control and Risks.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Chief Operating Officer (Chief Operating Officer: M Clay)	Monitoring and Evaluation. Mr S Ndabeni; Policy, Strategy & Research. Ms A Dowd- Krause; Integrated Development Planning , Mr Dunjana; Strategic Planning & Coordination, Mr D McCarthy; Legal Services, Mr T Motasi Risk Services, Ms P Nwachukwu International and Inter-governmental relations, Ms N Nkume
Budget and Treasury (Chief Financial Officer : T Harper) Acting Chief Financial Officer : Ms B de Scande	Budget & Financial Accounting. Mr J Ngcelwane; Expenditure Management & Financial Control. Mr B De Scande; Revenue Management & Customer Care. Mr M Nogqala; Supply Chain Management. Mr N Mantyontya; Acting, Ms C Ngxesha
Electricity and Energy (Acting Executive Director: Mr P Nelson)	Distribution. Mr C Hempel (Acting); Technical Services. Mr B Lamour Projects. Mr T Tsepene (Acting); Retail & Commercial Management. Mr M Bukula
Economic Development, Tourism & Agriculture (Executive Director : Mr A Qaba)	Fresh Produce Market & Urban Agriculture. Mr G Ngozi (Acting); Sector Developments. Ms L Mxenge; Strategic Projects. Ms A Buchner; Trade & Investment. Mr L Nduvane Tourism. Mr M Pebane MURP, Mr S Mnyaka; EPWP Coordinator, Mr N Mcwabeni
Human Settlements (Executive Director : Ms N Gqiba)	Development & Support. Mr C Brummer; Housing Delivery. Mr D Toyis (Acting); Land Planning & Management. Mr S Potgieter (Acting); Social Development, Education & Administration. Mr S Nogampula
Infrastructure and Engineering (Executive Director: Mr W Shaidi)	Design & Implementation. Mr L Mabhoza); Roads, Stormwater and Transportation. Mr Y Gaffore ; Support Services. Mr B Hutton; Water and Sanitation. Mr B Martin Integrated Public Transport System. Ms MF Rapetsoa
Public Health (Acting Executive Director: Mr T Mokonyanya)	Environmental Health. Mr P Nodwela (Acting); Environmental Management. Mr J Mkosana (Acting) Mr G Murrel; Occupational Health, Safety & Wellness. Mr A Tolom; (Acting) Ms B Vetyeka Parks & Cemeteries. Mr T Mokonyanya; (Acting) Mr G. Kops Waste Management. Ms A Dyakala (Acting)
Safety and Security (Acting Executive Director : Mr S Brown)	Disaster Management. Mr S Brown; Fire & Emergency Services. Mr A De Ridder; Security Services. Mr S Robile (Acting); Traffic & Licensing Services. Mr A Moses (Acting); Metro Police. Ms Y Faro

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Sports, Arts and Culture (Executive Director: Ms NL Nqwazi)	Beaches, Resorts & Support Services. Ms K Ngesi; Nelson Mandela Metropolitan Art Museum. Dr M Hillebrand; Red Location Museum. Mr C du Preez (Acting); Sport & Recreation. Ms C Williams; Libraries, Arts & Culture. Ms V Gwintsa
Corporate Services Executive Director : Ms V Zitumane	Human Resources Management Services - Mr M Mangotywa; Labour Relations - Mr H Viviers (Acting); Corporate Human Resources - Ms N Xhego; Municipal Information System - Ms S Tolom (Acting); Skills Development & Employment Equity - Ms T Mdaka; Asset Management (Ms T Nompandana); Corporate Admin Support Services - Mr S Javu; Facilities Management - Ms M Ncoyo (Acting); Constituency Services - Mr D Mbebe; Officer of the Speaker - Mr N Mqulwana; Communications. Mr M Jikazana; Acting Director: Strategic Coordination & Programme Management Deputy Director: Payroll Administration (Ms C Ntusikasi)

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity/Agency (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	N/A	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	As well as through Agency: Nelson Mandela Bay Tourism
Municipal airports	N/A	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N/A	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes (Uitenhage) in conjunction with SPCA	
Fencing and fences	Yes	
Licensing of dogs	N/A	
Licensing and control of undertakings that sell food to the	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity/Agency (Yes / No)
public		
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	N/A	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	The Municipality has one dog pound in Uitenhage	Function resides with SPCA
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
Inner-City renewal	No	Yes Entity: Mandela Bay Development Agency

APPENDIX E- WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Du Plessis Detru Van Jaarsveld Felicity Ann Chamberlain Letisha Young Robert William Moore Stephen Herman JH Van Thiel Berghuys Paul Graham Wylde Robert Herold Pullen Gail Elizabeth Graham Bell	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 2	Van Rooyen Anneen Schumann Strelza Hanks Clifford Shaw Allen Thompson Jennifer Sutton Rose - Marie Foster Christopher Sityana Noluthando Yantolo Baphiwe Jali Lumko	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 3	Potgieter C. Philippus Harris Stanley Brian Jakavula Nomathamsanqa Gxonono Nombulelo Krige Maureen Van der Merwe Kail Dickson Joshua Gaga Phakamisa Jarvis Michael Matisi Nolubabalo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 4	Same Xolani Cetywayo Litha Canywa Ncumisa Runeli Thozama Mafunda Nolulamo Gebuza Andile Uitenhage Silumko Vuyisani Nhose Bulelwa Mbambo Lungiswa Julia Nonimba Thenjiwe	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 5	Johnny Jantjies Magdalene Bangaree Fundiswa Ndiaye Tania L Brunner Neville R Scott Johannes H Hanekom Lindill A Beets Roderick Douglas Carradice Matomela Luvuyo Daantjie Japhta	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 6	Roger Joseph Slyvester Felkers Walter Arndt Yvetie Bargeh Desire Elizabeth Verwey Brent Clark Pieter Christian Steinman Ebenezer Kitching John Vieira Phumla Vanqa	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 7	McLean Basil Billet Rondwin Killeon Paul Peterson Denise Glover Mandy Manser Peter Ngobeni Audrey Richenburg Anthony Roland Perring Allen Desmond Bhikitsha -Peter Thandiwe	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 8	Harcus-Brettenny Karyl Ann Olivier Norman Deon Groenewald Arina Kotela Sivuyile Rossouw Johannes Abraham Wolf Bernard Friedrich Ayyub Callum Robert McGrath Karen Scheepers Glenn Weyers Maartje Harcus-Brettenny Karyl Ann Olivier Norman Deon	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 9	Sauls Graeme Rathbone Aubrey Combrink Arthur Mase Luvuyo V A Combrink Elize Jearey Vincent Barnard Douglas Henry Patrick Seti Luxolo Maxamba Sinazo Baty Donald	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 10	Burke Clive Jacobs Carol Oliver Ethel Natasha Leander Belinda Abader Yunus Barman Charles Malgas Bazil Geswint Avriile Adams Francois Peters Desiree	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 11	Catherine Harris Vanessa Grootboom Collin Potgieter Dudley Louw Elsudi Camealio Clive Basterman Raymond Oosthuizen David Baxter Edward Ivan Matilda Kombela	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 12	Pearl Daniels Avinash Ranchod Rev Gnanasagaran Moodley Kishore CM Parshotam Ashwin Parshotam Hutton Lawrence SA Kiewiets Gharoeneesa Clark John Lusu Daniel T Pullen Janette	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 13	Mentoor David Juane Camfer Williams Charmaine Salters Schandre Ceasar Golfrey Abdul Nadia Davis Jasmin Stuurman Dorothy lawack Quinton Booyesen Celestine	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 14	Yose Ntombomzi Masoka Zukile Phillip Salamntu Nceba Jonas Bukelwa Mlindi Heshe Wongeka M Kondile Lipuwa Nontileka Mandisa Carmen Maku-Mnyanda Thabisa P Piko Lawrence Lindiwe Singata	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 15	Mkalali Barbara Kwenxe Phumeza D Mkweta Mcedisi Mbengashe Nokuzola Neer Noluthando S Dyani Mzukisi Baleni Moyisi Selekane Masabatha Mnyumana Thembisa Mambara Mlandeli	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 16	Mabandelela Siphosethu Vukemini Phindiwe J Mgadi Zodwa Rangula Thando Vika Lindokuhle Bukayi Simphiwe J Ngemntu Xolelwa Mcwabeni Pumlani Kolisi Lungile Klass Mulelo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 17	Qupe Mongezi Humphrey Lili Yanga Phakama Bobani Dunjana Siphon Patrick Booi Ncediswa Nyeke Xolelwa Sonjica Nonceba Grootboom Kolekile Mselane Nomonde Menziwa Nonzame	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 18	Makubalo Ntombekhaya Mlawu Xola Christopher Kondlo Ncumisa Maqakaza Luvuyo H Sigwamba Nondumiso Singata Zimkhitha Qamba Khulile Oyiya Vusumzi Baat Nomathemba Sambu Nombuyiselo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 19	Mzantsi Themba M Vanga Phumeza Ndanda Thandiwe Grootboom Miriam Mnyanda Nompucuko Veli Nontsikelelo Nxokwana Mangaliso G Mdabe Mbuyiseli Jozana Momalady Mfihlo Zukiswa	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 20	Mbedu Siyasanga Kenene Nonjongo George Ntombizanele September Phindiwe Nyangasya Hilda Xaso Wellington Ngabase Morris Ncentezo Nombulelo Ngciphe Bonile Dick Macheal	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 21	Dyani Feziwe Willie Nomfundo Hani Zibula Winston Sityebi Zukiswa Buluta Phumza Mtukwini Thandile Hem Zimasa Twani Mandisa Gwedashe Nonkoliseko Sandlana Xolani	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 22	Sokuluta Bulelwa Phungulwa Nomfusi Sonjica Luxolo Makhanda Nosikhumbuzo Makuleni Nokuzola Mabandlela bandlakazi B Tafane Punzile Mati Nkosana Nkosana Nompumelelo Booi Kholeka Cynthia	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 23	Pokili Phumeza Sihaula Posiwe Julia Mayekiso Nosithembiso Msutu Lulama Cornelius Duba Nombeko Elsie Moji Thembisa Thelma Ngqawana Nomtha Ngqondela Bahle Blani Melikaya Magxaki Nomakula Ethel	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 24	Solani Mthetheleli Tyatyaza Mkuseli Welcome Nxomani Mlodolozu Mantambo Thobile Dakuse Fikile Swayi Khaya Pakana Lindelwa Yantolo Xoliswa Tili Lovedalia N Gola Ayanda	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 25	Bukula Nontuthuzelo Koboka Nombulelo Mle Nozuko Tengela Mxolisi Dladla Nomvulazana Armoed Janefin Mashiqa Siphokazi Netu Nomhle Mali Veronica Ngele Nombulelo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 26	Mavayi Lonwabo Bathandwa Faltein Siyabulela Matebese Ntombomzi Sam Zandile Aretha Balfour Nomfusi Jack Beauty Thotyelwa Vena Barman Gcilitshane Ntombizanele Hlazo Mzuvukile Vumazonke Nomzamo Stella	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 27	Klaas Thembisile Ngqondela Yoliswa Namba Nomawethu Mlungwana Brenda Nomachina Sota Vuyisile Vinqi Xoliile Mike Potwana Sandise Mantile Gladys Nokuzola Festile Joyce Nombulelo Dyantyisi Deon Sivuyile	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 28	Ndlela Thando Loza Moses Nonceba Mkonto Bonginkosi Mbuqe Mandisa Ngwetsheni Nolita Totwana Nobesutu B Mape Sindiswa Evelyn Mabodla Bilini Thabo George Nolton	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 29	Jonas Luyanda Gwavu Ada Mdyogolo Nombuyiselo Majenge Nothemba Thandisizwe Makhaphela Clark George Voorman Thandiwe Naka Gloria Nelani Zoleka Honono Xolani	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 30	Bukani Vakele E Nofemele Pindiwe Vuba Nomakhaya Mkonjeni Wandisa Mbili Nobuntu Mbotyi Tembile Welcome Nikelo Gusha Penrith Andrew Siganga Mkuseli Gladstone Mnqamisa Sizakhele	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 31	Vellem Alastar Dickson Nompumelelo Sola Lulama Alexander Edward Vena Mtutuzeli Danyela Siyanda Wokisi Mavis Yawa Andiswa Bashman Pheliswa Sojola Nelisa	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 32	Bartis Anita Michelle Cooper Wendel Harry Daniels Stafford C H Julies January Emmanuel Joseph Smith Anita Bantom Charmaine Murray Ronald Ernest David Eckhardt Christopher William Jagers	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 33	Mkalipi Ntombizanele Ngiyo Zoliswa December Thandiwe Keye Nomazwi Mbelekana Asanda Sherly Todolo Zukiswa Kwati Madoda Ladlokova Nomawethu Monti Nonkosazana Sidina Mzwandile	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 34	Jackson John TITUS FRANCOIS Jansen Evantiaq Wentzel Clyde Lethese Nolufefe Menziies Johanna Laport Clifton Minto Racheal Abrahams Josephine Bone Paulus	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 35	Le Roux Kelvin Gerard Thorne Eugene Neil Moodley Noeleen Quino Henry Willams Shane Oswald Miller Mark Kevin Rensburg David Raenora Windvogel Blauw Lize Sumone Fourie Darryl Shelton	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 36	Nozibele Ramncwana Nokuthuka Zita Xolelwa Sokutu Zukiswa Zote Fundile Faltein Charlie Booie Khanyisa Mani Lungelwa Mayaba Zolani Bonga Tobeka Dingaane	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 37	Koopman Charmaine Shaw Jamiel Theron Joyce Iwie Antonie Van Rayner Stoffel Walker Henry Messiah Douglas Finnis Coreen Jaffa Joho Jona Stuurman Nicholas	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 38	Sokani Lungile Matroos Portia Tyutyu Funelwa Bacela Vuyelwa Baka prince Toto Xolani Konza Thobani Lyons David Mgquba Vuyiswa Apolisi Nompumelelo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 39	Botha Adele Potgieter Leonard Niemand Dewald Jansen Van Rensburg W H J Jonas Siyanda Buchner Simon Saliso Odwa Desiree Telfer Thobela Mngonyama Perry Conroy Notley	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 40	Bana Lerato Dayizana Nosisa Plaatjie Nonkie Nosisa Xokozima Lindile Nxangashe Nonkuleko Qushani Thozamile Mdanyana Buyiswa Manto Ntombikayise Kilani Nobambo Matroos Thabisa	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 41	Soxujwa Ncedile Eric Luyanda Lawu Mpofu Melikhaya Qwebi Danile Jamleni Wongiswa Solwandle Zolile Classen Yolanda Msitshana Thembeke Gili Fundile Xola Ntombothando	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 42	Webb Nonkoliseko Grace Mabombo Vuyiswa Prinkrose Festile Sindiswa Sweetness Festile Noziphiwo Gana Thembekile Sonjica Sibusiso Goniwe Thuliswa Tuys Lindiswa Princess Scritch Siyabulela Debooi Phumla	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 43	Kopo Anele Mdayi Nosipho Qabo Mbulelo Leeu Mamagkok Mnyanda Xolisa Gomomo Mandisa Stuurman Bukelwa Ntsendwana Neliswa Williams Lunga Pamba Bukiwe	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 44	Themba Maseti Ndamse Luzuko Koli Bishop Danster Nomphele Mbambosi Lungile Mpuntshe Mziwohlanga Pokolo Patekile Johnson Lindelwa Mathezwa Cikizwa Vussani Sipiwo Themba Maseti	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 45	Majola Lulama Beauty Johnson Nomfundo Mni Asanda Ciki Mtutuzeli Aubrey April Aletta Vuyiswa Zondani Luyanda Ndoni Thembinkosi Alfred Noda Nomazotsho Lose Nomaxabiso Williams Xolani Gladwell	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 46	Gunguluza Ntombekhaya Mgushelo Asanda Faltein Thobeka Klaas Xolani Ncana Mzimasi Martin Hoyi Mongameli Gideon Maseti Vumile Citeko Ntombizanele Cynthia Grootboom Mlamli Vena Sicelo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 47	Mtubeli Mabele Mfama Thembinkosi Nockpaal Ruth Phamela Peter Pamela Pityana Sphiwo Dlwengu Linda Abegail Dladla Ntombomzi Boyana Bongani Ncana Judith Khuthala Ncetezo Luxolo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 48	Bonci Lusindiso Mavakala Lindelwa Britz Freddy Goliath Ruan Nzenza Deon Zenza Elvis Mhlakuva Gani Kalani Zolile Hempe Nompumelelo Steyn Leonard Wielen Patrick	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 49	Harris Jurie Anthony Charles Dow Toetie Steenkamp Gert Corneluis De Vos Florence Adolph Percival Alladin Toring Billy Zealand Sarah Byneveldt Felicity Rossow Linda	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 50	Velile Ngxonono January Annie Zolile Filita Lunya Smith Crosby Siyasanga Makhedama Luvuyolwethu November Mahlubandile Goliath Mirriam Nomvula Rala Pumla Belani Zamile Pram Madoda Martin	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 51	Gouws Margaret Botha Petros C. Brunsdon Francois Julius Jacques Seconds Antonio Terblanche Ann-Marie IngramAvon Bradley N.D. Smith Melissa Malgas Gerald	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 52	Fourie Charles Petruis Windt Tambo Mlamli Gosani Patience Sibulele Harmse Ewald Mostert Annelize Senekal Theodorus Louw Gabriel Christoffel Swaart Dikie Christan Thandiwe Mildred Gcakasi	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 53	Komazi Nomthandazo Tsotso Zwelandile Chitwa Mzuhleli Bukashe Lonwabo Jibiliza Wanele Busakwe Wesley Xola Jodwana Thantaswa Namntu Veleleni Kondile Harriet Ntintishe Welekazi	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 54	Gaxela Zolani Jack Bonisile Dondashe Zolani Landu Nosipho Citwa Gcobani Skosana Xoliswa Majenge Phumzile Tutu Bongwiwe Minyayo Lunga Panda Mzoxolo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 55	Nqinileyo Monica N Matyana Vuyelwa M Zondani Mkhosi B Jiki Noluthando Magida Nandipha Matomela Ntombentsundu Nyathi Ntombizodwa Kana Misiwe Ntlanjeni Thembisa Makinana Xolelwa L	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 56	Sizani Ntombekhaya Sambu Lusanda Qandana Zwelinzima Dyantyi Mpati Armrose Futshane Khanyiswa Patricia Mzamo Noma- Efese Mkayo Boyce Jakavula Zoliswa Badi Nonkululeko Jane Mnqayi Qaqamba D.	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 57	Gaxela Mzukisi Maswana Thembinkosi Mnguni Nobatembu Mamkeli Nozuko Jantjies Noluthando Gusha Kholiswa Dambuza Phindiwe Nyamakazi Mzimasi Masala Nosiphiwo Witbooi Moosa	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 58	Nobebe Ntabayozuko Mashicila Noriki Alfrida Yawa Fundiswa Koba Nozipho Lande Mlungisi Maliza Nonkosi Mbengashe Ntombizanelile Mfecane Buyiswa Jobela Welcome N. Sontsonga Nolwazi Princess	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 59	Vazi Fezeka Nompunga Sonwabiso Monde Tsoko Rula Nomfazwe Witbooi Mlungisi Rune Fezeka Mbolekwa Sipiwo Yokwe Nomachina Jakavula Binita Kate Kwanele	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		
Ward 60	Matikinca Vuyokazi Mfazwe Nombuso Stofile Doris Mafuduka Malibongwe Stofile Nandipha Masiki Mandisa Bams Rogers Mcetywa Ayanda Mgedezi Rachel Ndaleni Nomzamo	Yes	Committee established during the latter part of June 2017, hence first meetings to take place in the new financial year		

APPENDIX F- WARD INFORMATION

Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)

No.	Project Name and detail	Start Date	End Date	R' 000			
				Total Value	Note		
						R' 000	
						2016/17 Adjustments Budget	2016/17 Actuals
1	Fishwater Flats WWTW Upgrade	23 February 2013	1 December 2030	1,728,603		77,257	72,942
2	Reinforcement of electricity network - Coega	1 July 1999	Still continuing	159,929		30,000	72,027
3	Tarring of Gravel Roads	Tarring of gravel Roads is an ongoing project which is implemented annually.	Tarring of gravel Roads is an ongoing project which is implemented annually. Currently a major backlog exists for Tarring of Gravel Roads	There is no total value as the project is implemented annually with the budget that is made available.		72,000	71,197
4	Nooitgedagt/Coega Low Level System	April 2010	March 2019	R1, 050 Billion		64,500	70,991
5	Kelvin Jones WWTW: Upgrade	September 2013	November 2034	800,000		40,000	46,473
6	Pipe Rehabilitation and Improvements to System - General	1 July 2016	30 June 2017	Approx. R45mil	The current contract being used is for a three-year period. Work packages are being assigned on an if and when required basis as need arises.	30,950	46,012
7	Motherwell NU30 - Roadworks Human Settlements (Services)	1 October 2016	1 February 2018	33,000		13,000	33,963

CAPITAL AND OPERATING PROJECTS BUDGET BY WARD

WARD 1 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: The Camp, The Gums, Hillside, Stone Kraal, Lake Farm, Oshry, Walmer Heights, Sappershoek, Sardinia Bay, Biermans Bult, Schoenmakerskop (Madiba Bay), Lovemore Park, Apron Strings, Salisbury Park, Miramar, Providentia, Pari Park, Pine Village, Southmead, Lovemore Heights, Heatherbank, Theescombe, Farms Port Elizabeth, Summerstrand, Mount Pleasant, Alington Race-track, Schoenmakerskop

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030030	Lorraine - Bulk Sewerage Augmentation	62,500	1,250,000	5,000,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	1,000,000	3,500,000	5,000,000
20050250	Driftsands WWTW Phase 3 extension	4,000,000	7,500,000	7,500,000
20060177	Driftsands Collector Sewer - Augmentation	4,000,000	18,500,000	8,000,000
20060075	Cape Receife WWTW : Upgrade	2,000,000	20,000,000	20,000,000
20070234	Summerstrand Bulk Stormwater	6,250,000	-	-
20100088	Multi-purpose Reefs	-	3,000,000	3,000,000
20010064	Beachfront Upgrading	330,000	500,000	660,000
19980220	Traffic Calming Measures	70,000	70,000	70,000
19960195	Reinforcement of Electricity Network - Summerstrand	1,200,000	1,500,000	1,500,000
19930283	Public Lighting	500,000	1,000,000	1,000,000
		-		
	Total Capital	19,412,500	56,820,000	51,730,000
	Projects on operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	19,512,500	56,820,000	51,730,000

WARD 2 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Summerstrand, Craig Bain, Forest Hill, Brookes Hill, Victoria Park, Stuart Township, Humerail, Lea Place, Central, South End, Forest Hill/Military Base, Humewood, Central, Summerstrand Ext. 10

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030421	Cemetery Development	425,000	425,000	3,500,000
19980220	Traffic Calming Measures	70,000	70,000	70,000
20070234	Summerstrand Bulk Stormwater	6,250,000	-	-
20010064	Beachfront Upgrading	330,000	500,000	660,000
20162170	Upgrade of Hobie Beach Yacht Club	-	-	2,000,000
20010059	Reinstatement of Embankments - Coastal Revetments	1,500,000	1,500,000	1,000,000
		-		
	Total Capital	8,575,000	2,495,000	7,230,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	MBDA - Baakens Valley Node Phase 1 (Vuyisile Mini Square Upgrade)	10,000,000	14,249,913	-
	MBDA - Baakens Valley Node Phase 2 (Parking / Landscaping)	-	-	5,000,000
	MBDA - Baakens Valley Node Phase 3 (Baakens Street)	-	-	3,000,000
	MBDA - Baakens Valley Node Phase 4 (Produce Street)	-	-	2,000,000
	MBDA - Baakens Valley Node (Baakens River Pedestrian Bridge)	-	5,000,000	-
	MBDA - St Peters Land Development	-	-	5,000,000

	MBDA - Campanile Upgrade	6,575,390	-	-
		-		
	Total Capital & Operating	25,250,390	21,744,913	22,230,000

WARD 3 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Athlone Park, Greenshields Park, King Edward Park, Walmer Heights, Walmer Downs, Robert Searle Park, Scotstown, St Georges Park, Hallack Road, Essexvale, Jutland, Mill Park, St Georges

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	550,000	-	-
20060240	Theescombe / Gqebera Bulk Stormwater	8,500,000	2,500,000	-
20060110	Greenhouse Upgrades	1,700,000	-	2,300,000
19980220	Traffic Calming Measures	70,000	70,000	70,000
20030471	Reinforcement of Electricity Network - Walmer Lorraine	3,500,000	550,000	550,000
20070191	Occupational Health and Wellness Center at Walmer	1,000,000	500,000	500,000
19980285	Upgrade Existing Sports Facilities	3,000,000	3,500,000	3,000,000
20150040	Climate Change	1,024,000	-	2,000,000
		-		
	Total Capital	19,344,000	7,120,000	8,420,000
	Projects on Operating Budget			
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	26,142	28,791
	Ward Councillor's Discretionary Fund	100,000	-	-
	People's Housing process (Walmer Gqeberha phase 1 - 500 units)	10,892,000	2,835,317	-
	Top Structure Construction Informal Settlements (Walmer Q Phase 3)	500,000	14,129,004	15,560,676
	Social and Rental Housing (Walmer Old Age Transitional Home)	150,000	-	-
	Social and Rental Housing (Walmer Link 347)	-	6,610,355	7,280,173
		-		
	Total Capital & Operating	30,986,000	30,720,818	31,289,640

WARD 4 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Beutler Way Complex, Walmer Industrial, Southdene, Airport, Area G South, "Area X, O and J", Gqebera (Walmer Township), Area C And E, Area G, Area N, Area N-East, Area P, Area Q (Phases 1 and 2), Forest Hill/Military Base

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20080163	Fountain Road Redevelopment	8,000,000	2,500,000	-
20030421	Cemetery Development	425,000	425,000	
20110067	Industrial Site (Airport Valley) - Bulk Sewer	500,000	5,000,000	10,000,000
20030420	Develop Floodplains	-	-	-
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	1,000,000	3,500,000	5,000,000
20050250	Driftsands WWTW Phase 3 extension	4,000,000	7,500,000	7,500,000
20060177	Driftsands Collector Sewer - Augmentation	4,000,000	18,500,000	8,000,000
20120047	Walmer Development - Human Settlement (Services)	31,441,867	35,000,000	45,000,000
20120052	Walmer Q Phase 3 - Human Settlements (Services)	25,500		
20150034	Upgrading of Fountain Road - Walmer Township	4,000,000	5,000,000	-
20060240	Theescombe / Gqebera Bulk Stormwater	8,500,000	2,500,000	-

20050286	Tarring of Gravel Roads	4,000,000	1,500,000	-
20010362	Upgrade and Development of Public Open Spaces	-	1,000,000	-
20100100	Playground Equipment	-	300,000	-
NEW	Informal Settlement Electrification in Walmer	3,000,000		
19930283	Public Lighting	800,000	500,000	1,000,000
		-		
	Total Capital	69,692,367	83,225,000	76,500,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	11,184,384	11,855,451	12,566,781
		-		
	Total Capital & Operating	80,976,751	95,080,451	89,066,781

WARD 5 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: North End, Sydenham, Prince Alfred's Park, Parsons Hill, Millard Grange, Glendinningvale, Mount Croix, Richmond Hill

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20043125	Upgrade of Community Halls	4,500,000	1,500,000	1,500,000
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030074	Reinforcement of Electricity Network - Mount Road	1,000,000	3,000,000	3,000,000
20162173	Upgrade of Art Museum	-	-	2,000,000
20060113	Upgrade and Restoration of Libraries	11,081,000	5,000,000	4,000,000
		-		
	Total Capital	16,656,000	9,575,000	10,575,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Social and Rental Housing (Mount Croix 250)	-	245,082	269,916
	Social and Rental Housing (Steve Biko Manford Cluster 220)	4,544,725	3,178,924	3,501,040
	Total Capital & Operating	21,300,725	12,999,006	14,345,956

WARD 6 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Fairview, Walmer Downs, Glen Hurd, Greenacres, Willowdene, Broadwood, Charlo, Overbaakens, Springfield, Bog Farm, Mangold Park, Fernglan, Newton Park

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030030	Lorraine - Bulk Sewerage Augmentation	62,500	1,250,000	5,000,000
20090039	Fairview Refurbishment	2,000,000	2,000,000	2,000,000
19990144	Rehabilitation of William Moffett Expressway	-	1,000,000	3,000,000
20010023	Glen Hurd Drive Upgrading	300,000	8,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	2,437,500	12,825,000	10,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Social and Rental Housing (Fairview Link 368)	-	14,102,478	15,531,463
		-		
	Total Capital & Operating	2,537,500	26,927,478	25,606,463

WARD 7 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Mill Park, Korsten, Korsten Dry Lake, Neave Industrial Township, Schauderville, Adcockvale Extension, Mount Road, Newton Park, Kensington, Macleanville, Holland Park, Steytler Township, Adcockvale, Perridgevale, Greenacres, Parsons Hill, Scotstown, Westview, Linkside

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	-	350,000	
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
19970061	Reinforcement of Electricity Network - Newton Park	750,000	550,000	550,000
		-		
	Total Capital	1,825,000	1,975,000	625,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	-		
	MBDA - Korsten / Schauderville Node (Neave Street Park Upgrade)	3,000,000	-	-
	MBDA - Korsten / Schauderville Node (Highfield Road Upgrade)	-	5,000,000	5,000,000
		-		
	Total Capital & Operating	4,925,000	6,975,000	5,625,000

WARD 8 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Lorraine, Kabega, Treehaven, Willowglen, Glenroy Park, Vikingvale, Ben Kamma, Beverley Grove, Pine Grove, Kamma Creek, Brymore, Hancorn, Kragga Kamma Park, Weybridge Park, Woodlands, Goldwater, Lorraine Manor, Kamma Park

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030030	Lorraine - Bulk Sewerage Augmentation	62,500	1,250,000	5,000,000
20060020	Provision of Sidewalks	-	350,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
19980323	Lorraine Stormwater Control	6,500,000		
		-		
	Total Capital	6,637,500	1,675,000	5,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	6,737,500	1,675,000	5,075,000

WARD 9 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sunridge Park, Vergelegen, Linton Grange, Westering, Taybank, Moregrove, Westering, Framesby, Fernglen

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20042889	Linton: Additional Treatment Facility	-	2,000,000	2,000,000
19980220	Traffic Calming Measures	75,000	75,000	75,000
20042992	Reinforcement of Electricity Network - Western	2,000,000	2,000,000	2,000,000
		-		
	Total Capital	2,075,000	4,075,000	4,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	2,175,000	4,075,000	4,075,000

WARD 10 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Gelvan Park, Glenhaven, Jarman, Springdale Extension 5, Parkside Extension 10, Bridgehaven Extension 11, Helenvale Extension 6, New Brighton, Schauderville, Korsten, Helenvale Extension 6

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
19980220	Traffic Calming Measures	75,000	75,000	75,000
19980402	Reinforcement of Electricity Network - Malabar/ Helenvale	800,000	1,000,000	1,000,000
20000106	Urban Refuse Transfer Recycling Stations	-	2,000,000	-
19930283	Public Lighting	500,000	1,000,000	1,000,000
20050286	Tarring of Gravel Roads	1,000,000	-	-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure	2,700,000		
20162368	Astroturf Surfaces	5,500,000		
	Total Capital	10,575,000	4,075,000	2,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Sports Development: Gelvandale Marathon	200,000		
	Social and Rental Housing (Korsten Foster Care Home)	100,813	-	-
	Total Capital and Operating	10,975,813	4,075,000	2,075,000

WARD 11 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Cradock Place, Korsten, Young Park, Kendle St (Industrial), Lindsay Road Industrial Township, Sidwell, Neave Industrial Township, Ferguson Township, Schauderville, Ibhayi, Algoa Park

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
19980220	Traffic Calming Measures	75,000	75,000	75,000
20000172	Reinforcement of Electricity Network - Korsten	1,000,000	1,000,000	1,000,000
19930283	Public Lighting	1,000,000	1,000,000	1,000,000
	Total Capital	2,075,000	2,075,000	2,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital and Operating	2,175,000	2,075,000	2,075,000

WARD 12 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Parsons Vlei, Vergelegen, Hunters Retreat, Tulbagh, Glenhaven, Jarman, Bridgemeade, Francis Evatt Park, Wonderview, Morningside, Cotswold, Westering, Kabega Park, Malabar, Bethelsdorp

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20120059	Malabar Ext 6 Phase 2 - Human Settlement (Services)	19,000,000	2,500,000	-
20030017	Paapenkuis Canal Rehabilitation	250,000	500,000	500,000
19980348	Paapenkuis Main Sewers Augmentation	4,000,000	9,000,000	2,000,000
20050286	Tarring of Gravel Roads	-	-	-
19980220	Traffic Calming Measures	70,000	70,000	70,000
19930283	Public Lighting	800,000	1,000,000	1,000,000
		-		
	Total Capital	24,120,000	13,070,000	3,570,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Rectified RDP stck 1994 - 2002 (Malabar - 207, Helenvale Ext 12 - 101)	5,132,144	3,005,431	-
	Social and Rental Housing (Parsons Vlei Mixed Use Development 110)	-	5,869,002	6,463,700
		-		
	Total Capital & Operating	29,352,144	21,944,433	10,033,700

WARD 13 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Helenvale Extension 6, Barcelona Helenvale, Bethelsdorp, Helenvale 5 Stage 2 and 3, Allan Heights Extension 12				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
19980220	Traffic Calming Measures	75,000	75,000	75,000
20080091	Helenvale Urban Renewal Programme	-	100,000	200,000
19930283	Public Lighting	800,000	1,000,000	1,000,000
		-		
	Total Capital	875,000	1,175,000	1,275,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Sports Development Programme / GASP	200,000		
		-		
	MBDA - Helenvale SPUU Public Spaces / Infrastructure KfW Bank	10,352,178	4,679,954	-
	MBDA - Helenvale SPUU Safer Schools KfW Bank	1,054,458	620,137	-
	MBDA - Helenvale SPUU Pilot Housing KfW Bank	14,646,724	7,140,255	-
	MBDA - Helenvale SPUU Phase 2 KfW Bank	-	-	5,000,000
		-		
	Total Capital & Operating	27,228,360	13,615,346	6,275,000
WARD 14 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: New Brighton				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20100104	Mendi Bottle Store Renovation	9,600,000	4,000,000	-
20060020	Provision of Sidewalks	350,000		
20050286	Tarring of Gravel Roads	3,000,000	1,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20010362	Upgrade and Development of Public Open Spaces	-	-	1,000,000
19930283	Public Lighting	1,000,000	1,500,000	2,000,000
	Total Capital	14,025,000	7,075,000	3,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Litter Pickers	-		
	MBDA Project for Ford Bottle Store Upgrade outstanding	-		
		-		
	Total Capital & Operating	14,125,000	7,075,000	3,075,000
WARD 15 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Boast Crescent, Mhlaba Silvertown, Red Location, Ibhayi, Masangwanaville Phase 2, Malakana Silvertown, Ibhayi, Silvertown New Brighton, Masangwanaville (Phase 3)				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19930283	Public Lighting	500,000	500,000	500,000
20100100	Playground Equipment	-	-	300,000

20010362	Upgrade and Development of Public Open Spaces	-	-	1,000,000
19930264	Informal Housing Electrification	1,747,900	-	-
20162174	Rehabilitation of Red Location Precinct Buildings	-	-	2,500,000
20030427	Secure Recreational Buildings / Facilities	187,500	375,000	250,000
20150061	Red City Soccer Field - Mayoral Project	926,600		
	Total Capital	4,362,000	1,875,000	4,550,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	30,074	33,120
	Ward Councillor's Discretionary Fund	100,000	-	-
	MBDA - Rivonia Trial Art Piece	7,000,000	-	-
	Rectified RDP stck 1994 - 2002 (Masangwana Ville (red location) - 338)	6,888,599	4,508,146	-
	Top Structure Construction Informal Settlements (New Brighton Red Location)	-	1,989,253	2,190,821
	Total Capital and Operating	18,350,599	8,402,473	6,773,941

WARD 16 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi, New Brighton

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20120053	MK Silver 2 Qaqawuli - Human Settlement (Services)	20,000,000	-	-
20060020	Provision of Sidewalks	350,000		
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
20010362	Upgrade and Development of Public Open Spaces	1,000,000	-	-
20100100	Playground Equipment	-	300,000	300,000
19930283	Public Lighting	1,000,000	1,000,000	1,000,000
19930264	Informal Housing Electrification	2,996,400	-	-
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
20030795	Upgrade Beaches- Tourism	500,000	1,000,000	1,000,000
New	John Tallant - Link Road	-	4,000,000	2,500,000
		-		
	Total Capital	27,068,622	7,688,889	5,188,889
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	17,155	18,894
	Top Structure Construction Informal Settlements (Silver Phendla)	-	212,261	233,769
		-		
	Total Capital & Operating	27,168,622	7,918,305	5,441,552

WARD 17 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Silvertown Pendla, Qaqawuli (Phase 1), Qaqawuli (Phase 2)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
20100100	Playground Equipment	500,000	-	-
20060020	Provision of Sidewalks	350,000	350,000	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
20010362	Upgrade and Development of Public Open Spaces	500,000	-	-
	Total Capital	2,572,222	1,738,889	388,889
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	MBDA - Red Location Node (Singapi Rd Upgrade Phase 3)	20,000,000	-	-
	MBDA - Red Location Node (Single Mens Hostel Upgrade)	-	18,000,000	-
	MBDA - Red Location Node (Mendi Road Link Upgrade)	-	-	5,000,000
	MBDA - New Brighton Swimming Pool	5,000,000	5,000,000	5,000,000
		-	-	-
	Total Capital and Operating	27,672,222	24,738,889	10,388,889

WARD 18 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Railway Reserve W4, Madikana Informal Community, Kalipa Informal Community, Mandela Village, Ibhayi, Kwanoxolo New Brighton

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20110056	Swartkops Low Level Collector Sewer Upgrade	1,000,000	2,250,000	4,250,000
20050286	Tarring of Gravel Roads	2,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030420	Develop Floodplains	149,000	-	-
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
20100100	Playground Equipment	500,000	-	-
		-	-	-
	Total Capital	3,946,222	3,713,889	4,713,889
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Kwa Noxolo, Njoli Motors)	-	460,383	507,033
	Top Structure Construction Informal Settlements (Mandelaville 121)	14,216,402	4,686,565	5,161,448
	Top Structure Construction Informal Settlements (Mandelaville 121)	1,000,000	564,440	621,634
		-	-	-
	Total Capital and Operating	19,262,624	9,425,277	11,004,004

WARD 19 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Informal Community, Endulwini Nkatha Informal Community, Ekuphumleni Informal Community

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20110056	Swartkops Low Level Collector Sewer Upgrade	1,000,000	2,250,000	4,250,000
20120031	Ekuphumleni - Kwazakhele - Human Settlements (Services)	7,800,000	-	-
19930264	Informal Housing Electrification	1,872,750	-	-
20050286	Tarring of Gravel Roads	2,000,000	1,000,000	-
20130040	Nkatha/Seyisi	1,000,000	3,500,000	-
19930283	Public Lighting	1,000,000	500,000	1,500,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
		-		
	Total Capital	14,894,972	7,638,889	6,138,889
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	12,254	13,496
		-		
	Total Capital & Operating	14,994,972	7,651,143	6,152,385

WARD 20 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi Informal Community (Includes KwaZakhele and Ndokwenza areas)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	-	550,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
		-		
	Total Capital	297,222	1,013,889	463,889
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	3,027,673	3,209,335	3,401,896
	Top Structure Construction Informal Settlements (Ebhongweni 55)	5,963,153	4,191,786	4,616,534
	Top Structure Construction Informal Settlements (Kwanotshinga 105)	-	2,634,637	2,901,601
		-		
	Total Capital & Operating	9,388,048	11,049,647	11,383,920

WARD 21 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Tambo Village, Madlingozi Informal Community

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20110056	Swartkops Low Level Collector Sewer Upgrade	1,000,000	2,250,000	4,250,000
19980285	Upgrade Existing Sports Facilities	-		
20050286	Tarring of Gravel Roads	4,000,000	2,000,000	
20120045	Fencing of Cemeteries	700,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20100082	Seyisi Square Development	3,000,000	1,000,000	-
20130041	Raymond Mhlaba (Buyambo) - Human Settlement (Services)	1,702,633	-	-
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
20010362	Upgrade and Development of Public Open Spaces	-	1,000,000	-

20043125	Upgrade of Community Halls	-		4,000,000
20162357	Customer Care Centre in KwaZakhele	-	4,000,000	
		-		
	Total Capital	10,699,855	10,713,889	8,713,889
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Sisulu Village)	-	122,882	135,333
		-		
	Total Capital & Operating	10,799,855	10,836,771	8,849,222

WARD 22 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwazakhele, Railway Reserve W2, Zingisa Village, Thlaba Village

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
19990168	Njoli Square Redevelopment	-	25,195,614	30,701,754
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,222	388,889	388,889
		-		
	Total Capital	297,222	25,659,503	31,165,643
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Ngwendu Street)	-	226,701	249,673
		-		
	Total Capital & Operating	397,222	25,886,204	31,415,316

WARD 23 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 2, N.U. 3, Ramaphose Village N.U.2

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030221	Office Accommodation - Ward Councillors	416,666	333,333	333,333
20050286	Tarring of Gravel Roads (Circles)	1,500,000	1,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20150060	Sport and Recreational Facilities - Mayoral Project	700,000		
	Total Capital	2,691,666	1,908,333	408,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	MBDA - Motherwell Arterial Development	-	-	10,084,908
		-		
	Total Capital & Operating	2,791,666	1,908,333	10,493,241

WARD 24 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwazakhele, Soweto-On-Sea Informal Settlement, Mhlaba Village Area Y - Zwide, Sisulu Village, Eluxolweni (Vuku), Sharpeville, Masakana Village, Eselileni Informal Community, Cebo Village, Mayibuye Village (Phase 1), Silvertown Village Swartkops

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,500,000	500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,223	388,889	388,889

20100100	Playground Equipment	-	300,000	-
20010362	Upgrade and Development of Public Open Spaces	-	1,000,000	-
		-		
	Total Capital	1,797,223	2,263,889	463,889
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	1,897,223	2,263,889	463,889

WARD 25 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: Zwide, KwaZakhele, Barcelona Zwide, Struandale Industrial, New Brighton, Kwaford Industrial

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	400,000	500,000	
20000106	Urban Refuse Transfer Recycling Stations	145,000	-	-
20050286	Tarring of Gravel Roads	1,500,000	500,000	-
19930283	Public Lighting	500,000	500,000	500,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	222,223	388,888	388,888
20010362	Upgrade and Development of Public Open Spaces	-	-	1,000,000
20000149	Maintain/Rehabilitate Sports Facility Infrastructure	900,000	-	-
	Total Capital	3,667,223	1,888,888	1,888,888
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	8,169	8,997
	Ward Councillor's Discretionary Fund	100,000	-	-
	Total Capital & Operating	3,767,223	1,897,057	1,897,885

WARD 26 - The suburbs within this Ward are the following: Zwide, Silvertown Sisonke Zwide, Railway Reserve W1

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20110056	Swartkops Low Level Collector Sewer Upgrade	1,000,000	2,250,000	4,250,000
20060237	Zwide Bulk Stormwater	167,000	1,333,333	666,667
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	2,242,000	4,658,333	4,991,667
	Projects on Operating Budget	-		
	Other Operating Projects	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	1,433,733	4,499
	Top Structure Construction Informal Settlements (Sisulu Hlalani 20)	-	1,732,529	1,908,084
	Top Structure Construction Informal Settlements (Dikiza Street)	-	564,440	621,634
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital and Operating	2,342,000	8,389,035	7,525,884

WARD 27 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Soweto-On-Sea Informal Settlement, Silvertown Limba (Zwide)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	-	350,000	-
20050286	Tarring of Gravel Roads	2,000,000	1,500,000	-

20060237	Zwide Bulk Stormwater	167,000	1,333,333	666,667
19930283	Public Lighting	500,000	500,000	1,000,000
		-		
	Total Capital	2,667,000	3,683,333	1,666,667
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Informal Settlement Upgrading (Soweto on Sea infills 500)	42,384,800	51,850,863	56,870,898
		-		
	Total Capital & Operating	2,767,000	3,683,333	1,666,667

WARD 28 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Veeplaas, Kuwait Zwide

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20060237	Zwide Bulk Stormwater	166,000	1,333,334	666,666
20010118	Reinforcement of Electricity Network - Ibhayi	1,100,000	1,700,000	1,650,000
20100100	Playground Equipment	-	300,000	-
20010362	Upgrade and Development of Public Open Spaces	-	1,000,000	-
		-		
	Total Capital	2,341,000	5,408,334	2,391,666
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	-		
		-		
	Total Capital & Operating	2,441,000	5,408,334	2,391,666

WARD 29 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Bloemendal, Bethelsdorp, Normanville Ext. 22, Timothy Valley, Block 23 South Frans Valley, Jacksonville, Kuscus Heights Ext. 26, Aspen Heights Ext. 26, Palmridge Ext. 23, Loonatville Ext. 23, Heath Park, Jegelsville Village, Extension 20, Extension 24, Kemp Park Ext. 30

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	500,000		
20030421	Cemetery Development	450,000	450,000	
20050286	Tarring of Gravel Roads	3,000,000	1,500,000	-
20162181	Rehabilitation of Bloemendal cemetery	-	-	2,000,000
		-		
	Total Capital	3,950,000	1,950,000	2,000,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	MPCC - Chatty	4,250,000	10,190,444	11,223,028
	Informal Settlement Upgrading (Chatty 1060)	78,626,542	13,158,375	15,938,582
	Informal Settlement Upgrading (Chatty (491) Military Veterans)	16,631,320	28,472,709	10,140,689
		-		
	Total Capital & Operating	103,557,862	53,771,528	39,302,299

WARD 30 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaMagxaki, Soweto On Sea Informal Settlement, Veeplaas, Bethelsdorp, Ibhayi, Ibhayi Cemetery				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	2,000,000	1,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20162368	Astroturf Surfaces	7,000,000		
		-		
	Total Capital	9,075,000	1,575,000	75,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	9,175,000	1,575,000	75,000
WARD 31 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Algoa Park, Windvogel, Erf 1542 Bethelsdorp, Balfour Heights (Smartie Town), Missionvale, Missionvale Garden Lots Phase 1, Missionvale Garden Lots Phase 2, Hillside Ext 9, Bethelsdorp				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
19980220	Traffic Calming Measures	75,000	75,000	75,000
20110092	Missionvale Garden Lots - Tarring of Gravel Roads (Human Settlements)	8,800,000		
		-		
	Total Capital	8,875,000	75,000	75,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	8,169	8,997
	Refuse Co-ops	2,769,772	3,935,959	3,112,117
		-		
	Total Capital & Operating	11,744,772	4,019,128	3,196,114
WARD 32 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Salsoneville - Ext 16, Cleary Park - Ext 10, Hillside Ext 9, Missionvale, Erf 1542 Bethelsdorp, Salt Lake - Ext 8, Grootkloof Tip				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030221	Office Accommodation -Ward Councillors	416,666	333,333	333,333
20060020	Provision of Sidewalks	-	350,000	-
20120045	Fencing of Cemeteries	-	-	2,500,000
20050286	Tarring of Gravel Roads	1,000,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	1,491,666	758,333	2,908,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	2,643,110	2,801,698	2,969,800
	Top Structure Construction (Missionvale Garden Lots 2400)	26,661,600	49,142,901	25,800,252
	Top Structure Construction Informal Settlements (Missionvale 2498)	14,000,000	20,556,292	24,611,335
		-		
	Total Capital & Operating	44,896,376	73,259,224	56,289,720

WARD 33 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Govan Mbeki, Rocky Ridge - Ext 27, Kleinskool Area K, Bethelsdorp, KwaDwesi

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20130057	Kleinskool Kliprand - Human Settlement (Services)	935,000	1,000,000	20,000,000
20050286	Tarring of Gravel Roads	2,000,000	1,500,000	-
19930283	Public Lighting	500,000	500,000	1,000,000
19960525	Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	20,000,000	5,000,000	-
20080090	Govan Mbeki Midblock Mains	-	100,000	200,000
19970063	Reinforcement of Electricity Network - Bethelsdorp 11 kV	1,000,000	1,100,000	1,100,000
20100100	Playground Equipment	-	-	300,000
20010362	Upgrade and Development of Public Open Spaces	-	-	1,000,000
		-	-	
	Total Capital	24,435,000	9,200,000	23,600,000
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	846,955	897,773	951,639
	Total Capital & Operating	25,381,955	10,097,773	24,551,639

WARD 34 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Rocky Ridge - Ext 27, Solomon Estates - Ext 28, Nickalisville, Fernwood Park - Ext 29, Arcadia North, Chatty Arcadia Ext 12, Extension 13

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030030	Lorraine - Bulk Sewerage Augmentation	62,500	1,250,000	5,000,000
20060020	Provision of Sidewalks	525,000	500,000	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-	-	
	Total Capital	1,662,500	2,825,000	5,075,000
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
		-	-	
	Total Capital & Operating	1,762,500	2,825,000	5,075,000

WARD 35 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sancto Vars Vlei - Ext 14, Extensions 18 and 19, West End - Ext 11, Chatty Arcadia Ext 12, Bethelsdorp, Marock Road Informal Community

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	525,000	400,000	
20030421	Cemetery Development	425,000	425,000	
20120045	Fencing of Cemeteries	-	-	2,500,000
19980266	Secure Municipal Parks Facilities	1,500,000	1,000,000	-
20100095	Upgrade Major Parks	2,000,000	2,000,000	2,000,000
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-	-	
	Total Capital	4,525,000	3,900,000	4,575,000
	Projects on Operating Budget	-	-	-

	Ward Councillor's Discretionary Fund	100,000	-	-
	Northern Areas Festival	500,000		
		-		
	Total Capital & Operating	5,125,000	3,900,000	4,575,000

WARD 36 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaDwesi, KwaDwesi Informal, Kwadwesi Extension

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,800,000	1,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20000106	Urban Refuse Transfer Recycling Stations	-	-	2,500,000
		-		
	Total Capital	1,875,000	1,575,000	2,575,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	1,975,000	1,575,000	2,575,000

WARD 37 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Kwanoxolo - Ext 37, Moeggesukkel, Bethelsdorp, Extension 36, Extension 35, Kleinskool Area K, Extension 34, Floral Park - Ext 33, Chatty Ext 31, Rocky Ridge - Ext 27

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20130054	Bethelsdorp Ext 32, 34 & 36	1,000,000	1,000,000	23,000,000
20030221	Office Accommodation -Ward Councillors	416,666	333,333	333,333
20030453	Flood Risk Improvements: Chatty River	500,000	2,500,000	3,000,000
20050286	Tarring of Gravel Roads	2,000,000	1,500,000	-
20000106	Urban Refuse Transfer Recycling Stations	248,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	4,239,666	5,408,333	26,408,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Rectification of Housing Stock pre 1994 (Bethelsdorp Area C)	17,329,945	3,506,336	-
	Top Structure Construction Informal Settlements (Bethelsdorp Snake House)	330,000	367,624	404,874
	Refuse Co-ops	2,901,012	3,075,073	3,259,578
		-		
	Total Capital & Operating	24,900,623	12,357,366	30,072,785

WARD 38 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Timothy Valley, Block 23 South Frans Valley, Block 23 North Kwanoxolo, Willowdene - Ext 21

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	1,075,000	1,075,000	75,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	1,175,000	1,075,000	75,000

WARD 39 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Hunters Retreat, Kabega Park, Sherwood, Utopia, Kunene Park, Harmony, Van Der Stel, Rowallan Park				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20120048	Hunters Retreat - Grogro - Human Settlement (Services)	5,000,000	20,000,000	-
20060020	Provision of Sidewalks	-	400,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030472	Reinforcement of Electricity Network - Hunters Retreat	500,000	3,000,000	3,000,000
20000106	Urban Refuse Transfer Recycling Stations	-	2,000,000	-
		-		
	Total Capital	5,575,000	25,475,000	3,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	5,675,000	25,475,000	3,075,000
WARD 40 - This wards urban areas are largely coastal and rural villages that have their own urban edges, but large parts of this ward is farming areas. The suburbs within this Ward are the following: Farmland, Woodridge, Witteklip Housing Development, Van Stadens River Mouth, Rocklands Housing Development, Hopewell, The Valleys, Poplar Grove, Masakane (Kuyga), Parkholme, Swinburne, Windomayne, The Flats, Verdun, Chinchilla Farm, Sea View Game Park, Hillside, Stone Kraal, Goedemoedsfontein East, Sea View West, Sea View Pump Station, Tembani, Fairview Racecourse, St Albans Prison, St Albans Housing Development, Blue Horizon Bay, Fitchholme, Rendalton, Beachview, Westlands, Crockart Hope, Murray Park, Denholme, Kini Bay, Seaview, Greenbushes, Theescombe, Hunters Retreat, Kwanobuhle, Clarendon Marine				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030511	Seaview Bulk Water	1,000,000	12,000,000	10,000,000
20030512	St Albans Bulk Water	-	1,800,000	6,600,000
20050106	Seaview Pump Station: Upgrade	1,000,000	25,000,000	30,000,000
20080048	Jagtvlakte: Bulk Water Supply Pipeline	500,000	2,000,000	2,000,000
20100034	Balmoral Reservoir and Bulk Pipeline	-	1,000,000	1,000,000
20120085	Kwanobuhle Reservoir Link Watermain	250,000	250,000	250,000
20030167	Rocklands PHB Housing project WWTW	1,000,000	4,000,000	2,000,000
20030405	Witteklip Bulk Sewerage	600,000	4,000,000	3,000,000
20030407	Seaview Bulk Sewer	500,000	2,000,000	2,000,000
20060103	Jagtvlakte Bulk Sewerage	333,333	333,333	2,333,333
20120043	Seaview Housing Job - Human Settlement (Services)	1,000,000	16,500,000	5,000,000
20120062	Kuyga Phase 3 - Human Settlement (Services)	250,000	500,000	5,500,000
20130065	Witteklip - Human Settlement (Services)	500,000	19,997,368	-
20060241	Blue Horizon Bay Bulk Stormwater	500,000	500,000	500,000
20080081	Greenbushes: Stormwater Improvements	250,000	3,000,000	4,000,000
20060020	Provision of Sidewalks	550,000	350,000	-
20050286	Tarring of Gravel Roads	3,200,000	2,000,000	-
19980220	Traffic Calming Measures	70,000	70,000	70,000
20030420	Develop Floodplains	249,000	-	-
		-		
	Total Capital	11,752,333	95,300,701	74,253,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	1,515,363	1,606,285	1,702,662
		-		
	MBDA - Uitenhage Airport / Kwanobuhle Development	-	-	10,000,000
		-		
	Total Capital & Operating	13,367,696	96,906,986	75,955,995

WARD 41 - This built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Bloemendal, Chatty 3 And 4, Chatty Phase 3, Chatty Phase 4, Chatty Extension 4, Chatty Extension 5, Booyens Park, Chatty Extension 1, Chatty Extension 3, Chatty Phase 1, Ncebu Faku Village, Chatty Extension 2, Despatch, Farms Uitenhage, Joe Slovo, Joe Slovo West, KwaDwesi Informal, Westville North Area C, Daleview Extension Area A

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20120085	Kwanobuhle Reservoir Link Watermain	250,000	250,000	250,000
20060103	Jagtvlakte Bulk Sewerage	333,333	333,333	2,333,333
20110091	Khayamnandi Extension - Human Settlement (Services)	15,000,000	25,000,000	-
20100100	Playground Equipment	-	-	300,000
20120033	Jagvlakte (Chatty 11-14) - Human Settlement (Services)	20,000,000	30,000,000	30,000,000
19930264	Informal Housing Electrification	11,315,950	-	-
20010362	Upgrade and Development of Public Open Spaces	500,000	-	1,000,000
20140010	Construction of Bloemendal Arterial	2,000,000	3,000,000	3,000,000
20050286	Tarring of Gravel Roads	4,000,000	2,500,000	-
20080078	Chatty: Stormwater Improvement	2,000,000	2,000,000	4,000,000
20162191	Construction of Joe Slovo Bridge – Ward 41	-	-	2,500,000
19980220	Traffic Calming Measures	75,000	75,000	75,000
19930283	Public Lighting	500,000	500,000	500,000
20030221	Office accommodation (Ward Councillors)	-	1,000,000	-
20120045	Fencing of Cemeteries	3,500,000	-	-
		-	-	-
	Total Capital	59,474,283	64,658,333	43,958,333
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	6,854,994	7,266,296	7,702,276
	Top Structure Construction Informal Settlements (Khayamnandi phs 1b (466)	-	1,693,331	1,864,914
	Top Structure Construction Informal Settlements (Khayamnandi 184)	20,421,933	8,753,041	9,639,974
	Top Structure Construction Informal Settlements (Khayamnandi 184)	3,148,339	12,873,477	14,177,929
	Informal Settlement Upgrading (Joe Slovo West 4040)	87,210,848	49,044,180	47,329,491
		-	-	-
	Total Capital & Operating	177,210,397	144,288,658	124,672,917

WARD 42 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 8, KwaNobuhle Area 8 Phase 2

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20080144	Kwanobuhle: Upgrading of water reticulation	-	100,000	100,000
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	-	100,000
20060020	Provision of Sidewalks	-	400,000	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
20130056	Dikisa Street - Human Settlements (Services)	330,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-	-	-
	Total Capital	1,405,000	1,575,000	275,000
	Projects on Operating Budget	-	-	-
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	132,345	145,755

	Rectified RDP stock 1994 - 2002 (Uitenhage Langa Greenfields - 335)	7,953,138	4,508,146	-
	MPCC - Uitenhage Kwa-Langa	650,000		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction (Uit Tyrville 187)	-	10,561,322	11,631,486
	People's Housing process (Tiryaville 48 Unit)	700,000	4,725,528	5,471,289
		-		
	Total Capital & Operating	10,808,138	21,502,341	17,523,530

WARD 43 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaNobuhle Area 4, KwaNobuhle, Sikhotina, KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 7 (Phase 1)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20070144	Kwanobuhle WWTW : Upgrading	5,000,000	1,000,000	1,000,000
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	-	100,000
20060020	Provision of Sidewalks	400,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20010362	Upgrade and Development of Public Open Spaces	500,000	-	-
	Total Capital	5,975,000	1,075,000	1,175,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	30,227	33,290
	Rectification of Housing Stock pre 1994 (Khayamnandi - 289)	3,602,300	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	-	-	-
		-	-	-
	Total Capital & Operating	9,677,300	1,105,227	1,208,290

WARD 44 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: UDDI (Jagvlakte), Kwanobuhle Area 8, Area 3, Kwanobuhle Area 7 Phase 2, Kwanobuhle Area 7, Kwanobuhle Area 7 Phase 1, Kwanobuhle Area 4, Solomon Mhlangu, Kwanobuhle Area 8A, Kwanobuhle, Kwanobuhle Area 1, Area 4

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20080144	Kwanobuhle: Upgrading of water reticulation	-	100,000	100,000
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	-	100,000
20060020	Provision of Sidewalks	400,000	450,000	
20050286	Tarring of Gravel Roads	2,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20000149	Maintain/Rehabilitate Sports Facility Infrastructure	900,000	5,000,000	5,000,000
20162354	Kwanobuhle Sports Complex	5,700,000	14,000,000	10,000,000
20100100	Playground Equipment	-	300,000	-
20010362	Upgrade and Development of Public Open Spaces	-	1,000,000	-
		-		
	Total Capital	9,075,000	21,925,000	15,275,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Kwanobuhle Area 8 (464))	-	6,654,408	7,328,689
	Top Structure Construction Informal Settlements (Kwanobuhle Area 7 244)	-	6,654,408	7,328,689
		-		
	Total Capital & Operating	9,175,000	35,233,816	29,932,378

WARD 45 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Area 3, KwaNobuhle Area 11, KwaNobuhle Area 10, KwaNobuhle Area 9 Phase 2, KwaNobuhle Area 9 Gunguluza, KwaNobuhle Area 5, Kamesh Cell 3 (Phase 3), Lapland, Kamesh 2, Tiryville, Kamesh Cell 3 (Phase 2), KwaNobuhle (Garden Lots), Uitenhage

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20080144	Kwanobuhle: Upgrading of water reticulation	-	100,000	100,000
20010307	Upgrading Groendal Treatment Works	1,000,000	1,000,000	500,000
20070140	Groendal Dam: Rock Stabilization and Improved Outlet	335,000		
20110068	KwaNobuhle Area 11 - Link Sewer	500,000	-	-
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	-	100,000
20060020	Provision of Sidewalks	300,000	-	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19930264	Informal Housing Electrification	2,246,400	-	-
20120030	Kwanobuhle Area 11 - Human Settlement (Services)	20,000,000	25,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
	Total Capital	25,456,400	27,175,000	775,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	4,601,157	3,980,881	4,384,258
	Rectified RDP stck 1994 - 2002 (Uitenhage Area 9 - 745 units, Uitenhage Area 5 Duduza)	5,961,250	5,009,051	-
	Top Structure Construction Informal Settlements (Joe Slovo Uitenhage - 614, Kwanobuhle Area 9 - 649, Kwanobuhle Area 10, Ntswahlana Street - 10)	66,635,951	33,458,761	36,849,091
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	102,754,758	69,623,693	42,008,349

WARD 46 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwanobuhle Area 01, Kwanobuhle Area 02, John Gomono, Area 3A, Chris Hani/Ramaphosa Area 5A, Chris Hani/Ramaphosa Phase 2, Eric Dodd, Alexander Park Industrial, De Mist, Dr Brawn, Despatch (Commonage), Uitenhage Commonage, Despatch (VW Test Track)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20080144	Kwanobuhle: Upgrading of water reticulation	-	100,000	100,000
20060103	Jagtvlakte Bulk Sewerage	333,334	333,334	2,333,334
20060020	Provision of Sidewalks	400,000	800,000	
20010119	Reinforcement of Electricity Network - Uitenhage	2,146,000	1,210,000	1,210,000
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19930283	Public Lighting	500,000	500,000	1,000,000
20010362	Upgrade and Development of Public Open Spaces	500,000	-	-
20100100	Playground Equipment	500,000	-	-
20162357	Customer Care Center	-	1,000,000	
		-		
	Total Capital	5,379,334	4,943,334	4,643,334
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	5,479,334	4,943,334	4,643,334

WARD 47 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Kwanobuhle Area 2, Area 3, Joe Modise Peace Village Phase 1, Joe Modise Peace Village Phase 2 Area 3, Joe Modise Peace Village Phase 2 Area 1, Kwanobuhle Area 01, Jolobe Area 02 Informal Area, Peace Village, Joe Modise Peace Village Phase 2 Area 2, Chris Hani/Ramaphosa Phase 2

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	75,000	1,000,000	2,500,000
20080144	Kwanobuhle: Upgrading of water reticulation	-	100,000	100,000
20030421	Cemetery Development	425,000	425,000	
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	-	100,000
20060020	Provision of Sidewalks	-	450,000	
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19930283	Public Lighting	500,000	500,000	500,000
20100077	KwaNobuhle Municipal Aerodrome	387,000	500,000	250,000
		-		
	Total Capital	2,387,000	3,975,000	3,450,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	8,169	8,997
	Sports Development Programme: Athletics	350,000		
		-		
	Total Capital & Operating	2,837,000	3,983,169	3,458,997

WARD 48 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Central, Cape Road Industrial, Uitenhage Commonage, Riverside Industrial, Afghanistan Informal Community, Blikkiesdorp, Gerald Smith, Curry, Uitenhage Sport Fields, Mc Naughton, College Hill, Joe Slovo Uitenhage, Middle Street, Uitenhage, Uitenhage Railway, Jubilee Cemetery, Jubilee Park

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	75,000	1,000,000	2,500,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	3,533,333	4,333,333	4,333,333
20070147	Kelvin Jones WWTW: Upgrade	40,000,000	24,000,000	24,000,000
20010119	Reinforcement of Electricity Network - Uitenhage	2,146,000	1,210,000	1,210,000
20060020	Provision of Sidewalks	400,000		
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20090053	Upgrade of Uitenhage Dog Pound	500,000	500,000	1,000,000
20030427	Secure Recreational Buildings / Facilities	187,500	375,000	250,000
20010257	Magennis Street Reconstruction	5,000,000	-	-
New	Erf 3179 Uitenhage - Human Settlements	3,180,000		
	Total Capital	56,096,833	32,493,333	33,368,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Total Capital & Operating	56,196,833	32,493,333	33,368,333

WARD 49 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Rosedale, Uitenhage, Mountain View, Thomas Gamble, Allenridge West, Infill Area, Farms Uitenhage

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20010307	Upgrading Groendal Treatment Works	1,000,000	1,000,000	500,000
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	75,000	1,000,000	2,500,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	3,533,333	4,333,333	4,333,333

19980220	Traffic Calming Measures	75,000	75,000	75,000
New	Erf 10015 Uitenhage - Human Settlements	925,000		
New	Erf 7927 Uitenhage - Human Settlements	1,060,000		
New	Erf 12872 Uitenhage - Human Settlements	2,195,000		
New	Erf 12931 Uitenhage - Human Settlements	2,730,000		
New	Erf 6480 Uitenhage - Human Settlements	3,330,000		
New	Erf 818-863 Uitenhage - Human Settlements	1,000,000		
New	John Street - Social Housing - Human Settlements	5,000,000		
		-		
	Total Capital	20,923,333	6,408,333	7,408,333
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Sports Development Programme: Human Rights Marathon	350,000		
	Top Structure Construction Informal Settlements (Uitenhage Tiriyaiville 187 Units)	909,000	1,021,177	1,124,651
	Top Structure Construction Informal Settlements (Rosedale 6 units)	360,000	514,673	566,824
	Top Structure Construction Informal Settlements (Rosedale 804)	778,899	22,927,119	22,718,156
	Social and Rental Housing (John Street 363)	2,039,503	7,693,433	16,045,716
	Total Capital & Operating	25,460,735	38,564,735	47,863,680

WARD 50 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Mandelaville, Rosedale, Uitenhage, Mc Naughton, Kabah Langa Phase 4, Kabah Langa Phase 5, Middle Street, Kabah Lange Greenfields, Limekaya Informal Community, Kabah 17th Ave (Mija), Kabah Langa (Phase 3), Kabah Langa (Phase 2), Uitenhage Commonage, Mandela 1 (Pola Park)

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	75,000	1,000,000	2,500,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	3,533,334	4,333,334	4,333,334
20030421	Cemetery Development	425,000	425,000	
20060020	Provision of Sidewalks	300,000	500,000	
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20130060	Pola Park Extension (Human Settlements)	6,000,000		
New	Erf 29669 - Uitenhage (Human Settlements)	1,895,000		
New	Kaba Phase 6 (Human Settlements)	4,000,000		
	Total Capital	17,303,334	7,333,334	6,908,334
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital and Operating	17,403,334	7,333,334	6,908,334

WARD 51 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Uitenhage Commonage, Janssendal, Leyvale, Vanes Estate, Central, College Hill, Penford, Mosel, Valleisig, Scheepershoogte, Van Riebeeck Hoogte, Strelizia Park, Fairbridge Heights, Uitenhage Golf Course, Strelizia Park Extension, Winterhoek Park Extension, Winterhoek Park, Farms Uitenhage

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060082	Upgrading Springs Water Treatment Works	-	1,000,000	1,000,000
20010221	Springs Resort-Upgrade Infrastructure	2,000,000	4,000,000	4,000,000
19980220	Traffic Calming Measures	75,000	75,000	75,000
19980266	Secure Municipal Parks Facilities	-	-	1,000,000
20030427	Secure Recreational Buildings / Facilities	187,500	375,000	250,000
20060110	Greenhouse Upgrades (Buxton Avenue Nursery)	-	2,000,000	-
20150039	Upgrade of Public Toilets	500,000	1,000,000	2,000,000
		-		

	Total Capital	2,762,500	8,450,000	8,325,000
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
		-	-	-
	Total Capital and Operating	2,862,500	8,450,000	8,325,000

WARD 52 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Manor Heights, Reservoir Hills, Khayamandi Area 1 And B, Daleview, Daleview Ext Area A, Sentraal, Heuwelkruin, Bothasrus, Campher Park, Despatch

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060020	Provision of Sidewalks	-	450,000	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
20120045	Fencing of Cemeteries	2,800,000	-	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20030421	Cemetery Development	425,000	425,000	-
20030470	Reinforcement of Electricity Network - Despatch	500,000	2,000,000	2,000,000
20000106	Urban Refuse Transfer Recycling Stations	-	-	2,500,000
20000160	Rehabilitate and Upgrading of Swimming Pools Structures	1,500,000	4,000,000	4,000,000
20030427	Secure Recreational Buildings / Facilities	187,500	375,000	250,000
20150060	Sport and Recreational Facilities - Mayoral Project	1,300,000	-	-
	Total Capital	7,787,500	8,325,000	8,825,000
	Projects on Operating Budget	-	-	-
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	138,880	152,953
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Uitenhage Kwanobuhle Area 2, 7&8 - 52 units)	6,250,024	-	-
		0	-	-
	Total Capital & Operating	7,887,500	8,463,880	8,977,953

WARD 53 - The built-up area falls largely within the Urban Edge. Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Azalea Park, Windsor Park, Retief, Heuwelskruin, Sentraal, Farms Uitenhage, Rosedale, Rosedale Ext. 1, Rosedale Ext. 2, Kabah Langa (Phase 1), Kabah Langa (Phase 2), Riverside Park, Connonville, Colchester, Despatch, Uitenhage, Farmland, Coega

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060102	Colchester - Bulk Sewerage Infrastructure & WWTW	-	500,000	100,000
20060106	Motherwell North Bulk Sewerage	1,000,000	1,000,000	1,000,000
20060107	Motherwell/Coega WWTW and Outfall Sewer	3,000,000	3,500,000	3,500,000
20030182	Upgrade Despatch Reclamation Works	2,000,000	1,000,000	500,000
20030295	Construction of Amanzi Reservoir and Pipeline	333,334	666,667	3,000,000
20080080	Cannonville/Colchester: Stormwater improvements	2,500,000	5,000,000	5,000,000
20060020	Provision of Sidewalks	350,000	500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
19930264	Informal Housing Electrification	3,676,500	-	-
20050286	Tarring of Gravel Roads	4,000,000	2,000,000	-
20100100	Playground Equipment	-	-	300,000
20010362	Upgrade and Development of Public Open Spaces (Colchester)	500,000	-	-
		-	-	-
	Total Capital	17,434,834	14,241,667	13,475,000
	Projects on Operating Budget	-	-	-
	Ward Councillor's Discretionary Fund	100,000	-	-
	Sports Development Programme: Colchester Marathon	250,000	-	-
		-	-	-
	Total Capital & Operating	17,784,834	14,241,667	13,475,000

WARD 54 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 12, Tjoksville 400, N.U. 30, N.U. 29, N.U. 10, N.U. 11				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060106	Motherwell North Bulk Sewerage	1,000,000	1,000,000	1,000,000
20030295	Construction of Amanzi Reservoir and Pipeline	333,334	666,667	3,000,000
20120055	Motherwell NU 30 - Human Settlement (Services)	13,000,000	30,000,000	-
20120061	Motherwell NU 31 - Human Settlement (Services)	1,000,000	35,000,000	100,000,000
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	1,000,000	5,000,000	5,000,000
19930264	Informal Housing Electrification	5,980,850	-	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	23,389,184	72,741,667	109,075,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	75,976	83,674
	MPCC - Motherwell NU 29	550,000		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction Informal Settlements (Motherwell NU29 Phase 2 2101 units)	18,148,044	2,042,354	2,249,303
	Top Structure Construction Informal Settlements (Motherwell NU12 350)	-	564,440	621,634
		-		
	Total Capital & Operating	42,187,228	75,424,437	112,029,611
WARD 55 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Greater Tjoksville (Steve Tshwete Village), N.U. 1, N.U. 11, N.U. 10				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20100060	Fire station Motherwell- Refurbishment	2,000,000	2,394,000	3,000,000
		-		
	Total Capital	3,075,000	3,469,000	3,075,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Refuse Co-ops	6,035,508	6,397,641	6,781,501
		-		
	Total Capital & Operating	9,210,508	9,866,641	9,856,501
WARD 56 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: N.U. 1, N.U. 2, N.U. 10, Ramaphose Village N.U.1, Ikamvelihle (North of Addo and Coega), Motherwell, N.U. 29				
Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060106	Motherwell North Bulk Sewerage	1,000,000	1,000,000	1,000,000
20060107	Motherwell/Coega WWTW and Outfall Sewer	3,000,000	3,500,000	3,500,000
20110054	Motherwell Main Sewer Upgrade	500,000	2,500,000	5,000,000
20120045	Fencing of Cemeteries	-	5,000,000	-
20030295	Construction of Amanzi Reservoir and Pipeline	333,332	666,666	3,000,000
20090038	Stormwater Improvements Ikamvelihle	500,000	2,000,000	3,000,000
20140003	Water drainage and roads at Cemeteries	3,500,000	2,000,000	-
20050286	Tarring of Gravel Roads	2,500,000	2,500,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000

		-		
	Total Capital	11,408,332	19,241,666	15,575,000
	Projects on Operating Budget	-		
	Ward Councillor's Discretionary Fund	100,000	-	-
	Sports Development Programme: Freedom Rum	200,000		
	Social and Rental Housing (Motherwell Foster Care Home)	80,000	-	-
	Total Capital & Operating	11,788,332	19,241,666	15,575,000

WARD 57 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 9, Greater Tjoksville (Steve Tshwete Village), N.U. 7, N.U. 8

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20110054	Motherwell Main Sewer Upgrade	500,000	2,500,000	5,000,000
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
		-		
	Total Capital	1,575,000	3,575,000	5,075,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	130,966	144,237
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	1,675,000	3,705,966	5,219,237

WARD 58 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Umlambo N.U. 4, N.U. 4B, N.U. 5, N.U. 6, N.U. 8, N.U. 9

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20090018	Motherwell Traffic and Licencing Centre	19,203,457	4,000,000	-
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19980220	Traffic Calming Measures	75,000	75,000	75,000
20060281	Motherwell Cultural Center	-	3,000,000	-
20000160	Rehabilitate and Upgrading of Swimming Pools Structures	1,500,000		
		-		
	Total Capital	21,778,457	8,075,000	75,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	204,235	224,930
	Rectified RDP stck 1994 - 2002 (Motherwell)	9,735,000	4,508,146	-
	Top Structure Construction Informal Settlements (Motherwell High Density 117)	-	959,906	1,057,172
	Ward Councillor's Discretionary Fund	100,000	-	-
		-		
	Total Capital & Operating	31,613,457	13,747,287	1,357,102

WARD 59 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 5, N.U. 6, N.U. 7

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20030221	Office Accommodation -Ward Councillors	416,666	333,333	333,333
20050286	Tarring of Gravel Roads	1,000,000	1,000,000	-
19930283	Public Lighting	600,000		

New	Rehabilitation of Motherwell Canal	-	1,000,000	1,000,000
	Total Capital	2,016,666	2,333,333	1,333,333
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	28,593	31,491
	Ward Councillor's Discretionary Fund	100,000	-	-
	Total Capital & Operating	2,116,666	2,361,926	1,364,824

WARD 60 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Redhouse, Markman Industrial, Joorst Park, St Georges Strand, Phase 3 Ext 5, Phase 3 Ext 3, Phase 3 Ext 1, Phase 3 Ext 4, Phase 3 Ext 2, Phase 2 Stage 1 and 2, Coega Construction Village, Phase 1, Blue Water Bay, Bluewater Beach, Brickfields, Redhouse Village, Perseverance Industrial, Deal Party, Coega, Blue Water Bay Beach, Motherwell, Bethelsdorp, Amsterdamhoek, Wells Estate, Ibhayi, New Brighton, Swartkops

Project ID	Project Description	2016/17 Adjusted Capital Budget	2017/2018 Financial Year	2018/2019 Financial Year
20060081	Coega Reclaimed Effluent Scheme	250,000	2,000,000	2,000,000
20030034	Markman - Replace 600mm Sewer	2,500,000	5,200,000	10,000,000
20070153	Brickfields: Upgrade	9,742,778	1,000,000	1,000,000
20070143	Rehabilitation of Kwazakhele Collector Sewer	2,700,000	4,000,000	4,000,000
19940233	Motherwell Canal Wetlands	570,000	2,000,000	2,000,000
20010064	Beachfront Upgrading	340,000	500,000	680,000
20100100	Playground Equipment	500,000	-	-
19980319	Upgrade Main Road through Swartkops	-	1,000,000	2,500,000
20080079	Wells Estate - Stormwater Improvements	-	1,000,000	3,000,000
20060020	Provision of Sidewalks	350,000	-	-
19960190	Reinforcement of Electricity Network - Redhouse	650,000	540,000	540,000
19960193	Reinforcement of Electricity Network - Wells Estate	1,000,000	550,000	550,000
20000175	Reinforcement of Electricity Network - Swartkops	1,500,000	2,200,000	2,200,000
20050286	Tarring of Gravel Roads	2,000,000	1,500,000	-
20162188	Wells Estate - Access Road	-	-	2,500,000
20030795	Upgrade Beaches- Tourism	2,000,000	2,500,000	2,500,000
		-		
	Total Capital	24,102,778	23,990,000	33,470,000
	Projects on Operating Budget	-		
	Enhanced Extended Discount Benefit Scheme (EEDBS) - Human Settlements	-	175,643	1,767,963
	Ward Councillor's Discretionary Fund	100,000	-	-
	Top Structure Construction (Wells Estate Phase 3-Ext 677)	-	4,201,014	4,626,695
	Top Structure Construction (Wells Estate 603)	6,836,480	36,422,012	21,179,947
	Top Structure Construction Informal Settlements (Wells 603)	1,657,787	6,922,107	7,623,515
		-		
	Total Capital & Operating	32,697,045	71,710,776	68,668,120

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
(YEAR 0 – 2016/17)**

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
08/09/2016	5	<p>Approval of minutes of meeting held on 29 August 2016</p> <p>That the Minutes of Proceedings of the Audit Committee meeting held on 29 August 2016 be DEFERRED to the next meeting of the Committee to be held on 17 November 2016.</p>	Yes
29/08/2016	6.1(15)	<p>Performance Management Matters Location of Performance Management Function</p> <p>Acting Executive Director: Corporate Services submits the process plan indicating the progress made to date to develop a revised "to be" organogram.</p>	Yes
17/11/2016	6.1(4)	<p>Performance Management Matters Implementation of Performance Assessment System</p> <p>That a report be submitted to the next meeting of the Committee providing details of the implementation of the performance assessment system with proposed mSCOA system.</p>	Yes
17/11/2016	6.1(1)	<p>Risk Management Matters Risk Management & Fraud Prevention Policy</p> <p>That the Chief Risk Officer confirms that the Risk management committee is compliant with regards to the minimum number of meetings to be held annually as prescribed in the approved Risk Management Charter.</p>	Yes
16/03/2017	6.2 (1-2)	<p>Risk Management Matters Risk Management & Fraud Prevention Policy</p> <p>That the Chief Risk Officer submits an update on the challenges and progress with implementing the risk management plan at the next meeting of the Committee.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
16/03/2017	6.2 (1-2)	<p>Risk Management Matters Risk Management & Fraud Prevention Policy</p> <p>That the Director Internal Audit and Risk Assurance includes an independent assessment of the effectiveness of the Risk Management Policy on the Internal Audit Plan.</p>	Yes
17/11/2016	2.1	<p>Risk Management Matters 1st Quarter Risk Management Report 2016/2017 financial year</p> <p>That the Chief Risk Officer ensures that the legitimacy of the Chairperson of the Risk Management Committee is expedited and an update on the progress thereof be provided at the next Audit Committee meeting.</p>	Yes
17/11/2016	2.1	<p>Risk Management Matters 1st Quarter Risk Management Report 2016/2017 financial year</p> <p>That the Acting City Manager ensures that the relevant Executive Directors and senior management attend the engagements requested by the Risk Unit.</p>	Yes
17/11/2016	2.3	<p>Risk Management Matters Risk Registers per directorate for the 1st quarter, 2016/2017 financial year</p> <p>That the following revisions be incorporated into the Risk Registers per Directorate submitted to the quarterly Audit Committee review meetings:</p> <ul style="list-style-type: none"> (i) A comprehensive listing of the related Consequences for each Risk Description be provided; and (ii) The identified financial risks should be clear and linked to a financial aspect. 	Yes
29/08/2016	6.20.2	<p>Internal Audit Matters</p> <p>a) Director Internal audit and Risk Assurance should utilize the historic trend of hours utilized to guide the drafting of the Internal Audit Plan.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
29/08/2016	6.20.2	Internal Audit Matters b) Director Internal Audit and Risk Assurance submits the progress of the approved Internal Audit Plan together with the budgeted and actual hours to each Committee meeting.	Yes
29/08/2016	6.20.2	Internal Audit Matters c) Director Internal Audit and Risk Assurance submits all outstanding Internal Audit Reports under review at the next meeting of the Committee.	Yes
29/08/2016	6.20.2	Internal Audit Matters d) Subject to (c) above, the Internal Audit progress report be deferred to the next meeting of the committee.	Yes
08/09/2016	6.2.3	Internal Audit Charter (a) That the Internal Audit Charter be approved by the Audit Committee subject to the following amendments: (i) That the Internal Audit Unit highlights and circulates to the Audit Committee the proposed amendments to the Internal Audit Charter that incorporated the recommendations of the draft King IV Report on Corporate Governance.	Yes
08/09/2016	6.2.3	Internal Audit Charter (ii) 7.1 General responsibilities: <ul style="list-style-type: none"> • Page 22, Bullet 1 (one): “quarterly” be removed; • Page 22, Bullet 6 (six): An addition to be included to reflect that ad-hoc requests for assurance audits had to be approved by the Audit Committee; and • Page 23, Bullet 3 (three) : The In-Committee meeting to consider the Internal Audit status report should include the standing item “Emerging trends and successful practices”; 	Yes
08/09/2016	6.2.3	Internal Audit Charter (iii) 14. Responsibility of Management: <ul style="list-style-type: none"> • That the Acting City Manager consults with the Executive Management to determine a reasonable timeframe for the response to findings of the draft Internal 	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		Audit report to be submitted to the Internal Audit Unit; and • Further to the timeframe established in (c) (i) above, no further responses by Management would be considered and the final Internal Audit report should be timely issued to the Audit Committee.	
08/09/2016	6.2.3	Internal Audit Charter (iv) 9.6 Information Technology Reviews, Paragraph 3, the last sentence beginning with "Risk rating..." be deleted	Yes
08/09/2016	6.2.3	Internal Audit Charter (b) That the Chief Financial Officer: MBDA submits the Internal Audit Charter to the next meeting of the Audit Committee of the MBDA for consideration and ensures that the Charter of the entity (MBDA) and that of the municipality are aligned.	Yes
08/09/2016	6.2.3	Internal Audit Charter (c) That the Internal Audit Unit implements a system to inform the Executive Management on an annual basis and each new management incumbent with regards to the changes to the internal audit charter what would be the responsibility of Management.	Yes
08/09/2016	6.2.3	Internal Audit Charter (d) That the Acting City Manager considers incorporating the responsibilities of Management as indicated in the Internal Audit Charter into the respective performance agreements of Management.	Yes
17/11/2016	6.1(52(d))	Internal Audit Charter The Chairperson stated that item would be DEFERRED to the next quarterly review meeting pending the appointment of the City Manager.	Yes
08/09/2016	6.2.4	Audit Committee Charter That the Audit Committee Charter be approved subject to the following amendments:	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>2. Introduction, the reference to the King Report(s) on Corporate Governance should be outlined as a summary in terms of best-practice;</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>7.9 Responsibilities relating to the External Audit Function performed by the Office of the Auditor-General, paragraph 1, should read as follows: "Audit Committee duties in relation to the appointment and independence of the auditor apply differently than the private sector as the Auditor-General serves as the legislated-appointed auditor for the municipality.";</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>7.3 Internal Audit and Risk Assurance, paragraph (xvii), should read as follows: "The Accounting Officer should consult the Chairperson of the Audit Committee on the appointment...";</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>11.5 Agenda for meetings, the Annexure (annual work plan) to be updated for the 2017 calendar year and circulated to the Audit Committee.</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>That the Director: Internal Audit and Risk Assurance propose meeting dates for the Audit Committee work plan and to submit the same to the Secretariat section to be included in the 2017 Calendar of Meetings to be adopted by the Council.</p>	Yes
17/11/2016	6.1 (57-58)	<p>Audit Committee Charter</p> <p>(a) That the Assistant Director: Corporate Services submits the approved dates in the 2017 Calendar of Meetings for Audit Committee meetings to the Director: Internal Audit and Risk Assurance.</p>	Yes
17/11/2016	6.1 (57-58)	<p>Audit Committee Charter</p> <p>That the Director: Internal Audit and Risk Assurance finalizes and submits the</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		proposed dates for additional Audit Committee meetings to the Speaker of Council for approval to be included in the updated 2017 Calendar of Meetings.	
17/11/2016	6.1 (57-58)	<p>Audit Committee Charter</p> <p>That subject to the above, the Director: Internal Audit submits the dates of the additional Audit Committee meetings to the members of the Audit Committee.</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>That the Assistant Director: Corporate Services formulates a proposal to improve the administration process of compiling the Audit Committee meeting agenda and ensure that the format thereof would be consistent with the existing system of the municipality; and</p>	Yes
08/09/2016	6.2.4	<p>Audit Committee Charter</p> <p>That the proposal in above be reviewed at the next meeting of the Audit Committee.</p>	Yes
17/11/2016	6.1 (59-60)	<p>Audit Committee Charter</p> <p>That the Assistant Director: Corporate Services submits recommendations to align the administrative functioning performed by the Internal Audit Unit in respect of the Audit Committee to that of Council and the Rules of Order to the Chairperson and the Director: Internal Audit and Risk Assurance.</p>	Yes
16/03/2017	6.2 (37, 40, 42)	<p>Audit Committee Charter</p> <p>That the Director Internal Audit and Risk Assurance confirms the dates of the additional meetings of the Audit Committee with the Office of the Speaker.</p>	Yes
16/03/2017	6.2 (37, 40, 42)	<p>Audit Committee Charter</p> <p>That the Internal Audit Units ensures that the page numbers are indicated in the Matrix of Outstanding Audit Committee Resolutions where the evidence is provided elsewhere in the agenda pack.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
08/09/2016	6.2.1	<p>Progress Report</p> <p>(a) That the Director: Internal and Risk Assurance had to submit the following to the next quarterly meeting of the Audit Committee: (i) Detailed reasons for the cancellation of the 14 (fourteen) audit projects as approved in the 2015/16 internal audit plan; and</p>	Yes
08/09/2016	6.2.1	<p>Progress Report</p> <p>(ii) The expected completion dates with regards to the 9 (nine) outstanding 2015/16 audit assignments and the impact thereof on the 2016/17 internal audit plan.</p>	Yes
08/09/2016	6.2.1	<p>Progress Report</p> <p>(b) That a written motivation be submitted by the IA Unit to the Audit Committee prior to the cancellation of any approved audit assignments per the internal audit plan.</p>	Yes
08/09/2016	6.2.1	<p>Progress Report</p> <p>(c) That the Audit Committee assess the risk profile of the municipality when a submission for the cancellation of an audit project was being considered.</p>	Yes
08/09/2016	6.2.1	<p>Progress Report</p> <p>(d) That the proposed amendments to the approved internal audit plan and the reasons thereof should be reviewed by the Audit Committee at each quarterly meeting.</p>	Yes
17/11/2016	3.1	<p>Progress Report</p> <p>That the timing of the work related to the review of the Annual Financial Statements, draft Annual report and reports of the MBDA be conducted by the Internal Audit Unit during the second and third quarter of the financial year.</p>	Yes
17/11/2016	3.1	<p>Progress Report</p> <p>That the quarterly financial review of the Mandela Bay Development Agency be submitted to the Audit Committee for</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		oversight purposes.	
16/03/2017	9.1	<p>Progress Report</p> <p>That the Director: Internal Audit and Risk Assurance submits a detailed plan on the process and budget options to be considered to phase in the development of the requisite internal capacity for the Internal Audit unit to execute the internal audit plan to the Committee by the end of the month.</p>	Yes
29/08/2016	6.20.3	<p>Internal Audit Follow Up Dashboard-Summary per directorate and status of actions as at 30 June 2016</p> <p>a) That the Director: Internal audit and Risk assurance should submit the internal Audit findings still to be addressed by the directorates to the respective Executive Directors.</p> <p>b) Subject to a) above, that the Executive Director submits a report on the progress to address the Internal Audit findings of the respective Directorate at the next meeting of the Committee.</p>	Yes
17/11/2016	6.1 (26)	<p>Internal Audit Follow Up Dashboard-Summary per directorate and status of actions as at 30 June 2016</p> <p>That the Director: Internal Audit and Risk Assurance submits the summary dashboard per directorate to the Audit Committee.</p>	Yes
29/08/2016	6.20.3	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(a) That the Auditor General submits the detailed Communication of Audit Findings and responses thereto by the Chief Financial Officer to the Audit Committee.</p>	Yes
29/08/2016	6.20.3	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(b) That the Chief Financial Officer presents the responses to each Communication of Audit findings of the Auditor General at the Audit Committee</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		meeting scheduled on 17 November 2016.	
29/08/2016	6.20.3	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(c) That the Auditor General submits the limitation of scopes as submitted to the Chief Financial Officer, to the Audit Committee.</p>	Yes
29/08/2016	6.20.3	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(d) That the Auditor General submits the Draft Management Letter and the Draft Audit Report to the Audit Committee prior to the Audit Committee meeting scheduled to be held on 17 November 2016.</p>	Yes
17/11/2016	6.1(29)	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(a) That the Chief Financial Officer reviews whether each response indicated in the Management Response letter to the audit qualification matters listed by the Auditor General was adequate and supported by valid and credible documentation.</p>	Yes
17/11/2016	6.1(29)	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(b) That the Chief Financial Officer reviews the Communication of Audit Findings: Related Parties as the sample methodology utilized by the Auditor General may contain errors.</p>	Yes
17/11/2016	6.1(29)	<p>Auditor General Follow Up Dashboard - Summary per directorate and Status of actions as at 30 June 2016</p> <p>(c) That the Chief Financial Officer submits the plan of action to the Audit Committee in respect of each response indicated in the draft Management Letter to the findings by the Auditor General that would result in an audit qualification, namely:</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		(i) Irregular Expenditure; (ii) Leave Accrual; and (iii) Water Losses.	
08/09/2016	6.2.2	Dashboards on IA and AG follow up reviews (a) That the Internal Audit Unit should liaise with the Office of the Auditor General to develop a tracking document comprised of the approved action plan by Management to address both the Internal Audit and Audit-General findings.	Yes
08/09/2016	6.2.2	Dashboards on IA and AG follow up reviews (b) That the Executive Management should present a status report indicating the progress, initial timeframes and changes to commitment dates with implementing the recommendations of both the Internal Audit and Auditor-General findings at each quarterly Audit Committee meeting	Yes
08/09/2016	6.2.2	Dashboards on IA and AG follow up reviews (c) That the Executive Management should present the status report per (b) above as the first item to be considered at each quarterly Audit Committee review meeting.	Yes
17/11/2016	6.1(43)	Dashboards on IA and AG follow up reviews (a) That a presentation be made by each Executive Director indicating the time frames to implement the recommendations of the Internal Audit reports and the Auditor General at each quarterly review Audit Committee meeting.	Yes
17/11/2016	6.1(43)	Dashboards on IA and AG follow up reviews (b) That the presentation by the respective Executive Directors in a) above, be conducted at the commencement of each quarterly review Audit Committee meeting.	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17/11/2016	3.2	<p>Dashboards on IA and AG follow up reviews</p> <p>That the respective Executive Directors presents the progress per directorate on the implementation of the Internal Audit recommendations at each quarterly Audit Committee meeting.</p>	Yes
08/09/2016	7.23	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>That the Legal Services section should utilise the relevant National Treasury Guidelines to develop Service Level Agreements for those projects where Management has determined should be in place.</p>	Yes
17/11/2016	6.1(75)	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>That the Internal Audit Unit validates, through the regular audit review process, that the formal process of compiling Service Level Agreements by the Legal Services section were being adhered to and reports on any adverse findings to the Audit Committee.</p>	Yes
08/09/2016	7.23	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>That the Internal Audit Unit submits the schedule of contracts where there were no Service Level Agreements in place for major capital projects at the next Audit Committee meeting.</p>	Yes
17/11/2016	6.1(76)	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>That the Director: Internal Audit and Risk Assurance categorizes the schedule of Irregular Expenditure on major capital projects without Service Level Agreements and submits the aforesaid to the Audit</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		Committee by the following week.	
16/03/2017	6.1 (60 – 63)	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>The standing item on the progress of compiling outstanding Service Level Agreements by the Acting Chief Financial Officer be DEFERRED to the next meeting of the Committee.</p>	Yes
16/03/2017	6.2 (60 - 62)	<p>Detailed Audit Reports City Manager Memorandum: Controls over Major Capital Projects</p> <p>That the Director Internal Audit and Risk Assurance submits the audit report on the following at the next meeting of the Committee:</p> <ul style="list-style-type: none"> (i) Review of the formal process of compiling Service Level Agreements by the Legal Services section (ii) Schedule of contracts where there were no Service Level Agreements in place for major capital projects; and (iii) Schedule of Irregular Expenditure on major capital projects where there were no Service Level Agreements in place. 	Yes
16/03/2017	9.3.1	<p>Detailed Audit Reports City Manager Review over Completeness of Rental Income from Municipal Properties: 2016/2017 financial year</p> <p>That the Director Internal Audit and Risk Assurance considers reviewing the type of audit engagement from a review assignment to consulting assignment.</p>	Yes
16/03/2017	9.3.1	<p>Detailed Audit Reports City Manager Review over Completeness of Rental Income from Municipal Properties:</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>2016/2017 financial year</p> <p>That the Director: Internal Audit and Risk Assurance includes the validation of the number of properties owned by the municipality that were available to be leased in the Internal Audit Plan</p>	
29/08/2016	6.1	<p>Chief Financial Officer / Budget and Treasury Completeness of Income from Credit and Prepaid Electricity Sales</p> <p>That the Internal Audit Unit perform a completeness test on the credit and prepaid electricity sales service providers and reconsider the limitation of scope of the Internal Audit Report: Completeness of Income from Credit and Prepaid Electricity Sales and the alternate audit procedures that could be performed.</p>	Yes
29/08/2016	6.1	<p>Chief Financial Officer / Budget and Treasury Completeness of Income from Credit and Prepaid Electricity Sales</p> <p>That subject to (a) above, that the Internal Audit Unit submit an updated report on the Internal Audit Report: Completeness of Income from Credit and Prepaid Electricity Sales before the end of June 2016, to the Committee.</p>	Yes
17/11/2016	6.1(5-6)	<p>Chief Financial Officer / Budget and Treasury Completeness of Income from Credit and Prepaid Electricity Sales</p> <p>That the Director: Internal Audit and Risk Assurance submits an updated report on the Completeness of Income from credit and prepaid electricity sales at the next Audit Committee meeting.</p>	Yes
29/08/2016	6.1	<p>Chief Financial Officer / Budget and Treasury Grants and Donor Funding 2014/15</p> <p>Draft report that is being reviewed by the Director Internal Audit and Risk Assurance be submitted at the next meeting of the committee.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
29/08/2016	6.1	<p>Chief Financial Officer / Budget and Treasury Status of Records Quarter 2</p> <p>Director Internal Audit and Risk Assurance to submit the Status of Records report at the next meeting of the Committee.</p>	Yes
29/08/2016	6.1	<p>Chief Financial Officer / Budget and Treasury Data Analytics Over Supply Chain Management: Supplier Database</p> <p>Director Internal Audit and Risk Assurance must submit the SCM reports at the next meeting of the committee.</p>	Yes
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>That the register of unauthorised, irregular and fruitless and wasteful expenditure should be updated monthly or by the latest at least quarterly.</p>	Yes
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>That the register of unauthorised, irregular and fruitless and wasteful expenditure had to be submitted to the Audit Committee at each quarterly review meeting.</p>	Yes
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>That a report on unauthorised, irregular and fruitless and wasteful expenditure must be submitted at each quarterly Audit Committee meeting indicating the following:</p>	Yes
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>Expenditure 2015/2016 Financial Year</p> <p>The updated register of unauthorised, irregular and fruitless and wasteful expenditure for the quarter under review;</p>	
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>An analysis of the cost versus the benefit of each item as conducted by the accounting officer;</p>	No. The Acting Chief Financial Officer undertook to further review this matter.
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>The action taken (investigation and consequence management) in respect of each item; and</p>	No. The details required are contained in each report submitted to the Municipal Public Accounts Committee or relevant Council structure.
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>Any contract that management had resolved to retain that continued to contribute to any unauthorised, irregular and fruitless and wasteful expenditure.</p>	No. A report on this matter is being prepared for submission to the appropriate structure.
08/09/2016	7.3	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>That a response be submitted by the Chief Financial Officer to the findings of the Internal Audit report on the Review Over Supply Chain Management - Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year be submitted within 2 (two) weeks of this meeting to the Audit Committee.</p>	Yes
17/11/2016	4.5	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>- Unauthorised, Fruitless and Wasteful Expenditure 2015/2016 Financial Year</p> <p>That the Chief Financial Officer considers revising the payment of overtime that did not comply with the overtime policy and had not been properly authorized by the respective line managers.</p>	
08/09/2016	7.4	<p>Chief Financial Officer / Budget and Treasury Review Over Supply Chain Management - Informal Tenders 2015/2016 Financial Year</p> <p>That the Internal Audit Unit ensures that reports and / or items to be considered at the Audit Committee meeting must adhere to the 5-day time frame for circulation to ensure that an adequate response could be provided by the relevant Directorates.</p>	Yes
17/11/2016	3.4.3	<p>Chief Financial Officer / Budget and Treasury Irregular Expenditure Review – Final progress report for the period 1 April 2016 to 30 June 2016</p> <p>(a) That the Director: Internal Audit and Risk Assurance and the Chief Financial Officer meet with the objective to implement practical solutions to address the existing challenges within the SCM control environment.</p>	Yes
17/11/2016	3.4.3	<p>Chief Financial Officer / Budget and Treasury Irregular Expenditure Review – Final progress report for the period 1 April 2016 to 30 June 2016</p> <p>(b) That subject to a) above, a report be submitted at the next quarterly review Audit Committee meeting highlighting the practical solutions that have been implemented at the SCM Unit to address the weaknesses in documentation control.</p>	Yes
17/11/2016	3.4.3	<p>Chief Financial Officer / Budget and Treasury Irregular Expenditure Review – Final progress report for the period 1 April 2016 to 30 June 2016</p> <p>That the Chief Risk Officer includes the</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>following in the checklist for the engagement with the Executive Management:</p> <p>(i) Guidelines for establishing of project thresholds;</p> <p>(ii) Risk appetite and risk tolerance levels for the municipality; and</p> <p>(iii) Responsibilities related to the various project thresholds of the Executive Management and Internal Audit respectively.</p>	
17/11/2016	3.4.7	<p>Chief Financial Officer / Budget and Treasury Annual Financial Statements Review for the year ended 30 June 2016</p> <p>That the Chief Financial Officer provides an update on the implementation of mSCOA and EMS at the next Audit Committee meeting.</p>	Yes
17/11/2016	3.4.7	<p>Chief Financial Officer / Budget and Treasury Annual Financial Statements Review for the year ended 30 June 2016</p> <p>That the Chief Financial Officer submits the schedule for compiling the year-end financial statements at the next Audit Committee meeting.</p>	Yes
17/11/2016	3.4.11	<p>Chief Financial Officer / Budget and Treasury Review over Controls over Assistance to the Poor (ATTP): 2015/2016 financial year</p> <p>That the Chief Financial Officer provides an update on the review of the controls over Assistance to the Poor at the next Audit Committee meeting.</p>	Yes
29/08/2016	6.10.1	<p>Chief Operating Officer Contingent Liabilities</p> <p>That the Legal Services Unit must submit to each quarterly meeting of the Audit Committee:</p>	Yes
29/08/2016	6.10.1	<p>Chief Operating Officer Contingent Liabilities</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		(i) A duly signed and dated report detailing the date and amount of each Contingent liability and the provision for litigation and claims; and	
29/08/2016	6.10.1	<p>Chief Operating Officer Contingent Liabilities</p> <p>(ii) A duly signed and dated report detailing the date and settlement amount of each settled claim.</p>	Yes
17/11/2016	6.1 (14-16)	<p>Chief Operating Officer Contingent Liabilities</p> <p>That the Legal Services section performs a reconciliation of the list of Contingent Liabilities to ensure the completeness thereof and submits the same to the Internal Audit Unit.</p>	Yes
16/03/2017	6.2 (18 - 20)	<p>Chief Operating Officer Contingent Liabilities</p> <p>That the Director: Internal Audit and Risk Assurance confirms whether the Municipality had a self-insurance policy for litigation and claims and submits the summarized details at the next Audit Committee meeting.</p>	Yes
29/08/2016	6.1(4)	<p>Corporate Services Leave Accrual</p> <p>(a) That the PWC Consortium should prioritize the Leave Accrual Project objectives to be achieved with realistic time frames for the completion thereof.</p> <p>(b) That the completed and verified leave balances should be submitted to the Auditor-General for testing.</p>	Yes
29/08/2016	6.13.1	<p>Corporate Services Human Resource matters</p> <p>That the Acting Executive Director: Corporate Services to meet with the Audit Committee member responsible for human resource matters (Dr M Nicholls) before the end of September 2016 to consider the following:</p> <p>(i) Recruitment and Selection Turnaround Strategy; and</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		(ii) Human Resource Management and Development Plan	
17/11/2016	6.1(17)	<p>Corporate Services Human Resource matters</p> <p>That the Acting Executive Director: Corporate Services submits the draft human resource policies to the Audit Committee member responsible for human resource matters (Dr M Nicholls) to provide input where necessary.</p>	Yes
08/09/2016	7.8	<p>Corporate Services EMS Project Health-Check</p> <p>That the Acting Director: Corporate Services submits the envisaged target date for the approval by the Council of all ICT related policies and procedures relevant to the EMS project at the next meeting of the Committee.</p>	Yes
17/11/2016	6.1(70)	<p>Corporate Services EMS Project Health-Check</p> <p>That the Acting Director: Corporate Services provides feedback to the Internal Audit Unit on the envisaged target date for the approval by Council of all ICT related policies and procedures relevant to the EMS project.</p>	Yes
08/09/2016	7.11	<p>Corporate Services Interim Report: Audit of Leave Accrual Balances – Status Review</p> <p>(a) That the Acting Executive Director: Corporate Services submits a response to the Internal Audit Unit within 2 (two) weeks of this meeting relating to the following queries, previously raised by the Audit Committee namely:</p> <p>(i) The plan to address the leave accrual findings of the reports by both the Auditor General and the Internal Audit Unit; and</p>	Yes
08/09/2016	7.11	<p>Corporate Services Interim Report: Audit of Leave Accrual Balances – Status Review</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>(a) That the Acting Executive Director: Corporate Services submits a response to the Internal Audit Unit within 2 (two) weeks of this meeting relating to the following queries, previously raised by the Audit Committee namely:</p> <p>(ii) The revised calculation of the leave accrual balance taking into account the capping of leave days, daily rate of employees at the end of each respective year-end and the constructive obligation of leave days for the 2015 and 2016 financial year's respectively be submitted to the Audit Committee.</p>	
17/11/2016	6.1(71 - 73)	<p>Corporate Services Interim Report: Audit of Leave Accrual Balances – Status Review</p> <p>That the Acting City Manager conducts a follow up with the Acting Executive Director: Corporate Services on the following:</p> <p>(i) The reasons for the responses not being submitted in time for the Audit Committee meeting;</p> <p>(ii) The plan by the Directorate: Corporate Services to address the leave accrual;</p> <p>(iii) The envisaged target date for the approval by Council of all ICT related policies and procedures relevant to the EMS Project; and</p> <p>(iv) The outstanding responses in respect of the enquires made by the Audit Committee regarding the Interim report: Audit of Leave Accrual Balances recorded under Min. No. 7.11/8 September 2016 and 6.1(4)/29 August 2016 of the Audit Committee.</p>	Yes
08/09/2016	7.12	<p>Corporate Services IT General Controls over SAP HR Management System - Leave Module</p> <p>That the Acting Executive Director: Corporate Services submits the estimated timeframe that the HR component of the new ERP would be implemented.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
08/09t/2016	7.17	Economic Development, Tourism and Agriculture Fresh Produce Market Cash and General Process Review & Business / Financial Review 2015/2016 That the business model in respect of the Fresh Produce Market be submitted at the next Audit Committee meeting.	Yes
17/11/2016	6.1(35)	Economic Development, Tourism and Agriculture Fresh Produce Market Cash and General Process Review & Business / Financial Review 2015/2016 That the Internal Audit Unit conducts a completeness of sales test over a period of 2 (two) months to trace cash receipts to the bank and submits a report on the outcome at the next Audit Committee meeting.	Yes
17/11/2016 16/03/2017	6.1(35) 6.1 (29 – 31)	Economic Development, Tourism and Agriculture Fresh Produce Market Cash and General Process Review & Business / Financial Review 2015/2016 That the Executive Director: Economic Development, Tourism and Agriculture submits the report on the proposed business model for the Fresh Produce Market to the Audit Committee. That The Executive Director: Economic Development, Tourism and Agriculture submits a copy of the Corporatized Entity Model as approved by Council at the next meeting of the Committee.	Yes
16/03/2017	6.2 (29 - 31)	Economic Development, Tourism and Agriculture Fresh Produce Market Cash and General Process Review & Business / Financial Review 2015/2016 That the Internal Audit Unit conducts an audit of the actual total cash received in the Fresh Produce Market and submits the outcome at the next meeting of the Committee.	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
16/03/2017	9.3.18	<p>Infrastructure and Engineering Controls over Fleet Management</p> <p>That the Executive Director: Infrastructure and Engineering ensures that the approved Fleet Management Policy is circulated to the Audit Committee and all Executive Management of the Municipality.</p>	Yes
16/03/2017	9.3.18	<p>Infrastructure and Engineering Controls over Fleet Management</p> <p>That the Executive Director: Infrastructure and Engineering ensures that the monthly Fleet Management reports were being distributed to the relevant management of each respective Directorate.</p>	Yes
16/03/2017	9.3.18	<p>Infrastructure and Engineering Controls over Fleet Management</p> <p>That each Executive Director confirms that the controls over fuel management in respect of vehicles utilized by their respective Directorate was being managed in line with the approved Fleet Management Policy.</p>	No. One directorate had not confirmed the controls by the end of the financial year. This has subsequently been submitted.
29/08/2016	6.1(26,28)	<p>Safety and Security Traffic and Licensing Services</p> <p>(a) That the Executive Director: Safety and Security should submit an overview of the role of the Metro Police in respect of Traffic and Licensing at the next meeting of the Committee.</p>	Yes
29/08/2016	6.1(26,28)	<p>Safety and Security Traffic and Licensing Services</p> <p>(b) That the Executive Director: Safety and Security should submit the project plan in respect of the establishment and functioning of the Metro Police at the next meeting of the Committee.</p>	Yes
29/08/2016	6.1(27,29)	<p>Safety and Security Traffic and Licensing Services</p> <p>That the Executive Director: Safety and Security should submit an updated report at the next meeting of the Committee indicating the outcome of the procedures to evaluate the planned remedial action taken to address the findings related to the</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		Firearms Control Review 2014/15.	
17/11/2016	6.1 (11-12)	<p>Safety and Security Traffic and Licensing - Metro Police</p> <p>That the Executive Director: Safety and Security submits the following at the next meeting of the Audit Committee:</p> <p>(i) An overview of the role of the Metro Police; and</p> <p>(ii) The project plan in respect of the establishment, functioning, Infrastructure rollout, financing, costing, timing and business plan in respect of the Metro Police.</p>	Yes
17/11/2016	6.1 (11-12)	<p>Safety and Security Traffic and Licensing - Metro Police</p> <p>That the Executive Director : Safety and Security submits an updated report at the next meeting of the Committee indicating the outcome of the procedures conducted to evaluate the planned remedial action taken to address the findings related to the Firearms Control Review 2014/15.</p>	Yes
16/03/2017	6.1 (13 – 14)	<p>Safety and Security Traffic and Licensing - Metro Police</p> <p>That the Executive Director: Safety and Security confirms that the outstanding statements by shift leaders that on duty inspections were conducted be submitted at the next meeting.</p>	Yes
17/11/2016	6.1(13)	<p>Safety and Security Traffic and Licensing - Firearms Control Review 2014/15</p> <p>That the Executive Director: Safety and Security provides feedback at the next meeting of the Committee that the actions and target dates indicated in the Report on the progress of the Firearms Control review 2014/15 had been adhered to.</p>	Yes
17/11/2016	6.1(13)	<p>Safety and Security Traffic and Licensing - Firearms Control Review 2014/15</p> <p>That the Executive Director: Safety and Security confirms that an acknowledgement of the Departmental</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		Circular related to Firearms Control has been signed by each Law Enforcement Officer.	
17/11/2016	6.1(13)	<p>Safety and Security Traffic and Licensing - Firearms Control Review 2014/15</p> <p>That the Internal Audit Unit prioritizes the follow up audit test of the revised Firearms Controls and submits feedback at the next Audit Committee meeting.</p>	Yes
16/03/2017	6.2 (15 - 17)	<p>Safety and Security Traffic and Licensing - Firearms Control Review 2014/15</p> <p>That the Executive Director: Safety and Security submits a report to the next meeting indicating the following:</p> <ul style="list-style-type: none"> (i) Whether any firearms were lost and/or misplaced; (ii) Implementation of the outstanding internal controls to address the findings in the Internal Audit review report on Firearms Control 2014/15; and (iii) Implementation of the legislative prescripts related to firearms controls. 	Yes
16/03/2017	9.3.20	<p>Safety and Security Review over Traffic Contravention System</p> <p>That the Executive Director: Safety and Security submits feedback that the historic recovery rate of traffic fines of 76% would be achievable.</p>	Yes
29/08/2016	6.1(20)	<p>Budget and Treasury matters Progress on implementation of mSCOA</p> <p>That the Director: Internal Audit and Risk Assurance to submit a report on the quality assurance of the data integration.</p>	Yes
17/11/2016	4.1	<p>Budget and Treasury matters Financial Statements as at 30 September 2016</p> <p>That the Chief Financial Officer submits the Balance Sheet and Income Statements as</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		prepared on the cash basis to the Audit Committee.	
17/11/2016	4.4	<p>Budget and Treasury matters Status of Audit Qualifications as at 30 September 2016</p> <p>That the Auditor General submits the management letter to the Audit Committee.</p>	Yes
16/03/2017	10	<p>Budget and Treasury matters Financial Statements as at 31 December 2016</p> <p>That the Acting Chief Financial officer submits the report on the 10 year review on the expenditure trends of the Municipality to the next meeting of the Audit Committee.</p>	Yes
16/03/2017	10	<p>Budget and Treasury matters Financial Statements as at 31 December 2016</p> <p>That the Chief Operating Officer submits the cost monitoring report of the current year at the next quarterly review meeting of the Committee.</p>	Yes
29/08/2016	6.1	<p>Auditor-General matters Auditor-General Quarterly Reports</p> <p>That a formal written report be submitted by the Auditor General of South Africa and included in the Audit Committee agenda, indicating whether there were any matters that should be considered by the Audit Committee.</p>	Yes
17/11/2016	6.1(7)	<p>Auditor-General matters Auditor-General Quarterly Reports</p> <p>That the Auditor General of South Africa submits feedback at each quarterly review Audit Committee meeting in respect of the activities conducted by the Auditor General and any findings for the quarter that should be addressed by the Administration.</p>	Yes
17/11/2016	5.1	<p>Auditor-General matters Auditor-General Quarterly Reports</p> <p>The Auditor-General has advised that the Draft Management Letter and the Draft Audit Report will be submitted to the</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		combined Audit Steering and Audit Committee meeting to be held on 16 November 2016.	
17/11/2016	5.1	<p>Auditor-General matters Auditor-General Quarterly Reports</p> <p>That the Director: IA submits the detail AG findings and that each Executive Director submits the action plan to address the same at the next Audit Committee meeting.</p>	Yes
16/03/2017	6.1 (8 – 9)	<p>Auditor-General matters Auditor-General Quarterly Reports</p> <p>The Director: Internal Audit and Risk Assurance identify suitable dates for the additional meetings with the Auditor General of South Africa without management being present.</p>	No. Confirmation of suitable dates to meet with the Audit Committee would be communicated once they had met with the Executive Management of the Municipality.
17/11/2016	6.1 (3)	<p>Water and Electricity Infrastructure and Engineering Progress on addressing Water Losses</p> <p>That the Executive Director: Infrastructure and Engineering submits a high-level overview report and progress to date on addressing Water Losses at the next meeting of the Audit Committee.</p>	Yes
16/03/2017	6.2 (4)	<p>Water and Electricity Infrastructure and Engineering Progress on addressing Water Losses</p> <p>That the Executive Director: Infrastructure and Engineering includes in the next report to the Audit Committee a correlation between the schedule of water losses as included in the Report of the Chief Financial Officer and the number of water losses reported to the call-centre.</p>	Yes
29/08/2016	6.1(23)	<p>Water and Electricity Electricity and Energy Electricity Losses</p> <p>That the Acting Executive Director: Electricity and Energy submit a written report on the status of electricity losses to the Internal Audit Unit.</p>	Yes
17/11/2016	6.1(10)	<p>Water and Electricity Electricity and Energy</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>Electricity Losses</p> <p>(a) That the Executive Director: Electricity and Energy submits the action plan to address electricity losses at the next Audit Committee meeting.</p>	
17/11/2016	6.1(10)	<p>Water and Electricity Electricity and Energy Electricity Losses</p> <p>(b) That a progress report to address Electricity Losses be submitted by the Acting Executive Director: Electricity and Energy.</p>	Yes
17/11/2016	6.1(10)	<p>Water and Electricity Electricity and Energy Electricity Losses</p> <p>(c) That the progress report submitted by the Acting Executive Director: Electricity and Energy to address Electricity Losses be a standing item at each quarterly review Audit Committee meeting.</p>	Yes
29/08/2016	6.15.1	<p>Mandela Bay Development Agency</p> <p>(a) That the Chief Financial Officer (MBDA) should ensure that monthly reconciliations on the value of the Unspent Grants were conducted with the municipality.</p>	Yes
29/08/2016	6.15.1	<p>Mandela Bay Development Agency</p> <p>(b) That the Chief Financial Officer (MBDA) should ensure that adequate procedures are implemented to ensure that all necessary processes were rectified.</p>	Yes
17/11/2016	6.1(20-21)	<p>Mandela Bay Development Agency</p> <p>That the Chief Financial Officer: MBDA submits a copy of the management accounts of the MBDA to each quarterly review meeting of the Nelson Mandela Bay Municipality Audit Committee.</p>	Yes
16/03/2017	6.2	<p>Mandela Bay Development Agency</p> <p>That the Director: Internal Audit and Risk Assurance ensures that a copy of the audited Annual Financial Statements of the Mandela Bay Development Agency is submitted to the Committee at the end of</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		each respective reporting period.	
17/11/2016	9.1	<p>FORENSIC AND FRAUD RELATED MATTERS Report on the implementation of the Fraud Prevention Action Plan – Director: Internal Audit and Risk Assurance</p> <p>That a report on the activities of the Fraud Hotline and the Register of cases be submitted at each quarterly meeting of the Audit Committee.</p>	Yes
16/03/2017	6.2 (79)	<p>FORENSIC AND FRAUD RELATED MATTERS Report on the implementation of the Fraud Prevention Action Plan – Director: Internal Audit and Risk Assurance</p> <p>That the Director Internal Audit and Risk Assurance liaises with Ms T Cumming (Audit Committee Member) to provide more substantial information in the Register of Forensic Cases to be submitted at each quarterly review Audit Committee meeting.</p>	Yes
16/03/2017	6.2 (79)	<p>FORENSIC AND FRAUD RELATED MATTERS Report on the implementation of the Fraud Prevention Action Plan – Director: Internal Audit and Risk Assurance</p> <p>That the Director Internal Audit and Risk Assurance submits details of the process utilized by the Internal Audit Unit to analyse and categorize forensic investigation directly to the Audit Committee.</p>	Yes
17/11/2016	10.1	<p>SUSPENSION OF OFFICIALS List of suspended officials as at 30 September 2016</p> <p>That the Acting Executive Director: Corporate Services implements a system to improve the efficiency of hearings that were being excessively delayed whilst maintaining the standard of fairness during the disciplinary process.</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17/11/2016	11	<p>GENERAL</p> <p>That each Executive Director presents the History, Action Plan and Timeframes to resolve audit findings and the procedures established to avoid a recurrence of the same at the commencement of each Audit Committee meeting.</p>	Yes
29/08/2016	6.21	<p>UPDATED MATTERS Anticipated Write-off from Housing Revolving Fund</p> <p>(a) That in respect of the Housing Revolving Fund that the Chief Financial Officer and the Acting Executive Director: Human Settlements should determine as at 30 June 2016 the amount to written off and a provision for a write-off be created where required.</p>	Yes
29/08/2016	6.21	<p>UPDATED MATTERS Anticipated Write-off from Housing Revolving Fund</p> <p>(b) That the amounts determined to be written off and the provision respectively as per (a) above in respect of the Housing Revolving Fund be submitted to the Audit Committee.</p>	Yes
16/03/2017	6.2 (27)	<p>UPDATED MATTERS Anticipated Write-off from Housing Revolving Fund</p> <p>That a report on the Housing Revolving Fund be submitted at the next meeting detailing the information for the current financial year as highlighted below:</p> <p>(i) A listing indicating the value of claims submitted to the provincial Department of Human Settlements and the date of submission;</p> <p>(ii) Aggregate value of claims outstanding, including any write-offs;</p> <p>(iii) The responsive action by the Administration with regard to the claims that would not be recoverable;</p> <p>(iv) Feedback related to the claims that</p>	Yes

Date of Committee	Item No. of minutes	Committee Recommendations during Year 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		<p>were still to be processed;</p> <p>(v) The average turnaround time by the provincial Department of Human Settlements to reimburse the Municipality for Minor and Major claims respectively;</p> <p>(vi) The dates and aggregate value of reimbursements made by the provincial Department of Human Settlements</p>	

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The Nelson Mandela Bay Municipality had no long-term contracts in place nor initiated any Public Private Partnerships during the review period.

APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Special Cross-cutting Projects (Mandela Bay Development Agency) KPE: Cleansing services (Central Business Districts, Central and Uitenhage)	Percentage satisfaction with cleansing services in Port Elizabeth and Uitenhage Central Business District	85% satisfaction by June 2016	74.8%	No longer reported as a strategic objective	No longer reported as a strategic objective	No longer reported as a strategic objective
	Percentage satisfaction with security services in Port Elizabeth Central Business District	65% satisfaction by June 2016	60.7%	No longer reported as a strategic objective	No longer reported as a strategic objective	No longer reported as a strategic objective
KPA: Special Cross-cutting Projects (Mandela Bay Development Agency) KPE: Public Capital Projects	Percentage completion of inner city renewal capital development projects	70% of Tramways Building Phase 2 redevelopment completed (in line with project plan) - Walkway, parking area, landscaping, fencing and garages	100% of Tramways Building Phase 2 redevelopment completed (in line with project plan) - Walkway, parking area, landscaping, fencing and garages	N/A	N/A	N/A
		15% of Vuyisile Mini Square Phase 1 development completed (in line with project plan)	0% of Vuyisile Mini Square Phase 1 development completed	10%	(KPI was deleted from SDBIP 21/02/2017. Reason: Insufficient budget)	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Integrated Service Delivery to a Well-structured City KPE: Facilitating Public Capital Projects	% completion of precinct plan for Bayworld upgrade	N / A	N / A	100%	10%	N/A
	% completion of the Nelson Mandela Bay Metropolitan Stadium Precinct development	N / A	N / A	100%	(KPI was deleted from SDBIP 21/02/2017. Reason: Insufficient budget)	100%
	% completion of Schauderville/ Korsten Recreational Park development	N / A	N / A	100%	(KPI was deleted from SDBIP 21/02/2017. Reason: Insufficient budget)	50%
	% completion of the remedial work of the exterior structure of the Campanile	N / A	N / A	90%	100%	N/A
KPA: Special Cross-cutting Projects (Mandela Bay Development Agency) KPE: Public Capital Projects KPA: Special Cross-cutting Projects (Mandela Bay Development Agency)	% Completion of Red Location/ Singaphi Precinct Development	90% of Phase 2 completed	95%	70% (Phase 3)	73%	95% (Phase 3)
	100% of Veeplaas Business Incubator Building upgrade completed (in line with project plan)	100%	63%	No longer reported as a strategic objective	No longer reported as a strategic objective	Handed over to EDTA for Operationalization

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPE: Public Capital Projects	% completion of New Brighton swimming pool development	25% of New Brighton Swimming Pool completed (in line with project plan)	0%	50%	(KPI was deleted from SDBIP 21/02/2017. Reason: Insufficient budget)	50%
	% completion of Helenvale precinct areas upgrade (<i>Number of Helenvale precinct areas upgraded through construction of sidewalks and pedestrian walkways</i>)	3 (Gaat to Hillcrest Primary School, Fitchard Street to Bayview Primary School, Reginald to Helenvale Primary School)	0	100%	54%	KPI realigned

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET 2015/16	Year -1 ACTUAL 2015/16	Year 0 TARGET 2016/17	Year 0 ACTUAL 2016/17	Year 1 TARGET 2017/18
KPA: Special Cross-cutting Projects (Mandela Bay Development Agency) KPE: Public Capital Projects	% completion of Helenvale precinct areas upgrade <i>(Number of Helenvale precinct areas upgraded through construction of sidewalks and pedestrian walkways)</i>	N/A	N/A	N/A	N/A	100% construction of 3 pedestrian walkways by December 2017
		N/A	N/A	N/A	N/A	50% construction of Sportsfield
		N/A	N/A	N/A	N/A	50% construction of physical infrastructure and 3 school sportsfields

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Executive Mayor	Trollip	R A P	Interest in property other than private residence: Two (2) consolidated plots (vacant) in Kleinemonde.
Chief Whip of Council	Senekal	W	Shares and Securities in companies: Stanlib (RA)
Member of the Mayoral Committee	Best	J	Directorship: Green Scorpions NGO - Section 21 Director
Member of the Mayoral Committee	Kayser	R C	Interest in property other than private residence: 232 Rensburg Street, Arcadia 16 Harlequin Street, Ext 33
Member of the Mayoral Committee	Odendaal	R C	Partnerships: Retief Odendaal Attorneys Morne Steyn Attorneys
Member of the Mayoral Committee	Whitfield	A	Shares and Securities in companies Investec linked investment Interest in property other than private residence:
Councillors (PR/Ward)	Adams	R	32 Gordon Terrace, Central, Port Elizabeth Subsidies, grants and sponsorship by any organisation: National Student Financial Aid Scheme

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Councillors (PR/Ward)	Boqwana	K	Interest in property other than private residence:
			4 Mpakati Str, Zwide Township
			Membership of Close Corporation:
			Elihle Lodwa Construction and Civil Works (Deregistered)
Councillors (PR/Ward)	Boti	M L	Interest in property other than private residence:
			140 Mnenga Street, NU 10, Motherwell
Councillors (PR/Ward)	Breakfast	M S	Directorship:
			Eastern Province Cricket Board (2015 - 2018)
Councillors (PR/Ward)	Buti	D	Partnership:
			Ilitha Lethu NPO
			Directorship:
			Chairperson of Ilitha Lethu NPO
			Subsidies, grants and sponsorship by any organisation:
			State grant
Councillors (PR/Ward)	Daaminds	R	Shares and securities in companies:
			At Your Service 24/7 Pty Ltd
			Partnership:
			At Your Service 24/7 Pty Ltd
			Other financial interests in any business undertakings:
			At Your Service 24/7 Pty Ltd
			Interest in property other than private residence:
			15 Volstruis Street, Reservoir Hills, Despects
			Subsidies, grants and sponsorship by any organisation:
			Received grant for child - Stopped on 19 August 2016

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Councillors (PR/Ward)	Daniels	M V	Directorship:
			Font Sportswear Pty Ltd
			Partnership:
			Font Sportswear Pty Ltd
			Interest in property other than private residence:
			12 Haring Streets, Pellsrus, Jeffreys Bay
Councillors (PR/Ward)	Faltman	G	Directorship:
			Kenako Trading Enterprise
Councillors (PR/Ward)	Feni	M	Shares and securities in companies:
			Practicing as an Advocate of the High Court
Councillors (PR/Ward)	Gibbon	A B	Schedule of Shares in companies listed on JSE:
			Adbee Ltd
			Adcock Ingram
			Aveng Group
			AECI
			Anglo American
			Aspen Pharmacare
			BHP Billiton
			British American Tobacco
			Capital and Counties Properties
			Coreshares Prop
			Distribution and Warehousing
			DB X-Trackers
			Discovery Limited

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			Exxarp Resources Ltd
			Famous Brands
			Firststrand
			Grindrod
			Group Five
			Howden Africa Ltd
			Investec
			Intu Properties
			Kumba Iron Ore
			Liberty Holdings
			Mediclinic
			MMI Holdings Ltd
			Mondi
			Massmart
			Murray and Roberts
			Nedbank
			Old Mutual
			Pick n Pay
			SAB Miller
			Standard Bank
			Sasfin Holdings
			Shoprite
			Sanlam
			Sasol
			Spar Group
			Satrix Financial
			Satrix Industrial
			Satrix 40

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			Spur Corporation
			South32 Ltd
			Tiger Brands
			Truworths
			Woolworths
			Other financial interests in any business undertakings:
			Milkwood Farm
			Interest in property other than private residence:
			Summerplace Schoenmakerskop
Councillors (PR/Ward)	Gidane	M A	Shares and securities in companies:
			Native Capital Pty Ltd (Chairman, Board Member)
			Membership of Close Corporation:
			Peace and Order Security Company
			Directorship:
			The Equity Foundation NPC
			Interest in property other than private residence:
			70 Ngudwanan Street, KwaMagxaki
			24 Scanlan Street, College Hill, Uitenhage
			Shares and securities in companies:
			Suidewyk Ltd Pty
Councillors (PR/Ward)	Gouws	R	Membership of Close Corporation:
			The Scarlet Group
			Partnership:
			The Scarlet Group
Councillors (PR/Ward)	Greyling	F v N	Shares and securities in companies:

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			Van Alles en Nog Wat Eiendomme Pty Ltd
			Directorship:
			Van Alles en Nog Wat Eiendomme Pty Ltd
Councillors (PR/Ward)	Grobbelaar	J	Membership of Close Corporation:
			Nitrous Security cc
			Directorship:
			J K Coastal Technologies
Councillors (PR/Ward)	Harker	E J	Directorship:
			EEF Grasscutting Services
Councillors (PR/Ward)	Hermaans	P	Directorship:
			Eyethu Street Patrol (Have resigned at Board Member)
Councillors (PR/Ward)	Higgins	N R	Interest in property other than private residence:
			24 Bassadien Street, Bloemendal, Port Elizabeth
Councillors (PR/Ward)	Isaacs	A D	Directorship:
			Was Company Shares Director but never traded or operated
			for the last 18 months. We registered the company in
			2014/15
			but never tender or trade under Skysam Holdings Ltd name.
			Partnership:
			Skysam Holdings Ltd
Councillors (PR/Ward)	Manyati	V M	Interest in property other than private residence:
			158 Seyisi Street KwaZakhele
			504 Ferguson Road, New Brighton

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Councillors (PR/Ward)	Maqolo	A M	Shares and securities in companies: Ekusehwandle Fishing Compnay CC
			Membership of Close Corporation: Ekusehwandle Fishing Compnay CC
			Partnership: Ekusehwandle Fishing Company CC
			Subsidies, grants and sponsorship by any organisation: Government grant and special pension as political prisoner
Councillors (PR/Ward)	Maqula	G D	Shares and securities in companies: Kaziforce Pty Ltd
			Directorship: Kaziforce Pty Ltd
Councillors (PR/Ward)	Mbuqu	B P	Membership of Close Corporation: Thembantsika Trading Enterprise
			Aquanti Labona Trading Enterprise
			BPMH Trading Enterprise - Dormant
			Partnership: Thembantsika Trading Enterprise
			Aquanti Labona Trading Enterprise
			BPMH Trading Enterprise - Dormant
			Interest in property other than private residence: 122 Ngoma Street, NU 9, Motherwell
Councillors (PR/Ward)	Mfunda	A C G	Other financial interests in any business undertakings: Frannie Real Estates (Commission Basis)

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			No longer has business undertaking in Seadons Find Properties
			and Developer
Councillors (PR/Ward)	Mhlobiso	N J	Shares and securities in companies:
			NESSACO
Councillors (PR/Ward)	Mlungwana	L V	Subsidies, grants and sponsorship by any organisation:
			For studying at NMU - Department of Arts Bursary
Councillors (PR/Ward)	Mnyimba	L D	Membership of Close Corporation:
			Mnyimba Laundrette and Cleaning Services (Registered but not
			operating)
			Interest in property other than private residence:
			Compensation for black farmers (1 hectare land)
			NU 29 Motherewell
			B62 - co-ownership - no title deed
Councillors (PR/Ward)	Mtsila	M J	Subsidies, grants and sponsorship by any organisation:
			Bursary from Africa Earth Observatory Network which finance
			studies or M A (Development Studies). It is a fulltime research
			scholarship.
Councillors (PR/Ward)	Ndoni	P S	Shares and securities in companies:
			Innovation 2012 Pty Ltd
			Siyabona Pty Ltd
			Dark Atom Trading
			Zambada Trading Pty Ltd

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			Directorship:
			Coega Development Corp
			Siyabona Pty Ltd
			Interest in property other than private residence:
			24 Cawood Crescent, Vanes Estate, Uitenhage
			15 Kings Crescent, Humewood, Port Elizabeth
Councillors (PR/Ward)	Ngumbela	K O	Directorship:
			Abathunywa Special Needs, Education and Wellness
Councillors (PR/Ward)	Nodada	B	Subsidies, grants and sponsorship by any organisation:
			NMMU Post graduate scholarship
			NMMU VC Funding
Councillors (PR/Ward)	Ntshiza	S M	Membership of Close Corporation:
			Bheka-Phambili Corp Ltd
			Abomgquba Corp Ltd Pty
			Mdibanisi Corp Ltd Pty
Councillors (PR/Ward)	Pali	Y M	NMMU (Missionvale Campus) -
			Involved in reviving economy of KwaZakhlele as a Volunteer.
			Do receive a stipend for transport at times.
Councillors (PR/Ward)	Plaatjies	S S J	Interest in property other than private residence:
			22 Sandile Street, KwaNobuhle
Councillors (PR/Ward)	Ranyeke	I F	Shares and securities in companies:
			Phutuma Nathi

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Councillors (PR/Ward)	Rautenbach	G	Interest in property other than private residence: Co-owner: 69 Gustav Preller Crescent, Overbaakens, Port Elizabeth
Councillors (PR/Ward)	Riordan	R B	Membership of Close Corporation: Dojon Financial Services cc Directorship: All closed down - Hopetown Properties Pty Ltd
Councillors (PR/Ward)	Rwexwana	S	Directorship: Sakhikamva Lamaphandle Rural Education Project
Councillors (PR/Ward)	Sikweyiya	N E	Membership of Close Corporation: Masikule Co-operation Farming and General Pty Ltd
Councillors (PR/Ward)	Sonti	N P	Subsidies, grants and sponsorship by any organisation: Child Support Grant
Councillors (PR/Ward)	Soyes	S	Membership of Close Corporation: Soyes Consultant cc
Councillors (PR/Ward)	van Staaden	H	Shares and securities in companies: Media 24 Welkom Yizani Media 24 Phuthuma Nathi Membership of Close Corporation: MHL Development Projects Partnership:

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
			MHL Development Projects
			Interest in property other than private residence:
			(Co-ownership) Erven 7441 to 7452, 7454, 7469, 7472 - 7475,
			7476 - 7489, 7496, 7497, 7478, 7499, 7500, 7515, 7536, 7538,
			7561, Fernwood Park, Bethelsdorp
Councillors (PR/Ward)	Vani	P B	Directorship:
			Mlibo Environmental Network (NPO)
Councillors (PR/Ward)	Zinto	M M	Shares and securities in companies:
			Zinto Kel 20%
			Sasol Inzalo
			Rotismart 50%
			Z A Medical 50%
			Membership of Close Corporation:
			Rotismart
			Z A Medical
			Zinto Kel
			Directorship:
			Idlangamble Project (Co-op)
			Rotismart
			Z A Medical
			Zinto Kel
			Partnership:
			Rotismart
			Z A Medical
			Zinto Kel

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Senior Management			
City Manager	Johann	Mettler	Director - Surplus People Project (NPC) - No transaction with NMBM
Executive Director: Corporate Services	Vuyo	Zitumane	Abakwagasela Investments - Resigned 11/08/2017; Buffalo City Metropolitan Development Agency - Resigned 31/08/2017; Chemistry Incubator - Resigned; Cyrabiz - Resigned; Joe Gqabi Eco9nomic Development Agency - Member; Local Government Development And Support Institute - Member; Mandela Bay Development Agency - Resigned; Somninamix - Never Operated; South African Cities Network - Resigned; Total Client Services - Resi8gned; Alvosmart - Never Operated; 3rd Avenue Newton Park Properties - Never Operated; Ayama Trading - Resigned; Eritone - Deregistered; Logodisa Training - Deregistered; Monluv Trading Enterprise - Resigned; Reninvest - Deregistered; Alvosmart - Resigned/Deregistered; Ariano 140 Deregistered / Not Operating; Bznt Minerals deregistered / Not Operating; Central Bridge Trading 24deregistered / Not Operating; Educated Risk Investments 143 Deregistered / Not Operating; Hidden Riches Trading 18deregistered / Not Operating ; Just A Wish 22 Deregistered / Not Operating ; Nelson Mandela Bay Logistics Park deregistered / Not Operating ; Novuta Property Solutions deregistered / Not Operating ; Shelfco Republic Two Deregistered / Not Operating ; Summer Sun Trading 140 Deregistered / Not Operating; Umso Investments Deregistered / Not Operating; Xinaflex Trading Deregistered / Not Operating; Directorship: Hidden Riches Trading 18; South African Cities Network; Copper Moon Trading 332; Shelfco Republic Two; Xinaflex Trading; Educated Risk Investments 143; Sominamix; Abakwagasela Investments; Eritone

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Other Officials			
Deputy Director: Cash Management	Shelley-Ann	Baatjies	25% Shareholder of KEMNS Group (PTY)LTD - No transactions with NMBM. Eastern Province Rugby - deregistration in Process
Accountant: Business Units Support & Co	Fiona Emaine	Fleur	Parent- Administrator on part-time/ad hoc basis - vending agent - selling pre-paid electricity on behalf of NMBM - Valotorque 109 CC trading as LA-FLEUR'S GENERAL DEALER - Tender ID 2016TEND00047
Asst Dir Fin Account	Marisa Belinda	Freeman	Director with 25%shareholding - do not do business with government - KEMNS Group (Pty) Ltd Also the Official; 100% Member-MBF Accounting Services CC Name; No transactions entered with Government
Chief Accountant	Karel Anthony	Kramer	Director with 25%shareholding - do not do business with government - KEMNS Group (Pty) Ltd
Deputy Director: Financial Accounting C	Tanya Joy	Jonas	TJ Jonas Oxynax cc - member; Spous FM Jonas -Director Lemeul Solutions
Senior Director: Revenue Management & Cu	Mbuzeli	Nogqala	Spouse - Director - Bobalwa Benediction Nogqala Yandasange Trading (Pty) Ltd - Notransactions with NMBM
Manager: Cash Management	Erine Winnifred	Viret	Spouse - Director - Kazicure Pty Ltd - No transactions with NMBM
Clerk: Admin	Misiwe Mavis	Nogampula	Dare to Dream wellness Centre
Assistant Director: Policy and Research	Sheona Alona	Claasen	Spouse - Member / Owner of CC Percival Claasen - No transactions with NMBM
Performance Management Practitioner	Zukiswa	Mhuluhulu	Husband - Shareholder - Xolisa Mhuluhulu - no transactions with NMBM
Graduate Trainee	Zikhona	Captain	Director :FOLISYNC, trading as Umthawelanga projects - No transactions with NMBM
Admin Clerk	Lukhanyo	Manisi	Director of Kazer Trading (Pty) Ltd - No transactions with NMBM
Principal Clerk	Ruth Vuyelwa	Jamela	Spouse and sibling - Owner of Limavy enterprises CC - hiring of LDV Vehicles - Cleaning of Public Toilets in Uitenhage - contract - 137 2009-2010; contract 2262 2010-2013

POSITION	SURNAME	INITIALS	DESCRIPTION OF FINANCIAL INTERESTS
Manager: Skills Development	Philip Richard	Rautenbach	Spouse - Member; Corner House Accommodation (B&B) - no transactions with NMBM
Community Liaison Officer	Joseph Mqondisi	Lamani	Bulelani Lamani - nephew - BL Group Holdings (Pty) Ltd - transactions with NMBM.
Artisan: Electrical	Valerie Sheila Bissell	Beetham	Spouse - Director - Algoa Project Management (PTY) LTD - various transactions with NMBM - AL65747NMB / 65747 - Airconditioning and Electrical
Events Coordinator	Sharon	Brophy	Daughter Debbie Robenson - Catering company; Branding + Corporate Clothing/Gift; DNA Promotions; to Dine for catering
Receptionist/Telephonist	Nomakhosazana Khosie	Gangca	Mother - Member / Director - Lukhona CC - Leaning Services
Word Processing Operator	Noxolo Constance	Dywili	Husband - Director MENZOFLEX PTY LTD - No transactions with NMBM
Controller: Housing Projects	Antone	Van Greunen	Antone and Spouse - Directors - Falcon Safety Academy Pty Ltd - No transactions with NMBM
Senior Clerk	Bulelani	Jada	Music artist and MC. Perform on regional, provincial and local events. Do Emceeing for sporting events. Also marketing and Promotions for sporting events. Have performed for events hosted by soul good and I-management
Safety Co-ordinator: Occupational Health	Willem	Oliphant	Owner R+T Maintenance and Supplies - No transactions with NMBM
Controller: Admin	Thembisa Maureen	Blou	Parent - Director - Irene Phindiwe Blou Mcobeli - No transactions with NMBM
Senior Disaster Management Officer	Thomas Christopher	Cameron	Member of CC - No transactions with NMBM
Station Commander	Jusse	Ruiters	Husband - Owner of Fastway Couriers - No transactions with NMBM
Traffic Officer	Vuyelwa	Manana	Janinamix (Pty) Ltd - No transactions with NMBM
Security Officer	Marthinus Johannes	Olivier	Brother -in-law CRAS Security - No transactions with NMBM
Station Commander	Deon Reese	Basson	Deon Basson and Spouse Yolene - Directors: KDRB - no transactions with NMBM

APPENDIX K (I) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
	R' 000					
	2015/16	Current: 2016/17			2016/17 Variance	
Vote Description	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1: Budget and Treasury	2,662,693	2,611,556	2,446,388	2,688,505	2.95%	9.90%
Vote 2: Public Health	299,709	317,525	305,788	318,420	0.28%	4.13%
Vote 3: Human Settlements	479,704	785,395	792,812	312,673	-60.19%	-60.56%
Vote 4: Economic development, Tourism and Agriculture	109,035	165,376	171,124	149,395	-9.66%	-12.70%
Vote 5: Corporate Services	34,141	17,166	9,640	15,587	-9.20%	61.69%
Vote 6: Rate and General Engineers	147,733	116,921	193,078	178,572	52.73%	-7.51%
Vote 7: Water Services	996,553	954,627	1,042,580	1,163,571	21.89%	11.60%
Vote 8: Sanitation Services	759,019	1,049,935	1,031,340	947,460	-9.76%	-8.13%
Vote 9: Electricity and Energy	3,708,273	3,940,040	3,982,185	3,789,257	-3.83%	-4.84%
Vote 10: Executive and Council	6,360	21,410	24,297	25,186	17.64%	3.66%
Vote 11: Safety and Security	248,628	266,903	246,907	226,367	-15.19%	-8.32%
Vote 12: Nelson Mandela Stadium	50,932	51,410	16,410	14,193	-72.39%	-13.51%
Vote 13: Strategic Programmes Directorate	22,426	22,984	17,455	17,052	-25.81%	-2.31%
Vote 14: Recreational and Cultural Services	33,296	45,275	51,270	45,608	0.74%	-11.04%
Total Revenue by Vote	9,558,500	10,366,524	10,331,274	9,891,846	-4.58%	-4.25%

APPENDIX K (II) –REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	R '000				2016/17 Variance	
	2015/16	2016/17				
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	1,502,463	1,638,304	1,619,001	1,639,399	0.07%	1.24%
Property rates - penalties & collection charges						
Service Charges - electricity revenue	3,466,988	3,736,584	3,761,084	3,568,982	-4.70%	-5.38%
Service Charges - water revenue	660,223	612,076	650,216	761,650	19.64%	14.63%
Service Charges - sanitation revenue	377,421	478,263	385,064	424,335	-12.71%	9.25%
Service Charges - refuse revenue	144,592	161,097	126,932	127,050	-26.80%	0.09%
Service Charges - other						
Rentals of facilities and equipment	21,042	23,755	24,347	22,980	-3.37%	-5.95%
Interest earned - external investments	113,354	92,295	97,234	121,035	23.75%	19.66%
Interest earned - outstanding debtors	160,682	168,865	168,865	178,768	5.54%	5.54%
Dividends received	77			341	100.00%	100.00%
Fines	224,461	242,441	221,205	202,307	-19.84%	-9.34%
Licences and permits	9,332	13,791	13,791	10,473	-31.68%	-31.68%
Agency services	2,345	2,574	2,573	2,503	-2.86%	-2.81%
Transfers recognised - operational	1,148,940	1,385,051	1,439,682	954,122	-45.16%	-50.89%
Other revenue	897,028	980,732	891,646	904,140	-8.47%	1.38%
Gains on disposal of PPE	28	30	30	606	95.05%	95.05%
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	8,728,976	9,535,857	9,401,671	8,918,690	-6.92%	-5.42%

APPENDIX L - CONDITIONAL GRANTS: EXCLUDING MIG

Conditional Grants: excluding MIG						
	R' 000					
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management Grant	1,050	1,050	1,050	0.00%	0.00%	
Public Transport Networks Grant		149,451	145,930	100.00%	-2.41%	Amount of R56,387,144 was off-set by National Treasury against the November 2016 Equitable Share the remaining balance in the amount of R2,351,663 cannot be rolled over for a second year and will therefore be off-set against the November 2017 Equitable Share Allocation
Municipal Human Settlements Capacity Grant		6,528	6,528	100.00%	0.00%	Roll-over of unspent 2014/15 grant not approved. Amount was off-set against the November 2016 Equitable Share allocation
Provincial Government Grants: Library	15,624	16,095	15,000	-4.16%	-7.30%	

Conditional Grants: excluding MIG						
	R' 000					
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Services						
Integrated National Electrification Programme Grant	35,000	35,000	35,000	0.00%	0.00%	
Housing	517,128	517,128	58,507	-783.87%	-783.87%	The Municipality has prepared the budget in accordance with the Provincial gazette. However, funds have been redistributed to the Housing Agency.
EU Sector Policy Support Grant		1,750	7,031	100.00%	75.11%	
Neighbourhood Development Grant	21,476	10,476	9,828	-118.52%	-6.60%	
Infrastructure Skills Development	14,500	15,077	10,356	-40.01%	-45.58%	An amount of R576932 was uspent as at 30 June 2016 and was not approved for roll-over to the 2016/17 financial year. The amount has been off-set against the November 2016 Equitable Share allocation. Application was made to roll-over

Conditional Grants: excluding MIG						
	R' 000					
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Grant						the unspent balance as at 30 June 2017 in the amount of R4720444 to National treasury. National Treasury did not approve the roll-over.
EPWP Incentive Grant	8,496	8,496	8,205	-3.54%	-3.54%	Application to roll-over unspent grant National Treasury. Roll-over was approved by National Treasury
Integrated City Development Grant	9,276	10,999	10,999	15.66%	0.00%	
LGSETA Discretionary Learnership Funding	1,500	4,216	5,435	72.40%	22.42%	The unspent amount of R4,957,859 will be rolled over to the 2017/18 financial year.
Provincial Department Agency: Communication Grant		712				No spending was incurred during the financial year.
Total	624,050	776,978	313,869	-98.82%	-147.55%	

APPENDIX M (I) - CAPITAL EXPENDITURE- NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	540,416	449,103	537,941	505,660	573,653	519,491	546,345
Infrastructure: Road transport - Total	148,883	105,589	161,927	99,720	221,150	168,381	173,062
Roads, Pavements & Bridges	133,602	105,589	161,927	79,516	218,150	168,381	173,062
Storm water	15,281			20,203	3,000		
Infrastructure: Electricity - Total	106,585	45,202	45,202	78,531	73,816	66,474	74,323
Generation							
Transmission & Reticulation	63,137	39,702	39,702	45,168	53,816	46,474	46,474
Street Lighting	43,448	5,500	5,500	33,363	20,000	20,000	27,849
Infrastructure: Water - Total	91,871	53,000	90,000	89,657	29,100	31,450	24,100
Dams & Reservoirs							
Water purification	2,965	2,000	500	1,648	4,000	5,000	5,000
Reticulation	88,906	51,000	89,500	88,008	25,100	26,450	19,100
Infrastructure: Sanitation - Total	9,715			7,790	9,500	13,101	13,100
Reticulation	3,756			4,900	4,000	6,000	6,000
Sewerage purification	5,960			2,890	5,500	7,101	7,100
Infrastructure: Other - Total	183,362	245,312	240,812	229,963	240,087	240,086	261,761
Waste Management			7,500	6,350	7,500		
Transportation							
Gas							

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other	183,362	245,312	233,312	223,613	232,587	240,086	261,761
Community - Total	19,431	34,907	42,752	46,617	25,500	10,500	16,500
Parks & gardens							
Sportsfields & stadia	573	12,500	8,427	6,194			
Swimming pools							
Community halls							
Libraries							
Recreational facilities	7,217	5,000	5,000	6,766	14,000	6,500	12,500
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries	10,624	10,500	10,500	14,997	4,000	4,000	4,000
Social rental housing							
Other	1,016	6,907	18,826	18,661	7,500		
Heritage assets - Total							
Buildings							
Other							
Investment properties - Total							
Housing development							

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other							
Other assets	85,313	63,400	77,957	78,078	44,950	69,050	75,810
General vehicles	20,488	19,550	22,750	27,974	15,000	26,940	36,500
Specialised vehicles	8,615	9,600	20,396	11,590	5,100	9,860	3,500
Plant & equipment	12,311	19,600	19,126	13,278	13,150	15,500	15,310
Computers - hardware/equipment	4,499	1,500			1,000		
Furniture and other office equipment	4,126	3,000	3,000	743	1,500	4,000	4,000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	13,505	9,650	12,185	21,566	9,000	10,750	11,500
Other Land	600						
Surplus Assets - (Investment or Inventory)							
Other	21,169	500	500	2,927	200	2,000	5,000
Agricultural assets							
List sub-class							
Biological assets							
List sub-class							

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Intangibles	39,136	26,000	58,000	28,715	18,000		
Computers - software & programming	39,136	26,000	58,000	28,715	18,000		
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	684,296	573,410	716,650	659,070	662,103	599,041	638,655
Specialised vehicles	8,615	9,600			5,100	9,860	3,500
Refuse	8,615	8,000	18,796	8,339	3,500	3,500	3,500
Fire		1,600	1,600	3,251	1,600	6,360	
Conservancy							
Ambulances							

APPENDIX M (II)- UPGRADE/ RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	532,929	664,545	621,757	685,922	833,704	884,010	916,941
Infrastructure: Road transport -Total	76,159	89,700	78,161	135,959	201,000	236,550	251,640
Roads, Pavements & Bridges	39,341	53,700	44,661	112,253	172,600	198,300	209,390
Storm water	36,817	36,000	33,500	23,705	28,400	38,250	42,250
Infrastructure: Electricity - Total	109,989	150,042	164,042	198,610	189,840	172,650	182,640
Generation		3,000	5,000			1,000	3,500
Transmission & Reticulation	109,989	147,042	156,042	198,610	189,840	171,650	179,140
Street Lighting			3,000				
Infrastructure: Water - Total	90,718	107,000	70,500	100,149	161,900	169,550	177,400
Dams & Reservoirs	1,380	10,500	3,300	3,844	16,500	19,250	22,500
Water purification	31,062	14,000	9,250	8,645	33,000	35,000	43,000
Reticulation	58,276	82,500	57,950	87,661	112,400	115,300	111,900
Infrastructure: Sanitation - Total	223,221	300,750	297,500	230,681	272,464	290,760	290,761
Reticulation	82,513	172,650	151,500	89,704	161,564	147,760	154,661
Sewerage purification	140,708	128,100	146,000	140,976	110,900	143,000	136,100
Infrastructure: Other - Total	32,842	17,053	11,553	20,523	8,500	14,500	14,500
Waste Management	24,193	6,000	6,000	8,464	7,000	7,500	7,500
Transportation							
Gas							
Other	8,649	11,053	5,553	12,059	1,500	7,000	7,000

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Community	75,370	41,000	48,115	44,546	21,400	23,400	19,500
Parks & gardens	2,626	2,000	2,000	13,081	1,000	2,000	2,000
Sportsfields & stadia	58,608	23,000	29,365	12,954	17,000	5,000	5,000
Swimming pools		3,000	3,000	4,151		3,000	4,000
Community halls	4,006	4,500	4,500	4,580	180	2,400	1,500
Libraries							
Recreational facilities	7,055	5,500	5,250	5,624	1,000	1,500	3,000
Fire, safety & emergency						2,500	
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries	3,075	3,000	4,000	2,990	2,000	2,000	2,000
Social rental housing							
Other				1,167	220	5,000	2,000
Heritage assets							
Buildings							
Other							
Investment properties							
Housing development							
Other							

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other assets	48,540	52,216	56,197	36,689	40,035	60,993	69,971
General vehicles							2,550
Specialised vehicles							
Plant & equipment	10,008	6,500	12,500		5,580	11,000	11,710
Computers - hardware/equipment	4,854	5,500	4,500	3,897	4,000	4,350	3,951
Furniture and other office equipment	415	2,016	1,016	496	3,000	1,000	1,000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	33,263	38,200	38,181	32,296	27,275	44,643	50,760
Other Land							
Surplus Assets - (Investment or Inventory)							
Other					180		
Agricultural assets							
List sub-class							
Biological assets							
List sub-class							
Intangibles	4,303	16,500	16,500	4,059	8,000	4,500	5,000
Computers - software & programming	4,303	16,500	16,500	4,059	8,000	4,500	5,000

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other <i>(list sub-class)</i>							
Total Capital Expenditure on renewal of existing assets	661,142	774,261	742,569	771,216	903,139	972,903	1,011,411
Specialised vehicles							
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX-N – CAPITAL PROGRAMME BY PROJECT: YEAR 0

Capital Programme by Project: Year 0					
Capital Project	R' 000			Variance (Act - Adj) %	Variance (Act - OB) %
	Original Budget	Adjustment Budget	Actual		
Water					
Purchase New Vehicles	3,000	3,000	2,255	-33.02%	-33.02%
Nooitgedagt/Coega Low Level System	40,000	64,500	70,991	9.14%	43.65%
Water Service Maintenance Backlog: Dams	1,500				
Groendal Dam: Rock Stabilization and Improved Outlet		335	390		
Loerie Treatment Works: Rehabilitation	6,000	2,000	3,635	44.98%	-65.07%
Upgrading of Churchill Water Treatment Works	5,000	5,000	3,666	-36.38%	-36.38%
Upgrading Groendal Treatment Works	2,000	2,000	1,343		
Desalination Augmentation	4,000	1,000	1,648	39.34%	-142.64%
Elandsjagt - Upgrade to Restore Capacity	15,000	14,000	16,071	12.89%	6.66%
Seaview Pump Station: Upgrade	5,000	1,000	1,393		
Seaview Bulk Water	5,000	1,000	1,219	17.97%	-310.15%
Coega Reclaimed Effluent Scheme	1,000	250			
Jagtvlakte: Bulk Water Supply Pipeline	2,000	500			
Kwanobuhle: Upgrading of water reticulation	500				
Non-Revenue Water Interventions	8,551	8,551	6,932	-23.35%	-23.35%
Water Services Maintenance Backlog: Pipelines	6,000	5,000	4,245		
Rehabilitation of Reservoirs	4,000	1,000	1,953	48.81%	-104.78%
Reservoir Fencing	500	500	565	11.57%	11.57%
Kwanobuhle Reservoir Link Watermain	500	500			
Balmoral Reservoir and Bulk Pipeline	1,000				
Construction of Amanzi Reservoir and Pipeline	2,000	1,000	863	-15.88%	-131.76%
Construction of a 1,0 Ml reclaimed effluent reservoir: Uitenhage	2,000	300	72		
Office Accommodation: Water	3,000	3,000	3,110	3.53%	3.53%
Access Roads: Upgrade	2,000	500			
Metro Water: Master Plan	1,000				
Telemetry Systems Upgrade	2,000	2,000	1,294	-54.52%	-54.52%
Groundwater Investigation	10,000	1,665	8,295	79.93%	-20.56%
Rudimentary Service: Water	1,000	500	148		
Bulk Water Metering and Control	2,000	2,000	1,452	-37.71%	-37.71%
Improvements to System - General	20,000	30,950	46,012	32.73%	56.53%
Water Service Maintenance Backlog: Pump Stations	5,000	7,000	7,401		
Purchase of Water Meters - Metro	8,000	14,000	14,743	5.04%	45.74%
Installation of Zone Water meters	3,000	2,000	2,274	12.06%	-31.91%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Rehabilitation of Pipe Bidges	3,000	500	131	-282.14%	-2192.87%
Cathodic Protection of Steel Pipelines	2,000				
	176,551	175,551	202,103	13.14%	12.64%
Sanitation					
Office Accommodation: Sanitation	2,000	2,000	334	-499.08%	-499.08%
Bucket Eradication Programme	42,000	38,450	13,136	-192.71%	-219.73%
Sewers: Maintenance Backlog	5,000				
Sewer Replacement and Relining	9,000	9,000	586	-1435.32%	-1435.32%
Improvements to Sewerage System	15,000	17,000	13,708	-24.01%	-9.42%
TEI: Sampling Stations	400	400	168	-138.68%	-138.68%
Rehabilitation of Kwazakhele Collector Sewer	4,000	2,700	684	-294.54%	-484.50%
Markman - Replace 600mm Sewer	500	2,500	418	-498.40%	-19.68%
Motherwell North Bulk Sewerage	3,000	3,000	3,434	12.63%	12.63%
Paapenuils Main Sewers Augmentation	3,000	4,000	5,127	21.98%	41.49%
Lorraine - Bulk Sewerage Augmentation	500	250			
Colchester - Bulk Sewerage Infrastructure & WWTW	500				
Sewer Protection works for collector sewers	2,500	2,500	524	-377.28%	-377.28%
Jagtvlakte Bulk Sewerage	1,000	1,000	1,466	31.80%	31.80%
Augment Collector Sewer for Walmer Heights and Mt Pleasant	2,000	2,000	1,795	-11.43%	-11.43%
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	20,000	20,000	15,447	-29.48%	-29.48%
Motherwell Main Sewer Upgrade	5,000	1,000			
Swartkops Low Level Collector Sewer Upgrade	9,000	4,000	711	-462.26%	-1165.10%
Seaview Bulk Sewer	2,000	500			
Driftsands Collector Sewer - Augmentation	8,000	8,000	9,491	15.71%	15.71%
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	13,000	10,600	4,967	-113.43%	-161.75%
Industrial Site (Airport Valley) - Bulk Sewer	3,000	500			
Motherwell/Coega WWTW and outfall sewer	4,000	6,000	2,890	-107.62%	-38.41%
KwaNobuhle Area 11 - Link Sewer	1,000	500	175	-185.12%	-470.24%
Sewerage Pump Station : Maintenance Backlog	10,000	15,000	19,189	21.83%	47.89%
Rocklands PHB Housing project WWTW	1,000	1,000	1,772	43.57%	43.57%
Kelvin Jones WWTW: Upgrade	31,000	40,000	46,473	13.93%	33.29%
WWTW: Improve access roads	1,000	2,000	1,981	-0.98%	49.51%
WWTW: SCADA / Telemetry Links	100				
Telemetry - Pump Stations	2,000	2,000	3,366	40.58%	40.58%
Brickfields: Upgrade	9,000	9,743	9,396	-3.69%	4.21%
Driftsands WWTW Phase 3 extension	8,000	8,000	2,839	-181.82%	-181.82%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Fishwater Flats WWTW Upgrade	65,000	77,257	72,942	-5.92%	10.89%
Kwanobuhle WWTW : Upgrading	17,000	5,000	2,420	-106.59%	-602.41%
Cape Recife WWTW : Upgrade	1,000	2,000	2,983	32.95%	66.47%
Upgrade Despatch Reclamation Works	1,000	2,000	2,152	7.05%	53.53%
Witteklip Bulk Sewerage	2,000	600	213	-181.71%	-839.03%
Replacement of Sewerage Collection Vehicles	3,000	3,000	3,116	3.72%	3.72%
Sewerage Master Plan Updating	250				
	306,750	303,500	243,900	-24.44%	-25.77%
Electricity Services					
Private Township Development	15,000	10,000	12,702	21.27%	-18.09%
Miscellaneous Mains and Substations	20,000	20,000	19,185	-4.25%	-4.25%
Meters and Current Transformers	2,000	2,000	2,789	28.28%	28.28%
Peri-Urban Network	1,500	1,500	1,044	-43.70%	-43.70%
Relocation of existing electrical services	4,500	5,500	6,417	14.29%	29.87%
NMBM-Amat Prepaid meter project	4,000	3,000	3,000	-0.02%	-33.35%
Non Electrification Areas - Service Connections	3,000	3,000	3,599	16.64%	16.64%
HV Network Reinforcement - Overhead Cabling	29,000	29,000	30,120	3.72%	3.72%
HV Network Reinforcement - New Substations	2,000	2,000	2,000	0.00%	0.00%
Reinforcement of Electricity Network - Coega	15,000	30,000	72,027	58.35%	79.17%
Reinforcement of Electricity Network - Western	2,000	2,000	1,650	-21.24%	-21.24%
Reinforcement of Electricity Network - Hunters Retreat	2,000	500	272	-83.54%	-634.17%
Reinforcement of Electricity Network- Despatch	500	500	537	6.88%	6.88%
Reinforcement of Electricity Network- Mount Road	1,000	1,000	698	-43.35%	-43.35%
Reinforcement of Electricity Network - Uitenhage	2,592	4,292	1,455	-194.90%	-78.09%
Reinforcement of Electricity Network - Ibhayi	1,500	1,100	663	-65.95%	-126.30%
Reinforcement of Electricity Network- Swartkops	2,000	1,500	1,539	2.51%	-29.99%
Reinforcement of Electricity Network- Korsten	1,000	1,000	525	-90.45%	-90.45%
Reinforcement of Electricity Network- Bethelsdorp 11kV	1,000	1,000	388	-157.56%	-157.56%
Reinforcement of Electricity Network Wells Estate	1,000	1,000	2,229	55.14%	55.14%
Reinforcement of Electricity Network - Newton Park	1,000	750	183	-310.47%	-447.29%
Reinforcement of Electricity Network- Walmer Lorraine	3,500	3,500	4,829	27.52%	27.52%
Reinforcement of Electricity Network- Redhouse	1,400	650	626	-3.87%	-123.73%
Reinforcement of Electricity Network -	1,200	1,200	1,103	-8.78%	-8.78%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Summerstrand					
Reinforcement of Electricity Network - Malabar/Helenvale	800	800	309	-158.61%	-158.61%
HV Network Reinforcement - Underground Cabling	3,000	3,000	3,000	0.00%	0.00%
Low Voltage Reticulation Improvement	800	800	705	-13.55%	-13.55%
Radio & Test Equipment	2,000	2,000	1,034	-93.50%	-93.50%
Substation Fibre Optic Backbone	2,000	2,000	1,714	-16.71%	-16.71%
Substation Security Alarm Upgrade	4,000	9,500	11,081	14.27%	63.90%
Supervisory Control Systems Upgrade	2,500	2,500	2,053	-21.75%	-21.75%
Control Room Upgrade	2,500				
North Depot Improvements	3,000	1,000	967	-3.39%	-210.18%
New/Replacement of Plant and Motor Vehicle	4,500	6,500	6,551	0.78%	31.31%
Distribution Kiosk Replacement	2,000	2,000	2,052	2.54%	2.54%
Cable Replacement 6.6kV	2,000	1,000	1,840	45.65%	-8.70%
MV and HV Switchgear replacement	9,000	9,000	8,581	-4.88%	-4.88%
Relay Replacement	3,000	3,000	3,811	21.28%	21.28%
Replace Switchgear in Mini susbs - KwaNobuhle	250	450	434	-3.65%	42.42%
Overhead Lines Refurbishment	4,000	2,000	3,045	34.31%	-31.37%
HV Line Refurbishment (66 & 132kV)	6,000	5,000	5,144	2.80%	-16.64%
Fairview Refurbishment	2,000	2,000	1,886	-6.07%	-6.07%
Refurbishment of Power Transformers	5,000	5,000	5,900	15.25%	15.25%
Gas Turbine Refurbishment	3,000				
Electricity Buildings improvements	3,000	2,000	743	-169.13%	-303.70%
Informal Housing Electrification	32,702	30,702	32,169	4.56%	-1.66%
Informal Settlement Electrification in Walmer		3,000			
Walmer Intervention Programme			17	100.00%	100.00%
Public Lighting	11,500	20,000	33,363	40.05%	65.53%
Undeclared Informal Electrification			3,594	100.00%	100.00%
	226,244	239,244	299,570	20.14%	24.48%
Waste Management Services					
Waste Management Containers	3,000	50			
Development of Waste Disposal Facilities	3,000	10,755	8,099	-32.79%	62.96%
Replacement of Refuse Compactors	8,000	16,176	8,339	-94.00%	4.06%
Urban Refuse Transfer/Recycling Station	3,000	393	365	-7.73%	-722.35%
Upgrade of Public Toilets	500	500	1,585	68.45%	68.45%
Waste Beneficiation and Diversion		7,500	6,350	-18.11%	100.00%
	17,500	35,374	24,737	-43.00%	29.26%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Housing Services					
Land Release : Township Developments - Reticulation Services			(48)	100.00%	100.00%
Khayamnandi Extension - Roadworks (Human Settlements)	15,000	15,000	30,866	51.40%	51.40%
Missionvale Garden Lots - Human Settlements (Services)	10,000	8,800	27,676	68.20%	63.87%
Kwanobuhle Area 11 - Roadworks Human Settlements (Services)	20,000	20,000	18,008	-11.06%	-11.06%
Kwazakhele: Ekhumphumleni - Roadworks (Human Settlements)	16,600	7,800	13,812	43.53%	-20.18%
Jagvlagte (Chatty 11-14) Roadworks (Human Settlements)	20,000	20,000	5,785	-245.71%	-245.71%
Seaview Housing Project - Roadworks (Human Settlements)	1,000	1,000	497	-101.11%	-101.11%
Walmer Development - Roadworks Human Settlements (Services)	31,797	31,442	24,330	-29.23%	-30.69%
N2 North Development - Roadworks (Human Settlements)	5,000	5,000	4,460	-12.10%	-12.10%
Walmer Q Phase 3 - Human Settlements (Services)		26			100.00%
MK Silvertown 2 Qaqawuli - Human Settlements (Services)	20,000	20,000	29,525	32.26%	32.26%
Motherwell NU30 - Roadworks Human Settlements (Services)	13,000	13,000	33,963	61.72%	61.72%
Malabar Ext 6 Phase 2 - Roadworks (Human Settlements)	19,000	19,000	2,421	-684.88%	-684.88%
Motherwell NU31- Roadworks Human Settlements (Services)	1,000	1,000	155	-547.06%	-547.06%
Kuyga Phase 3 - Roadworks Human Settlements (Services)	250	250			
Nkatha/Seyisi - Roadworks (Human Settlements)	1,000	1,000			
Raymond Mhlaba/ Buyambo - Human Settlements (Services)	1,703	1,703	3,742	54.50%	54.50%
Bethelsdorp Ext 32, 34 & 36 - Roadworks (Human Settlements)	1,000	1,000	128	-683.12%	-683.12%
Dikisa Street - Human Settlements (Services)		330	6	-5728.56%	100.00%
Kleinskool Kliprand - Roadworks Human Settlements (Services)	935	935	56	-1568.15%	-1568.15%
Pola Park - Human Settlements (Services)	6,000	6,000	5,711	-5.05%	-5.05%
Witteklip - Human Settlements (Services)	500	500			
ERF 10015, Uitenhage Human Settlements (Services)	925	925	334	-176.90%	-176.90%
Erf 3179 Uitenhage (Human Settlements)	3,180	3,180			
Erf 6480 Uitenhage (Human Settlements)	3,330	3,330			
Erf 29669 Uitenhage (Human Settlements)	1,895	1,895			
Erf 12872 Uitenhage (Human Settlements)	2,195	2,195			

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Kabah Phase 6 (Human Settlements)	4,000	4,000	3,379	-18.36%	-18.36%
Erf 12931 Uitenhage (Human Settlements)	2,730	2,730			
Erf 7927 Uitenhage (Human Settlements)	1,060	1,060			
ERF 818/868, Uitenhage	1,000	1,000	420	-138.32%	-138.32%
National Upgrading Support Programme	2,000				
John Street (Human Settlements)	5,000	5,000			
	211,100	199,100	205,227	2.99%	-2.86%
Road Services					
Resurfacing of Subsidised Roads	5,000	5,000	4,891	-2.22%	-2.22%
Resurfacing Tar roads (non-subsidy)	9,000	8,000	7,655	-4.51%	-17.57%
Rehabilitation of Verges and Sidewalks - Northern Areas	1,000	1,000	1,121	10.82%	10.82%
TM24 Guidance Signs	250	180	98	-82.98%	-154.14%
Replacement Vehicles Fleet	8,250	8,250	9,399	12.23%	12.23%
Traffic Control Equipment (Subsidy and non-subsidy)	1,000	1,000	996	-0.44%	-0.44%
Rehabilitate Tar Roads - Kleinskool			(1,110)	100.00%	100.00%
Rehabilitate Concrete Roads - Northern Areas	250	250	245	-2.09%	-2.09%
Traffic Calming Measures	3,500	3,500	3,396	-3.05%	-3.05%
Intersection Improvements	1,500	1,500	1,279	-17.30%	-17.30%
Njoli Square Redevelopment	5,839		1,134	100.00%	-414.82%
Glen Hurd drive Upgrading	3,500	300	183	-64.01%	-1813.47%
Magennis Street Reconstruction	6,000	5,000	6,123	18.34%	2.01%
Peri-Urban: Rehabilitation of gravel roads	1,500	1,500	1,483	-1.14%	-1.14%
Upgrading Depots and Offices	3,000	3,000	3,333	9.99%	9.99%
Provision of Rudimentary Services - Roads and Stormwater	2,000	2,350	(566)	515.38%	453.52%
Facilities for the Disabled	200	200	200	-0.21%	-0.21%
Tarring of Gravel Roads	72,000	72,000	71,197	-1.13%	-1.13%
Public Transport Facilities	1,500	1,500	1,647	8.93%	8.93%
Provision of Sidewalks	7,000	7,000	8,083	13.40%	13.40%
Access Road to Chatty Developments	7,000	7,000	4,928	-42.03%	-42.03%
New Traffic Signals	1,500	1,500	1,288	-16.45%	-16.45%
Rehabilitation of roads	5,000	6,500	6,389	-1.73%	21.75%
Laboratory Equipment - Scientific Services	1,500	2,500	3,315	24.59%	54.75%
Planning and Design of Main Roads	500	500			
Rehabilitation of Bridge Structures	3,000	3,000	6,050	50.41%	50.41%
Construction of Footbridges	500	500			
Seyisi Square & Daku Square Development	3,000	3,000	2,980	-0.68%	-0.68%
Rehabilitation of Workshop Buildings	2,000	2,000	3,717	46.20%	46.20%
Construction of Bloemendal Arterial	2,000	2,000			

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Upgrading of Fountain Road - Walmer Township	4,000	4,000	3,950	-1.26%	-1.26%
Fleet Management - Workshop Equipment	500	500	419	-19.46%	-19.46%
	162,789	154,530	153,824	-0.46%	-5.83%
Transport Services					
IPTS - Work Package: Public Transport Facilities		3,333	3,049	-9.33%	100.00%
IPTS - Work Package: Road Works		14,757	17,408	15.23%	100.00%
IPTS - Work Package: TDM and ITS		31,493	29,045	-8.43%	100.00%
IPTS - Work Package: Sidewalks and Cycle Tracks		8,754	6,776	-29.20%	100.00%
		58,338	56,278	-3.66%	100.00%
Stormwater Services					
Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	1,000	1,000			
Flood Risk Improvements: Chatty River	500	500			
Flood Risk Improvements (All other rivers)	500	500			
Miscellaneous - Roads and Stormwater	2,000	1,500	417	-259.82%	-379.76%
Blue Horizon Bay Bulk Stormwater	500	500	303	-65.18%	-65.18%
Groundwater Problem Elimination Northern Areas	500	150			
Summerstrand Bulk Stormwater	12,500	12,500	12,022	-3.98%	-3.98%
Cannonville/Colchester: Stormwater improvements	2,500	2,500	2,460	-1.61%	-1.61%
Greenbushes: Stormwater Improvements	250	250			
Theescombe/Gqebera Bulk Stormwater	17,000	17,000	14,420	-17.89%	-17.89%
Lorraine Stormwater Control	6,500	6,500	5,783	-12.39%	-12.39%
Paapenkuis Canal Rehabilitation	250	250			
Zwide Bulk Stormwater	3,000	500	302	-65.66%	-893.98%
Stormwater Improvements Ikamvelihle	500	500	438	-14.05%	-14.05%
New Brighton/Kwazakhele: Bulk Stormwater	2,000	2,000	1,643	-21.76%	-21.76%
Stormwater Improvements	2,500	2,500	2,495	-0.22%	-0.22%
Chatty: Stormwater Improvement	2,000	2,000	343	-482.78%	-482.78%
Rehabilitation of Stormwater Ponds	2,000	2,000	3,279	39.01%	39.01%
Motherwell Canal Wetlands	500	570	421	-35.49%	-18.85%
	56,500	53,220	44,325	-20.07%	-27.47%
Planning Services					
Motherwell Traffic and Licencing Centre	7,285	19,203	18,661	-2.91%	60.96%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Economic Development Services					
Fountain Road Redevelopment	8,000	8,000	7,507	-6.57%	-6.57%
Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Upgrade and Restoration of Libraries	7,500	11,081	4,989	-122.12%	-50.34%
Upgrade of Community Halls	4,500	4,500	4,580	1.74%	1.74%
Motherwell Cultural Centre	500				
Memorial Sites - Mayoral Project		1,500	1,914	21.62%	100.00%
Office accommodation (Ward Councillors)	2,000	2,000	2,195	8.86%	8.86%
Office Renovation	2,000	2,000	1,928	-3.76%	-3.76%
Air Conditioning of Buildings	1,000	1,000	1,613	38.00%	38.00%
Lillian Diedericks Building and Rehabilitation	1,000	1,000	1,589	37.06%	37.06%
Mfanasekhaya Gqobose Building	500	500	451	-10.79%	-10.79%
Rehabilitation of Noninzi Luziphlo Building	500	500	397	-25.97%	-25.97%
KwaNobuhle Municipal Aerodrome	500	387	376	-2.98%	-33.04%
Woolboard Conference Centre	400	513	503	-1.90%	20.55%
Upgrade of Municipal Depots	5,000	4,000	4,742	15.64%	-5.45%
Algoa House Upgrade	1,000	1,000	783	-27.72%	-27.72%
Secure Municipal Parks Facilities	2,500	1,500	1,563	4.02%	-59.97%
	28,900	31,481	27,621	-13.98%	-4.63%
Cemeteries and Crematoriums					
Water drainage and roads at cemeteries	3,500	3,500	8,018	56.35%	56.35%
Upgrade and Development of Cemeteries	3,000	3,000	2,990	-0.32%	-0.32%
Fencing of Cemeteries	7,000	7,000	6,979	-0.30%	-0.30%
Motherwell Cemetery Upgrading		1,000	1,183	15.45%	100.00%
	13,500	14,500	19,170	24.36%	29.58%
Bio-diversity, Landscaping, Other					
Upgrade Major Parks	2,000	2,000	2,000	0.00%	0.00%
Beachfront	1,000	1,000	905	-10.53%	-10.53%
Reinstate of Embankment - Tygerbay	1,500	1,500	1,342	-11.81%	-11.81%
Upgrade and Development of Public Open Spaces	3,500	3,500	3,588	2.46%	2.46%
Greenhouse Upgrade - Peter Gibbs Nursery	1,700	1,700	1,667	-1.96%	-1.96%
Develop Floodplains	800	398	464	14.22%	-72.42%
New Playground Equipment	2,000	2,000	3,177	37.05%	37.05%
Specialised Vehicles and Plant (Parks)	3,000	4,000	2,764	-44.73%	-8.54%
Climate change	200	1,024	1,013	-1.04%	80.27%
	15,700	17,122	16,921	-1.19%	7.21%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Occupational Health Clinics					
Occupational Health and Wellness Center at Walmer	500	1,000	583	-71.52%	14.24%
Mobile Unit - OHS & Wellness	1,500	1,000	792	-26.21%	-89.31%
	2,000	2,000	1,375	-45.42%	-45.42%
Metro Police and Security Services					
Vehicles for Safety and Security (Security Only)	2,400	5,600	4,628	-20.99%	48.15%
Fire Services					
Replacement of engine bay doors	2,650	2,385	1,412	-68.94%	-87.72%
Fire station Motherwell- Refurbishment	2,000	2,000	2,936	31.87%	31.87%
Replacement of Off Road Appliances	1,600	1,600	3,251	50.79%	50.79%
Replacement of Radios	1,200				
Purchase of Plant and Equipment (Fire & Emergency services)	1,600	2,876	1,301	-120.99%	-22.94%
Replacement of standby generator	450	450	489	7.90%	7.90%
	9,500	9,311	9,389	0.83%	-1.18%
Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Upgrade of Uitenhage Dog Pound	500	500	498	-0.37%	-0.37%
Additional Satellite Offices	200	200	1,036	80.69%	80.69%
CCTV Equipment & Infrastructure	1,500	1,500	1,442	-4.02%	-4.02%
	2,200	2,200	2,976	26.07%	26.07%
Sport and Recreation					
Vehicles for Sport and Recreation	1,500	1,500	1,232	-21.72%	-21.72%
Mendi Bottle Store Renovation	4,000	9,600	13,908	30.97%	71.24%
Secure Recreational Buildings / Facilities	1,000	750	928	19.21%	-7.72%
Upgrade Existing Sports Facilities	3,000	3,000	4,165	27.97%	27.97%
Springs Resort-Upgrade Infrastructure	2,000	2,000	2,366	15.47%	15.47%
Upgrade Beaches -Tourism	2,500	2,500	2,330	-7.32%	-7.32%
Maintain/Rehabilitate Sports Facility Infrastructure	5,000	4,500	4,364	-3.12%	-14.58%
Kwanobuhle Sports Complex	15,000	5,700	2,558	-122.82%	-486.37%
Sport and Recreational Facilities - Mayoral Project		2,000	1,867	-7.14%	100.00%
Red City Soccer Field - Mayoral Project		927			
Astroturf Surfaces	12,500	12,500	6,194	-101.82%	-101.82%

Capital Programme by Project: Year 0					
	R' 000				
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Rehabilitate and Upgrading of Swimming Pool Structures	3,000	3,000	4,151	27.72%	27.72%
Disabled facilities for Recreation and Cultural Services			(16)	100.00%	100.00%
	49,500	47,977	44,046	-8.92%	-12.38%
The Executive and Council					
Integrated City Development Programmes	8,137	8,137	9,648	15.67%	15.67%
NMBM Multi-Purpose Stadium		4,865			
Upgrade Infrastructure: Metro Integration	1,650	1,650	2,692	38.72%	38.72%
	9,787	14,652	12,341	-18.73%	20.69%
Financial Services					
Upgrade and Furnishing Customer Care Centres	2,016	2,016	496	-306.53%	-306.53%
System Enhancements - Various	24,000	46,000	28,715	-60.19%	16.42%
ETB Office Renovations	600	500	342	-46.15%	-75.38%
Replacement Handheld Devices - Meter Reading	750	400	75	-436.19%	-905.36%
Replacement of Vending POS Equipment	600	400	156	-156.61%	-284.91%
	27,966	49,316	29,784	-65.58%	6.10%
ICT Services					
Acquisition for Licenses for System Migration		12,000			
Replacement of Revenue Sub Directorate Computer Equipment	500				
Corporate GIS Applications	2,000				
Computer Enhancements - Corporate	5,000	4,000	3,850	-3.90%	-29.87%
Computer Systems Upgrade	2,000	2,000	2,006	0.29%	0.29%
Fleet Management System	2,000				
Upgrade and replacement of Computers	1,000				
Computer and Office Equipment	500	500	47	-974.03%	-974.03%
Laboratory Information System	500	500			
	13,500	19,000	5,902	-221.90%	-128.72%
	1,347,671	1,459,219	1,430,286	-2.02%	5.78%

APPENDIX O- CAPITAL PROGRAMME BY PROJECT BY WARD: YEAR 0

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Purchase New Vehicles	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	No
Nooitgedagt/Coega Low Level System	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Water Service Maintenance Backlog: Dams	Support Services - Water Network Expansion and Rehabilitation	No, Investigation Stage
Groendal Dam: Rock Stabilization and Improved Outlet	Support Services - Water Network Expansion and Rehabilitation	Yes
Loerie Treatment Works: Rehabilitation	Support Services - Water Network Expansion and Rehabilitation	No, Procurement Stage
Upgrading of Churchill Water Treatment Works	Support Services - Water Network Expansion and Rehabilitation	No, Design Stage
Upgrading Groendal Treatment Works	45, 49	No, Investigation Stage
Desalination Augmentation	Support Services - Water Network Expansion and Rehabilitation	No, Investigation Stage
Elandsjagt - Upgrade to Restore Capacity	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Seaview Pump Station: Upgrade	40	No, Construction Stage
Seaview Bulk Water	40	No, Procurement Stage
Coega Reclaimed Effluent Scheme	60	No, Construction Stage
Jagtvlakte: Bulk Water Supply Pipeline	40	No, Investigation Stage
Kwanobuhle: Upgrading of water reticulation	42, 44, 45, 46	Yes
Non-Revenue Water Interventions	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Water Services Maintenance Backlog: Pipelines	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Rehabilitation of Reservoirs	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Reservoir Fencing	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Kwanobuhle Reservoir Link Watermain	40, 41	Yes
Balmoral Reservoir and Bulk Pipeline	40	No, Investigation Stage
Construction of Amanzi Reservoir and Pipeline	53, 54, 56	No, Investigation Stage

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	48, 49, 50	No, Investigation Stage
Office Accommodation: Water	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No, Construction Stage
Access Roads: Upgrade	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Telemetry Systems Upgrade	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Groundwater Investigation	Support Services - Water Network Expansion and Rehabilitation	No, Procurement Stage
Rudimentary Service: Water	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Bulk Water Metering and Control	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Improvements to System - General	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Water Service Maintenance Backlog: Pump Stations	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Purchase of Water Meters - Metro	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Installation of Zone Water meters	Support Services - Water Network Expansion and Rehabilitation	No, Construction Stage
Rehabilitation of Pipe Bidges	Support Services - Water Network Expansion and Rehabilitation	No, Procurement Stage
Cathodic Protection of Steel Pipelines	Support Services - Water Network Expansion and Rehabilitation	No, Investigation Stage
Sanitation		
Office Accommodation: Sanitation	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No, Construction stage
Bucket Eradication Programme	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Sewers: Maintenance Backlog	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Sewer Replacement and Relining	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Improvements to Sewerage System	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
TEI: Sampling Stations	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Rehabilitation of Kwazakhele Collector Sewer	60	No, Procurement phase

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Markman - Replace 600mm Sewer	60	No, Procurement phase
Motherwell North Bulk Sewerage	53, 54, 56	No, Procurement phase
Paapenkuils Main Sewers Augmentation	12	No, Construction stage
Lorraine - Bulk Sewerage Augmentation	1, 6, 8, 34	No, Procurement phase
Colchester - Bulk Sewerage Infrastructure & WWTW	53	No, Planning Phase
Sewer Protection works for collector sewers	Support Services - Sanitation Network Expansion and Rehabilitation	NO
Jagtlakte Bulk Sewerage	40, 41, 46	No, design Phase
Augment Collector Sewer for Walmer Heights and Mt Pleasant	1, 4	No, Procurement phase
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	33	No, Construction stage
Motherwell Main Sewer Upgrade	56, 57	No, Planning Phase
Swartkops Low Level Collector Sewer Upgrade	18, 19, 21, 26	No, Phase 1 Procurement phase
Seaview Bulk Sewer	40	No, EIA process underway
Driftsands Collector Sewer - Augmentation	1, 4	No, Construction stage
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	48, 49, 50	No, Construction stage
Industrial Site (Airport Valley) - Bulk Sewer	4	No, Planning phase
Motherwell/Coega WWTW and outfall sewer	53, 56	No, Planning Phase
KwaNobuhle Area 11 - Link Sewer	45	Yes, Half retention to be released in November 2017
Sewerage Pump Station : Maintenance Backlog	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Rocklands PHB Housing project WWTW	40	No, Construction stage
Kelvin Jones WWTW: Upgrade	48	No, Construction stage
WWTW: Improve access roads	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
WWTW: SCADA / Telemetry Links	Support Services - Sanitation Network Expansion and Rehabilitation	Updating and installation in progress
Telemetry - Pump Stations	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage
Brickfields: Upgrade	60	NO
Driftsands WWTW Phase 3 extension	1, 4	No, Procurement phase
Fishwater Flats WWTW Upgrade	Support Services - Sanitation Network Expansion and Rehabilitation	No, Construction stage

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Kwanobuhle WWTW : Upgrading	43	No, Procurement phase
Cape Receife WWTW : Upgrade	1	No, Planning Phase
Upgrade Despatch Reclamation Works	53	NO
Witteklip Bulk Sewerage	40	No, EIA process underway
Replacement of Sewerage Collection Vehicles	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	NO
Electricity Services		
Private Township Development	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Miscellaneous Mains and Substations	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Meters and Current Transformers	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	Yes
Peri-Urban Network	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Relocation of existing electrical services	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
NMBM-Amat Prepaid meter project	Support Services - Equipment	No
Non Electrification Areas - Service Connections	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
HV Network Reinforcement - Overhead Cabling	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
HV Network Reinforcement - New Substations	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	Yes
Reinforcement of Electricity Network - Coega	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Reinforcement of Electricity Network - Western	Ward 9	No
Reinforcement of Electricity Network - Hunters Retreat	Ward 39	No
Reinforcement of Electricity Network-Despatch	Ward 52	No
Reinforcement of Electricity Network-Mount Road	Ward 5	No
Reinforcement of Electricity Network - Uitenhage	Ward 46, 48	No
Reinforcement of Electricity Network - Ibhayi	Ward 28	No
Reinforcement of Electricity Network-Swartkops	Ward 60	No
Reinforcement of Electricity Network-Korsten	Ward 11	No

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Reinforcement of Electricity Network- Bethelsdorp 11kV	Ward 33	No
Reinforcement of Electricity Network Wells Estate	Ward 60	No
Reinforcement of Electricity Network - Newton Park	Ward 7	No
Reinforcement of Electricity Network- Walmer Lorraine	Ward 3	No
Reinforcement of Electricity Network- Redhouse	Ward 60	No
Reinforcement of Electricity Network - Summerstrand	Ward 1	No
Reinforcement of Electricity Network - Malabar/ Helenvale	Ward 10	No
HV Network Reinforcement - Underground Cabling	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Low Voltage Reticulation Improvement	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Radio & Test Equipment	Support Services - Equipment	No
Substation Fibre Optic Backbone	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Substation Security Alarm Upgrade	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Supervisory Control Systems Upgrade	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Control Room Upgrade	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
North Depot Improvements	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No
New/Replacement of Plant and Motor Vehicle	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	No
Distribution Kiosk Replacement	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Cable Replacement 6.6kV	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
MV and HV Switchgear replacement	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Relay Replacement	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Replace Switchgear in Mini susbs - KwaNobuhle	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Overhead Lines Refurbishment	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
HV Line Refurbishment (66 & 132kV)	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Fairview Refurbishment	Ward 6	No
Refurbishment of Power Transformers	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Gas Turbine Refurbishment	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Electricity Buildings improvements	Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Informal Housing Electrification	Ward 15,16,19,41,45,53,54, Support Services -Electricity Network Expansion, Rehabilitation and Re-inforcement	No
Informal Settlement Electrification in Walmer	Ward 4	No
Public Lighting	Ward 14,19,27,46,47,59	No
Undeclared Informal Electrification	Ward 4	No
Waste Management Services		
Waste Management Containers	Support Services - Public Health Services Projects	NO
Development of Waste Disposal Facilities	Support Services - Public Health Services Projects	NO
Replacement of Refuse Compactors	Ward 10,25,36,37,39,52,	YES - All Refuse Compactors delivered
Urban Refuse Transfer/Recycling Station	Ward 10	NO
Upgrade of Public Toilets	Ward 51	NO
Waste Beneficiation and Diversion	Support Services - Public Health Services Projects	NO
Housing Services		
Khayamandi Extension - Roadworks (Human Settlements)	Ward 41	No
Missionvale Garden Lots - Human Settlements (Services)	Ward 31	No
Kwanobuhle Area 11 - Roadworks Human Settlements (Services)	Ward 45	No
Kwazakhele: Ekhumphumleni - Roadworks (Human Settlements)	Ward 19	No
Jagvlagte (Chatty 11-14) Roadworks (Human Settlements)	Ward 41	No
Seaview Housing Project - Roadworks (Human Settlements)	Ward 40	No
Walmer Development - Roadworks Human Settlements (Services)	Ward 4	No
N2 North Development - Roadworks (Human Settlements)	Ward 39	No

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Walmer Q Phase 3 - Human Settlements (Services)	Ward 4	Yes
MK Silvertown 2 Qaqawuli - Human Settlements (Services)	Ward 16	No
Motherwell NU30 - Roadworks Human Settlements (Services)	Ward 54	No
Malabar Ext 6 Phase 2 - Roadworks (Human Settlements)	Ward 12	No
Motherwell NU31- Roadworks Human Settlements (Services)	Ward 54	No
Kuyga Phase 3 - Roadworks Human Settlements (Services)	Ward 40	No
Nkatha/Seyisi - Roadworks (Human Settlements)	Ward 19	No
Raymond Mhlaba/ Buyambo - Human Settlements (Services)	Ward 21	No
Bethelsdorp Ext 32, 34 & 36 - Roadworks (Human Settlements)	Ward 37	No
Dikisa Street - Human Settlements (Services)	Ward 42	Yes
Kleinskool Kliprand - Roadworks Human Settlements (Services)	Ward 33	No
Pola Park - Human Settlements (Services)	Ward 50	No
Witteklip - Human Settlements (Services)	Ward 40	Yes
ERF 10015, Uitenhage Human Settlements (Services)	Ward 49	No
Erf 3179 Uitenhage (Human Settlements)	Ward 48	No
Erf 6480 Uitenhage (Human Settlements)	Ward 49	No
Erf 29669 Uitenhage (Human Settlements)	Ward 50	No
Erf 12872 Uitenhage (Human Settlements)	Ward 49	No
Kabah Phase 6 (Human Settlements)	Ward 50	Yes
Erf 12931 Uitenhage (Human Settlements)	Ward 49	No
Erf 7927 Uitenhage (Human Settlements)	Ward 49	No
ERF 818/868, Uitenhage	Ward 49	No
John Street (Human Settlements)	Ward 49	No
Road Services		
Resurfacing of Subsidised Roads	Support Services - General Improvements	No, ongoing as budget allows
Resurfacing Tar roads (non-subsidy)	Support Services - General Improvements	No, ongoing as budget allows
Rehabilitation of Verges and Sidewalks - Northern Areas	Support Services - General Improvements	No, ongoing as budget allows
TM24 Guidance Signs	Support Services - General Improvements	No, ongoing as budget

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
		allows
Replacement Vehicles Fleet	Support Services - Vehicles Acquisition and Replacement for Provision of Service Delivery	No, ongoing as budget allows
Traffic Control Equipment (Subsidy and non-subsidy)	Support Services - Equipment	No, ongoing as budget allows
Rehabilitate Concrete Roads - Northern Areas	Support Services - General Improvements	No, ongoing as budget allows
Traffic Calming Measures	1,2,3,4,5,6,7,8,9,10,11,12,13,14,18,20,21,22,23,24,26,28,30,31,32,33,34,35,36,37,38,39,40,42,44,45,48,49,50,51,52,53,54,55,56,57,58	No, ongoing as budget allows
Intersection Improvements	Support Services - General Improvements	No, ongoing as budget allows
Njoli Square Redevelopment	Ward 22	No
Glen Hurd drive Upgrading	Ward 6	No
Magennis Street Reconstruction	Ward 48	Yes
Peri-Urban: Rehabilitation of gravel roads	Support Services - General Improvements	No, ongoing as budget allows
Upgrading Depots and Offices	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No, ongoing as budget allows
Provision of Rudimentary Services - Roads and Stormwater	Support Services - General Improvements	No, ongoing as budget allows
Facilities for the Disabled	Support Services - General Improvements	No, ongoing as budget allows
Tarring of Gravel Roads	Support Services - General Improvements	No, ongoing as budget allows
Public Transport Facilities	Support Services - General Improvements	No, ongoing as budget allows
Provision of Sidewalks	Support Services - General Improvements	No, ongoing as budget allows
Access Road to Chatty Developments	Support Services - General Improvements	Yes, phase 1 complete.
New Traffic Signals	Support Services - General Improvements	No, ongoing as budget allows
Rehabilitation of roads	Support Services - General Improvements	No, ongoing as budget allows
Laboratory Equipment - Scientific Services	Support Services - Equipment	No, ongoing as budget allows
Planning and Design of Main Roads	Support Services - General Improvements	No, ongoing as budget allows
Rehabilitation of Bridge Structures	Support Services - General Improvements	No, ongoing as budget allows
Construction of Footbridges	Support Services - General Improvements	No, ongoing as budget allows
Seyisi Square & Daku Square Development	Ward 21	No
Rehabilitation of Workshop Buildings	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No, ongoing as budget allows
Construction of Bloemendal Arterial	Ward 41	No
Upgrading of Fountain Road - Walmer	Support Services - General Improvements	Yes

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Township		
Fleet Management - Workshop Equipment	Support Services - Equipment	No, ongoing as budget allows
Transport Services		
IPTS - Work Package: Road Works	Support Services - General Improvements	No, ongoing as budget allows
IPTS - Work Package: TDM and ITS	Support Services - General Improvements	No, ongoing as budget allows
IPTS - Work Package: Sidewalks and Cycle Tracks	Support Services - General Improvements	No, ongoing as budget allows
	Support Services - General Improvements	
Stormwater Services		
Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	Ward 54	No, ongoing as budget allows
Flood Risk Improvements: Chatty River	Ward 37	No, ongoing as budget allows
Flood Risk Improvements (All other rivers)	Support Services - General Improvements	No, ongoing as budget allows
Miscellaneous - Roads and Stormwater	Support Services - General Improvements	No, ongoing as budget allows
Blue Horizon Bay Bulk Stormwater	Support Services - General Improvements	No
Groundwater Problem Elimination Northern Areas	Support Services - General Improvements	No, ongoing as budget allows
Summerstrand Bulk Stormwater	Ward 1, 2	Yes
Cannonville/Colchester: Stormwater improvements	Ward 53	No
Greenbushes: Stormwater Improvements	Ward 40	No
Theescombe/Gqebera Bulk Stormwater	Ward 3, 4	No
Lorraine Stormwater Control	Ward 8	No
Paapenkuis Canal Rehabilitation	Ward 12	No, ongoing as budget allows
Zwide Bulk Stormwater	Ward 26, 27, 28	No, ongoing as budget allows
Stormwater Improvements Ikamvelihle	Ward 56	No, ongoing as budget allows
New Brighton/Kwazakhele: Bulk Stormwater	Ward 16, 17, 18, 19, 20, 21, 22, 23, 24, 25	No, ongoing as budget allows
Stormwater Improvements	Support Services - General Improvements	No, ongoing as budget allows
Chatty: Stormwater Improvement	Ward 41	No
Rehabilitation of Stormwater Ponds	Support Services - General Improvements	No, ongoing as budget allows
Motherwell Canal Wetlands	Support Services - General Improvements	No, ongoing as budget allows

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Planning Services		
Motherwell Traffic and Licencing Centre	Ward 58	No
Economic Development Services		
Fountain Road Redevelopment	Ward 4	Yes
Libraries; Archives; Museums; Galleries; Community Facilities; Other		
Upgrade and Restoration of Libraries	Ward 5	No
Upgrade of Community Halls	Ward 5,21	No
Office accommodation (Ward Councillors)	Support Services - General Improvements	YES
Office Renovation	Support Services - Rehabilitation & Upgrade of Municipal Buildings	YES
Air Conditioning of Buildings	Support Services - Rehabilitation & Upgrade of Municipal Buildings	YES
Lillian Diedericks Building and Rehabilitation	Support Services - Rehabilitation & Upgrade of Municipal Buildings	NO
Mfanasekhaya Gqobose Building	Support Services - Rehabilitation & Upgrade of Municipal Buildings	NO
Rehabilitation of Noninzi Luzipho Building	Support Services - Rehabilitation & Upgrade of Municipal Buildings	YES
KwaNobuhle Municipal Aerodrome	Ward 47	YES
Woolboard Conference Centre	Support Services - Rehabilitation & Upgrade of Municipal Buildings	NO
Upgrade of Municipal Depots	Support Services - Rehabilitation & Upgrade of Municipal Buildings	YES
Algoa House Upgrade	Support Services - Rehabilitation & Upgrade of Municipal Buildings	NO
Secure Municipal Parks Facilities	Ward 35	No
Cemeteries and Crematoriums		
Water drainage and roads at cemeteries	Ward 56	YES
Upgrade and Development of Cemeteries	Ward 2,4,29,35,47,50,52	YES
Fencing of Cemeteries	Ward 41	YES
Motherwell Cemetery Upgrading	Support Services - Public Health Services Projects	NO
Bio-diversity, Landscaping, Other		
Upgrade Major Parks	Ward 35	YES

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Beachfront	Ward 1,2,60	YES
Reinstate of Embankment - Tygerbay	Ward 2	YES
Upgrade and Development of Public Open Spaces	Ward 4,14,15,16,17,21,24,25,28,33,41,43,44,46,53	NO
Greenhouse Upgrade - Peter Gibbs Nursery	Ward 3,51	NO
Develop Floodplains	ward 4	NO
New Playground Equipment	Ward 4,15,16,24,28,33,41,43,44,53	NO
Specialised Vehicles and Plant (Parks)	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	YES
Climate change	Ward 3	YES
Occupational Health Clinics		
Occupational Health and Wellness Center at Walmer	Ward 3	No
Mobile Unit - OHS & Wellness	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	No
Metro Police and Security Services		
Vehicles for Safety and Security (Security Only)	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	No
Fire Services		
Replacement of engine bay doors	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No
Fire station Motherwell-Refurbishment	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No
Replacement of Radios	Support Services - Equipment	No
Purchase of Plant and Equipment (Fire & Emergency services)	Support Services - Equipment	No
Replacement of standby generator	Support Services - Equipment	No
Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc		
Upgrade of Uitenhage Dog Pound	Ward 48	No, project is still on-going
Additional Satellite Offices	Support Services - Rehabilitation & Upgrade of Municipal Buildings	No
CCTV Equipment & Infrastructure	Support Services - Equipment	No

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Sport and Recreation		
Vehicles for Sport and Recreation	Support Services - Vehicle Acquisition and Replacement for Provision of Service Delivery	Yes
Mendi Bottle Store Renovation	Ward 14	Yes
Secure Recreational Buildings / Facilities	Ward 15,48,51,52	Yes
Upgrade Existing Sports Facilities	Ward 21	No
Springs Resort-Upgrade Infrastructure	Ward 51	Yes
Upgrade Beaches -Tourism	Ward 16,60	No
Maintain/Rehabilitate Sports Facility Infrastructure	Ward 10,28,44	No
Kwanobuhle Sports Complex	Ward 44	No
Sport and Recreational Facilities - Mayoral Project	Ward 23,52	No
Red City Soccer Field - Mayoral Project	Ward 15	No
Astroturf Surfaces	Ward 10,30	No
Rehabilitate and Upgrading of Swimming Pool Structures	Ward 52,58	Yes
The Executive and Council		
Integrated City Development Programmes	Support Services - General Improvements	No
NMBM Multi-Purpose Stadium	Support Services - General Improvements	
Upgrade Infrastructure: Metro Integration	Support Services - General Improvements	
Financial Services		
Upgrade and Furnishing Customer Care Centres	Support Services - Rehabilitation & Upgrade of Municipal Buildings	Yes
ETB Office Renovations	Support Services - Rehabilitation & Upgrade of Municipal Buildings	Yes
Replacement Handheld Devices - Meter Reading	Support Services - Equipment	No
Replacement of Vending POS Equipment	Support Services - Equipment	No
ICT Services		
System Enhancements - Various	Support Services - Systems Enhancement	Incomplete planned to be concluded 30 June 2018
Acquisition for Licenses for System Migration	Support Services - Systems Enhancement	No
Replacement of Revenue Sub Directorate Computer Equipment	Support Services - Equipment	No

Capital Programme by Project by Ward: Year 0		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Computer Enhancements - Corporate	Support Services - Systems Enhancement	Yes
Computer Systems Upgrade	Support Services - Systems Enhancement	
Fleet Management System	Support Services - Systems Enhancement	No, ongoing as budget allows
Upgrade and replacement of Computers	Support Services - Equipment	No
Computer and Office Equipment	Support Services - Public Health Services Projects	No
Laboratory Information System	Support Services - Systems Enhancement	No, ongoing as budget allows

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Clinics and schools falls under the responsibility of the Eastern Cape Provincial Government. The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

The Municipality is responsible for the provision of services such as housing, sports fields and licensing and testing centres. Information with regard to the latter is reflected in Chapter 3 of this Annual Report.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the Municipality: 2016/17				
All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
EC Philharmonic Society			110 000	
Eastern Province Society of Art and Crafts t/a Art EC			30 500	
Feather Market Organ Society			40 000	
Friends of Nelson Mandela Bay Art Museum			20 000	
Royal School of Church music			105 000	
ACVV Polar Avenue			10 000	
African Scholars' Fund			150 000	
Dorkas Educare			20 000	
Dorothy Tomlinson Pre-school			20 000	
EP Child Youth Care Centre Ray Mhlaba Training Centre			60 000	
Future Kids Learn and Play			10 000	
Harvest Educare Pre-School			20 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
House of Resurrection Haven Bongolethu Play School			20 000	
Iliso Community Crèche and Pre School			20 000	
Litha Care Centre			15 000	
Kamvelihle Pre-School			20 000	
Kids for Christ Day Care Centre			10 000	
Lavela Preschool			10 000	
Linge's Tots Development Centre			20 000	
Liyema Pre-School			20 000	
Lusindiso Educare Centre			20 000	
Masifunde Siphulisa Umfundi t/a Masifunde Learner Development			50 000	
Masihlumenathi Educare Centre			20 000	
Masinyusane Development Organisation			50 000	
Nkosinathi Educare Centre			20 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Nobandla Educare Centre			20 000	
Nobuntu Educare Centre			18 000	
Nolusapho Preschool			20 000	
Noluthando Preschool			20 000	
Nomonde Educare			20 000	
Nomsingathi Community Crèche			20 000	
Nomzamo Nursery Crèche			20 000	
Nomzamo Pre-School Motherwell Nu 8			20 000	
Nonkqubela Pre-School KwaDwesi			20 000	
Noxolo Pre-School			20 000	
Penguins Learn and Play Centre			10 000	
Reach: Operating as Reality Training Centre			20 000	
Sakhuxolo Pre-School			20 000	
Siduli Day Care Centre			20 000	
Sikelela Crèche			10 000	
Sinomonde Educare Centre			10 000	
Sizwe Sethu Educare Centre			20 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Songenathi Educare			20 000	
Sonwabile Educare Centre			20 000	
Takalani Day Care Centre			10 000	
Tina's Pre-School and Nursery			20 000	
Umzamomhle Pre-School			20 000	
Vezokuhle Youth Development Project			20 000	
Vulisango Pre-School			20 000	
Victory Kids SA			10 000	
Vulisango Pre-School			20 000	
Vusisizwe Crèche and Pre-School			20 000	
Zamukukhanya Pre-School KwaDwesi			20 000	
Zwide Pre-Primary School			20 000	
Local Economic Development				
House of Resurrection Heaven; Siya Vuna			20 000	
The Hope Factory			20 000	
Other				
Eastern Province Clivia Club			14 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Eastern Province Orchid Society			10 000	
National Sea Rescue Institution			350 000	
Wildlife and Environment Society of South Africa (WESSA)			80 000	
Zwartkops Conservancy			150 000	
Sports				
Bay City Soccer School			25 000	
EC Weightlifting Association			10 000	
EP Badminton Association			20 000	
EP Cricket			40 000	
EP Natural Bodybuilding Association			75 000	
EP Rugby Union			450 000	
Lakeside Cavaliers Hockey Club			15 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
NMB Aquatics			75 000	
PE Klawerjas			14 900	
SAFA NMB			750 000	
Shorin Ryu Karate Club			40 000	
United Through Sports				
(formerly known as Umzingisi Foundation			50 000	
Welfare				
ACVV Aandmymering Home for Older Persons (Uitenhage			20 000	
ACVV Algoa Park/Govan Mbeki			20 000	
ACVV Despatch			10 000	
ACVV Despatch Huis Najaar			20 000	
ACVV Despatch Service Centre for the Aged			20 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
ACVV Polar Avenue: Adcock van der Vyver Complex for Older People			20 000	
ACVV Polar Avenue: Adolph Schauder Housing Complex for Older People			20 000	
ACVV PE Central Khayaletu Youth Centre and Oliver House			20 000	
ACVV PE North			19 000	
ACVV PE South			20 000	
ACVV PE West-Huis Genot			20 000	
AFM Executive Council-Lelethu Baby Shelter			35 000	
AFM Executive Council-Umephi Daleview Foster Care			50 000	
Al-Fidaa Foundation			300 000	
Algoa Bay Council for Aged			30 000	
Animal Anti-Cruelty League			30 000	
Animal Outreaches			15 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Aurora Special Care Centre			20 000	
Bet Sheekoom House of Restoration			20 000	
Care Ministry			20 000	
Cerebral Palsy Association (EC)			30 000	
Cheshire Homes (Summerstrand)			30 000	
CHOC Childhood Cancer Foundation			20 000	
Christelike Maatskaplike Raad van die Ring van Uitenhage (CMR Uitenhage)			30 000	
Cleary Estate Cheshire Home			30 000	
Coega Door of Hope			30 000	
Community Chest			1 090 000	
CWSA: Family Restoration Services			50 000	
EP Child and Youth Care Centre			50 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Grootboom Hope Foundation			20 000	
Harvest Community Projects-Multi-purpose Centre			10 000	
House of Resurrection Haven			100 000	
Human Heart Services Organisation			20 000	
Ilitha Lethu			10 000	
Jerusalem Home Community Base Care Centre			15 000	
Jerusalem Ministries			10 000	
Jongilanga Training and Development Centre			10 000	
Lithemba Support Group			20 000	
Luthando OVC Care Centre			8 000	
Masinedane Soup Kitchen and Feeding Scheme			20 000	
Masizakhe Community Development Project			20 000	
Mfesane			20 000	
MTR Smit Children's Haven			50 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
Nazareth House			100 000	
New Life Crisis Pregnancy Centre			25 000	
Nightingale Trust			18 600	
Nkosinathi Foundation of the Blind and Partially Sighted People			20 000	
Oosterland Youth Centre			50 000	
Peddie Development Centre			20 000	
Port Elizabeth Association for the Aged t/a Ekuphumleni Old Age Home			20 000	
Port Elizabeth Mental Health			10 000	
Rape Crisis Centre			150 000	
Retina South Africa: EC Branch			20 000	
Revive-Empowering Emotional Change (formally Life Line)			50 000	
SANTA (Port Elizabeth)			130 000	
Sinethemba Children's Care Centre			100 000	

Declaration of Loans and Grants made by the Municipality: 2016/17

All Organisation or Person in receipt of Loans /Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2016/17 R' 000	Total Amount committed over previous and future years
SOS Children's Village (PE)			100 000	
S A Red Cross Society			13 200	
St Francis Hospice Association			125 000	
St John Port Elizabeth			50 000	
Thand'Usana Babies Safe Home			40 000	
Thinta Uluntu			15 000	
Uitenhage and District SPCA			200 000	
Uviwe Child and Youth Services (formerly known as PE Childline and Family Centre)			80 000	
Your Moral Community Association			10 000	
Zanethemba Charity Foundation			10 000	

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Improving access to basic services	<p>Access to Basic Services:</p> <p>During the period under review, the Municipality recorded the following service delivery statistics:</p> <ul style="list-style-type: none"> • 2 188 state subsidized housing units provided. • 346 social housing units provided. • 4 004 erven provided with permanent water and sanitation services. • 601 households relocated from stressed informal settlements and other servitudes to Greenfield development areas. • 1 130 state subsidized houses provided with water and sanitation connections. • 3 432 electricity connections provided. • 100% households within the urban edge receiving a weekly domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development). <p>Access to Free Basic Services:</p> <p>The Municipality has an Assistance to the Poor (ATTP) Scheme in place. In terms thereof, the Municipality provided free basic services (water, electricity, sanitation, refuse) to approximately 112 419 indigent households in Nelson Mandela Bay.</p>
Output: Implementation of the Community Work Programme	National CoGTA allocated 1 999 CWP participants for NMBM in the 2016/17 financial year, which was active in 40 wards of Nelson Mandela Bay.

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Deepen democracy through a refined Ward Committee model	Altogether 60 Ward Committees are in place.
Output: Administrative and financial capability	<p><u>CREDIT RATING:</u></p> <p>The long term global scale rating of Nelson Mandela Metro is Baa3 with a negative outlook.</p> <p>The decision to downgrade by one notch the long term global scale rating of Nelson Mandela Metro to Baa3 from Baa2 reflects the close operational and financial linkages with the national government, illustrating the centralised nature of the local public sector in South Africa.</p> <p>The negative outlook on the South African sub-sovereigns including Nelson Mandela Metro mirrors the rating action taken on the ratings of its support provider, the Government of South Africa (Baa3/Negative). Changes in the sub-sovereigns' outlook would likely follow any changes taken at the sovereign level.</p> <p>Moody's also affirmed the national scale rating of Nelson Mandela Metro of Aa1.za during June 2017.</p> <p><u>IMPLEMENTATION OF mSCOA:</u></p> <p>As at 30 June 2017, 58% of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 was implemented. The 58% implementation is made up of Interface Development (51%), Yap Building (64%), and data migration (59%).</p> <p>Additional resources have been allocated to ensure timeous completion of the project. In addition, regular meetings are held to monitor the progress of project implementation. The Municipal Standard Chart of Accounts is expected to be fully implemented during the first quarter of the 2017/18 financial year.</p>

NELSON MANDELA BAY MUNICIPALITY								
ORGANISATIONAL PERFORMANCE SCORECARD								
2016/17 ANNUAL PERFORMANCE REPORT								
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KPA 1: Effective City Governance	KPE 1.1: Customer Satisfaction	1.1.1	Conducting a customer satisfaction survey in respect of services rendered by Nelson Mandela Bay Municipality	New KPI	Customer satisfaction survey on services rendered by NMBM conducted	Customer satisfaction survey on services rendered by NMBM conducted	Achieved	During the period March to May 2017, 4036 people were surveyed across all Wards in Nelson Mandela Bay to determine their satisfaction levels with the services rendered by the Municipality. Overall satisfaction can be reported as follows: (a) Customer Care Centres – 56% of respondents satisfied. (b) Service offerings – 36% of respondents satisfied.
KPA 1: Effective City Governance	KPE 1.2: Spatial Information Infrastructure	1.2.1	Updating the Nelson Mandela Bay Municipality's Geographic Information System with the latest imagery (Annual and third quarter targets amended in line with Council resolution dated 30 March 2017.)	New KPI	By September 2016 <u>Amended to</u> Imagery updated	Imagery updated by 30 June 2017	Achieved	During the 2016/17 financial year, the Nelson Mandela Bay Municipality's Geographic Information System was updated with the latest imagery.
KPA 1: Effective City Governance	KPE 1.3: Communications	1.3.1	Number of communication initiatives implemented in line with Nelson Mandela Bay Municipality's Communication Strategy	9	60	171	Over Achieved	During the 2016/17 financial year, altogether 171 communications initiatives were implemented, in line with the Nelson Mandela Bay Municipality's Communications Strategy. REASON(S) FOR OVERPERFORMANCE: The overperformance against this Key Performance Indicator can be attributed to special campaigns introduced by the leadership, such as the Water-savings Campaign and the War on Waste Campaign, introduced to address the key challenges around our dwindling water supply and illegal dumping in the Metro. These are in addition to the communications initiatives, such as public relations services in respect of key events / launches; radio slots to advertise key municipal events, placing municipal notices / advertisement in the print media; issuing media releases; rolling out government themes/ national pride days (Human Rights Day; Youth Day) social media postings; publication of Rise Online Staff Magazine and Bay News; and mayoral engagements with the public. BUDGET: Internal resources are used in implementing communications initiatives. The overperformance reported against this Key Performance Indicator thus did not have an effect on budget provision.
KPA 1: Effective City Governance	KPE 1.4: Internal Controls	1.4.1	Receipt of Unqualified Audit Report issued in respect of the 2015/16 financial year	Qualified Audit Report received at the end of the second quarter	Receipt of Unqualified Audit Report by December 2016	Target Not Met in December 2016 (Qualified Audit Report received)	Not Achieved	The Nelson Mandela Bay Municipality received a qualified Audit Report from the Auditor-General in respect of the 2015/16 financial year. On 23 December 2016, the office of the Auditor-General delivered its Audit Report on conclusion of the audit of the 2015/16 annual financial statements and the annual performance report. REASON(S) FOR UNDERPERFORMANCE: The qualified audit opinion is due to irregular expenditure. CORRECTIVE ACTION / MITIGATION: To mitigate against the underperformance reported against this Key Performance Indicator, the Municipality developed and implemented a comprehensive action plan to address irregular expenditure and all matters of emphasis raised by the Auditor-General. The Municipality will, in addition, through regular reporting and performance reviews, ensure that all audit findings are addressed timeously.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.1	% compliance with the drinking water standards in line with South African National Standards 241 (SANS 241)	New KPI	100%	100%	Achieved	During the 2016/17 financial year, the Municipality achieved 100% compliance with the drinking water standards, in line with South African National Standards 241 (SANS 241). A 100% compliance rate implies that the chemical component of the compliance testing bore a result of 85% or above, and the microbiological component of the testing bore a compliance result of 97% or above. As at year-end, chemical compliance was at 98.7% and microbiological compliance at 99.9%. This implies that the Municipality's water is safe for consumption.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.2	% Completion of Nooitgedagt Water Treatment Works - (Phase 2)	New KPI	90%	88%	Partially Achieved	As at 30 June 2017, the Nooitgedagt Water Treatment Works (Phase 2) was 88% completed. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is due to scheduled commissioning (e.g. testing of plant), which resulted in a slow-down in production rate. CORRECTIVE ACTION / MITIGATION: To mitigate the underperformance, the plant was commissioned by 31 July 2017 in terms of the project timeframes. The recorded 2% underperformance has since been achieved.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.3	% informal households within the urban edge provided with access to basic potable water supply within a 200m radius	100%	100%	100%	Achieved	During the 2016/17 financial year, the Municipality provided 100% of informal households within the urban edge with access to a basic potable water supply. As per the requirements of the Water Services Act, No 108 of 1997, all informal households within Nelson Mandela Bay have access to a communal standpipe within a 200 m radius.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.4	% formal households within the urban edge provided with access to a basic potable water supply	100%	100%	100%	Achieved	During the 2016/17 financial year, the Municipality provided 100% of formal households with access to a basic potable water supply. Access involves the provision of bulk water infrastructure in all formal residential development areas, to which individual formal households can connect to gain access to a potable water supply.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.5	% reduction in year-to-year water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)	1.1%	2%	7.8% (decrease in water losses)	Over Achieved	During the 2016/17 financial year, the Municipality reported a decrease of 7.8% in year-to-year water losses, which is an actual comparison of water losses for the period July 2015 - June 2016 compared to the period July 2016 - June 2017. The total water losses for the twelve months of the 2016/17 financial year were compared to the total water losses experienced in the twelve months of the 2015/16 financial year. Water loss is calculated by dividing total water losses (system losses) by total water produced (treated water). Performance is calculated as follows: 2015/16: Twelve months system losses (40 985 040) / twelve months water produced (109 875 754) x 100 = 37.30%. 2016/17: Twelve months system losses (29 880 331) / twelve months water produced (101 298 149) x 100 = 29.50%. Reduction: 37.30% - 29.50% = 7.8%. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against this Key Performance Indicator is attributed to the culmination of various on-going interventions by the Municipality, such as: 1. Repair of more than 2000 leaks in Uitenhage / Despatch / KwaNobuhle. 2. Pressure reduction. 3. Improved metering / billing of commercial, industrial and institutional properties. 4. Improved bulk metering. 5. Increased repairs to ATTP households. 6. Use of external contractors for major leak repairs. 7. Replacement of old water meters 8. The on-going verification of water meters, which has led to more accurate water billing, reducing the volume of water recorded as wasted. 9. Engaging with big water users, including schools. 10. Appointment of additional plumbers: installation inspectors and superintendents.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.9	Number of state subsidised housing units provided with access to water and sanitation	1749	3000 (In line with housing programme)	1130	Not Achieved	<p>During the 2016/17 financial year, the Municipality provided 1130 subsidised houses with access to water and sanitation in the following areas: New Brighton (19); Booyens Park (75); Uitenhage (1); Colchester (1); Motherwell (89); KwaNobuhle (127); Tiryville (23); KwaZakhele (67); Rosedale Ext (112); KwaDwesi Ext (2); Wells Estate (7); Kwa-Langa (1); KwaNoxolo (9); Walmer (158); Walmer Dunes (23); Missionvale (166); Despatch (3); Soweto on Sea (2); Govan Mbeki Township (5); Joe Slovo (55); Kleinskool (1); Helenvale (1); Zwide (38); Jacksonville (16); Timothy Valley (3); Steve Tshwete Village (26); Joe Modise (4); France Valley (2); Peace Village (8); Tambo Village (1); Ikamvelihle (36); Khayamandi (5); Bethelsdorp (1); Bloemendal (20); Chatty (21) and Moegesukkel (2).</p> <p>REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to the non-performance by the original contractor during the first quarter of the financial year, which had a ripple effect of the other quarterly targets.</p> <p>CORRECTIVE ACTION / MITIGATION: The contract of the underperforming service provider was terminated and the Municipality appointed the following cluster based contractors during the remainder of the financial year, to catch up on the backlog in meter installation -</p> <ul style="list-style-type: none"> Cluster 1 - SP Excel Plant & Civil Cluster 2 - Khayalihle / Startime JV Cluster 3 - Alex Maintenance Cluster 4 - Give Ziyawa Construction Cluster 5 - B.R.O Civil Cluster 6 - Alliance Plumbers.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.7	% completion of the Fishwater Flats upgrade (Phase 1)	New KPI	100% completion of Inlet works by March 2017	100% completion of Inlet works by March 2017	Achieved	The Municipality reported 100% completion of the Fishwater Flats upgrade (Phase 1) in the third quarter, as planned. The work completed, constitutes: pipe work (trenching, laying of pipes and back-filling), concrete work (construction of chambers, building structures), road works (paving and layer works), building works (construction of buildings), painting, tiling, stormwater drainage (installing stormwater drains and pipes), concrete piling and earthworks (bulk excavation and shaping), dry commissioning of installed equipment, and installation of all mechanical and electrical equipment.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.8	% reduction in the number of buckets in circulation within Nelson Mandela Bay	New KPI	5%	11.3%	Over Achieved	<p>During the 2016/17 financial year, the Municipality reduced the buckets in circulation within Nelson Mandela Bay by 11,3%. Bucket counting is a planned process which occurs on a rotational basis annually. The number of buckets in circulation at the beginning of the 2016/17 financial year were 16317 and the number of buckets in circulation within Nelson Mandela Bay as at the end of the financial year were 14476.</p> <p>REASON(S) FOR OVERPERFORMANCE: The overperformance can be attributed to the relocation of families from informal settlements to newly constructed RDP houses.</p>

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.1: Water and Sanitation	2.1.9	% households provided with access to basic sanitation (excluding bucket system) <u>Amended to</u> % households provided with access to basic sanitation (excluding areas serviced by buckets system) (Key performance indicator, annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	100%	96% <u>Amended to</u> 100%	100%	Achieved	During the 2016/17 financial year, 100% of households within Nelson Mandela Bay were provided with access to basic sanitation (excluding areas serviced by the bucket system). Access involved the provision of bulk water / sanitation infrastructure in all formal residential development areas to which individual formal households can connect to gain access to basic sanitation.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.2: Roads	2.2.1	Km of gravel roads tarred	New KPI	10km	10km Amended to: 10.12km (In line with CoAF 006)	Achieved	During the 2016/17 financial year, the Municipality tarred 10.236 km of gravel roads in 28 different Wards, namely Wards 7-8; 13-14; 21-24; 26; 29-34; 36-38; 40-41; 52-57; 59 and 60. 10km amended to 10.12km in line with COAF 006 The Municipality revisited the actual performance reported against th
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.2: Roads	2.2.2	Km of new sidewalks and/or cycle paths constructed	5.81km	3.5 km	3.5km Amended to: 3.8km (In line with CoAF 006)	Achieved	During the 2016/17 financial year, the Municipality completed 3.5 km of the layer works for the construction of new sidewalks and/or cycle paths in the following areas: Strandfontein Str (Ward 1); Villiers Rd (Ward 3); Boshoff Str (Ward 9); Neave Str (Ward 10); Stag and Hartebees Str (Ward 13); Road SMQ (Ward 16); Hlawula Str (Ward 17); Jakavula and Tubali Str (Ward 20); Ngxokolo Str (Ward 22); Nondwana and Johnson Rd (Ward 25); Heathcote and Makhubalo Str (Ward 29); Norval Rd (Ward 34); Mngabane Str (Ward 36); Lodewyk Str (Ward 38); Nootgedacht Str (Ward 41); Lategan Dr (Ward 39); Seaview Rd (Ward 40); Ngeyakhe and Nxukwebe Str (Ward 42); Goliath Str (Ward 43); Jacob Matomela Str (Ward 44); Hintsa Av (Ward 46); North Str Ext (Ward 53); and Seagull Str (Ward 50). 3.5km amended to 3.8km in line with CoAF 006 The Municipality revisited the actual performance reported against this Key Performance Indicator. Performance reported was adjusted from 3.5km to 3.8km. REASONS FOR OVERPERFORMANCE: The overperformance reported against this Key Performance Indicator is attributed to the better than anticipated condition of the sidewalk layers when work commenced, resulting in less maintenance expenses, thus cost savings and more work being performed than planned
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.2: Roads	2.2.3	m ² of roads resurfaced/rehabilitated/ resealed	New KPI	30 000m ²	55820m ²	Over Achieved	During the 2016/17 financial year, the Municipality resurfaced/rehabilitated/resealed 55820 m ² of roads. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against this Key Performance Indicator is attributed to the R2.2 million in additional funding received from the Provincial Department of Roads and Public Works and the project savings to the amount of R300 000 realised through the financial year. The project savings is attributed to the better than anticipated condition of the road layers when work commenced, resulting in less maintenance expenses, thus cost savings and more work being performed than planned. It must be noted that the resurfacing / rehabilitation / resealing programme depends on site conditions, soil conditions and "as is" conditions of the pavement on site. The assessment conducted prior to site works commencing changed when the Municipality proceeded with the actual on site works. This implies that with some pavements, only overlays were required where as in other areas, slurry seals were required, which differ in price. This resulted in the Municipality doing more work as the road pavements needed lesser maintenance applications.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.2: Roads	2.2.4	m ² of verges / sidewalks rehabilitated	New KPI	650m ²	2495.20m ² Amended to: 2615.2m ² (In line with CoAF 006)	Over Achieved	During the 2016/17 financial year, the Municipality rehabilitated 2 495.20 m ² of verges and sidewalks in Gail Road, Abraham Levy Road, Beetlestone Street and Van Duuren Street, Gelvandale; and in Nicholas Street and Second Avenue, Newton Park. REASON(S) FOR OVERPERFORMANCE: The over performance reported against this Key Performance Indicator is attributed to the better than anticipated condition of the sidewalk layers when work commenced, resulting in less maintenance expenses, thus cost savings and more work being performed than planned. It must be noted that the rehabilitation of the programme depends on site conditions, soil conditions and "as is" conditions of the pavement on site. The assessment conducted prior to site works commencing changed when the Municipality proceeded with the actual on site works. This implies that with some pavements, only overlays on the sidewalks were required and in some areas reconstruction was necessary. Gravel verges improvement on the other hand, has a much lesser cost component. This resulted in the Municipality doing more work as the road verges and sidewalks needed lesser reconstruction applications. 2495.20m² amended to 2615.2m² in line with CoAF 006 The Municipality revisited the actual performance reported against this Key Performance Indicator. Performance reported was adjusted from 2495.20m ² to 2615.2m ² . REASON(S) FOR OVERPERFORMANCE: The over performance reported against this Key Performance Indicator is attributed to the better than anticipated condition of the sidewalk layers when work commenced, resulting in less maintenance expenses, thus cost savings and more work being performed than planned. It must be noted that the rehabilitation of the programme depends on site conditions, soil conditions and "as is" conditions of the pavement on site. The assessment conducted prior to site works commencing changed when the Municipality proceeded with the actual on site works. This implies that with some pavements, only overlays on the sidewalks were required and in some areas reconstruction was necessary. Gravel verges improvement on the other hand, has a much lesser cost component. This resulted in the Municipality doing more work as the road verges and sidewalks needed lesser reconstruction applications.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.3: Stormwater	2.3.1	Km of stormwater drainage installed	1 km	1.4km by March 2017	2.46km by March 2017	Over Achieved	During the 2016/17 financial year, the Municipality installed 2.46 km of stormwater drainage in Summerstrand in the third quarter.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.1	% electricity losses (the difference in energy purchased and energy sold) in line with NERSA standards	12.68%	10%	13.60%	Not Achieved	During the 2016/17 financial year, the Municipality reported electricity losses of 13.60%, which were calculated as follows: Total Electricity Purchased (3 525 232 403kWh) minus Total Electricity Sales (3 045 814 955kWh), divided by Total Electricity Purchased (3 525 232 403kWh) = 13.60%. REASON(S) FOR UNDERPERFORMANCE: The slow progress in the reduction of electricity losses is attributed to the continued non-technical losses experienced through electricity theft, tampering with meters and illegal connections, over which the Municipality has little control. CORRECTIVE ACTION / MITIGATION: To address non-technical losses, the Municipality implemented a Distribution Loss Reduction Project, which includes tariff and industrial meter verification, identifying if electricity is being stolen/a meter is being tampered with/a meter is illegally connected. This strategy has achieved minimal results. To improve future performance against this Key Performance Indicator, the Municipality is currently finalising its close-out report with the Service Provider, who was appointed by the institution to reduce the overall electricity losses. Once this is complete, a 'back to basics' approach toward loss mitigation will start. This will include meter changes, site visits, education and the publication of a new tender advert to recruit support. A complete new strategy will be presented to the Infrastructure, Engineering, Electricity and Energy Standing Committee during the 2017/18 financial year.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.2	% of all households on officially surveyed sites provided with access to electricity (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	100%	95% Amended to 100%	100%	Achieved	All households on officially surveyed sites are provided with access to electricity. Access involves the provision of bulk electricity infrastructure to which households can connect.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.3	% reduction in monthly electrical power outages on the high voltage network	New KPI	8%	7.22%	Partially Achieved	Altogether 1684 faults occurred on the high voltage network during the 2016/17 financial year, resulting in power outages. As at 30 June 2017, the Municipality reduced the monthly electrical power outages (fourth quarter as a comparison to the third quarter) by 7.22%. The electrical power outages are calculated as follows: $1815 - 1684 / 1815 * 100$. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to the adverse weather conditions (wind, rain and lightning) experienced during the fourth quarter of the 2016/17 financial year. Weather has a direct effect on the number of faults (power outages) reported, as more faults occur during poor weather conditions. Furthermore, the underperformance reported, can also be attributed to the insufficient maintenance of the areas surrounding the high voltage network. CORRECTIVE ACTION / MITIGATION: In terms of mitigation, the Municipality continues to reduce faults through: a) Water washing of the high voltage lines. b) Continued maintenance programme on the clearing of servitudes and/or cutting of trees.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.4	Number of new area lights installed / repaired (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	New KPI	480 <u>Amended to</u> 600	646	Over Achieved	During the 2016/17 financial year, altogether 646 new area lights were installed in the following areas: 465 in Chatty, Joe Slovo (Ward 41); 105 in Khayamnandi Phase 2 (Ward 41); 42 in Bethelsdorp, Jali Street (Ward 17); 24 in Walmer (Ward 4); 1 in Nyikilana Street, Khayamnandi Extension Phase 2 (Ward 41); and 9 in Mawawa Street (Ward 41). REASON(S) FOR OVERPERFORMANCE: The initial number of 480 new area lights planned to be installed during the 2016/17 financial year was in line with the budget approved for 2016/17. However, to address the overall public lighting needs, a decision was taken to utilise Post Tops in stock (purchased in the 2015/16 financial year), which resulted in additional work being done and the overperformance reported against this Key Performance Indicator. BUDGET: The overperformance reported did not have an effect on the 2016/17 budget.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.5	Number of main road street lights installed / repaired	New KPI	20	69	Over Achieved	During the 2016/17 financial year, altogether 69 Main Road lights were installed in the following areas: 4 in Stanford Road (Ward 41); 3 in R333 (Ward 52); 18 in William Moffatt Expressway (Ward 6); 24 in Cape Rd between Boshoff and Paapenkuis (Ward 9); 17 in Westbrook Rd, Westering (Ward 9); and 3 in Holland Street (Ward 52). REASON(S) FOR OVERPERFORMANCE: To address the overall public lighting needs, a decision was taken to utilise main road street lights in stock (purchased in the 2015/16 financial year), which resulted in additional work being done and the overperformance reported against this Key Performance Indicator. BUDGET: The overperformance reported did not have an effect on the 2016/17 budget.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.4: Electricity and Energy	2.4.6	Number of residential street lights installed / repaired (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	New KPI	100 <u>Amended to</u> 120	204	Over Achieved	During the 2016/17 financial year, altogether 204 residential street lights were installed as follows: 185 in Summerstrand/Salisbury area (Ward 1), 9 in Driftsands/Blackthorne (Ward 2), and 10 in Fairview (Ward 6). REASON(S) FOR OVERPERFORMANCE: The initial number of 100 residential street lights planned to be installed during the 2016/17 financial year was in line with the budget approved for 2016/17. However, to address the overall public lighting needs, a decision was taken to utilise residential street lights in stock (purchased in the 2015/16 financial year), which resulted in additional work being done and the overperformance reported against this Key Performance Indicator. BUDGET: The overperformance reported did not have an effect on the 2016/17 budget.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.5: Integrated and Sustainable Human Settlements	2.5.1	Number of housing opportunities (social housing and state subsidised housing) provided	New KPI	220 Social housing	346	Partially Achieved	During the 2016/17 financial year, altogether 346 social housing units were provided in Fairview (Ward 6). The provision of social housing is the competence of the Provincial Department of Human Settlements, which appoints Social Housing Institutions to implement social housing projects within the Municipality. The Municipality only provides support through developable land and the preparation and approval of site development and building plans. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against the Key Performance Indicator is attributed to the smooth implementation of social housing projects, which resulted in the appointed social housing institutions delivering 126 more social housing units than planned.
				1306 Amended to o 1235 in line with CoAF 37 - EX 29	3000 State subsidised housing	2188		During the 2016/17 financial year, altogether 2188 state subsidised housing units were provided as per the following projects: Chatty (730); Joe Slovo (1105); Motherwell (274); Rosedale (17); Sisulu Village (18); Soweto-on-Sea (5); Missionvale (22); Khayamnandi (9); and Tiryville (8). The provision of state subsidised houses is the competence of the Provincial Department of Human Settlements. This function has, however, been delegated to the Municipality (which possesses Level Two accreditation). Funding for state subsidised housing delivery projects is provided by the Provincial Department of Human Settlements, and the Municipality plans and implements its housing delivery projects in line with the amount of money received from the Provincial Government. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is attributed to the fact that certain housing projects in Motherwell (NU 29) and Missionvale were stalled due to non-compliance with National Building Regulations and enrolment with the Provincial Department of Human Settlements and the National Home Builders Registration Council (NHBRC). CORRECTIVE ACTION / MITIGATION: The Municipality and the NHBRC have initiated investigations into the non-compliance relating to the Motherwell (NU29) and Missionvale housing projects. Implementation of the Motherwell (NU 29) and Missionvale housing projects will resume as soon as these investigations are completed.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.5: Integrated and Sustainable Human Settlements	2.5.2	Number of defective state subsidised houses rectified	784	400	345	Partially Achieved	During the period under review, altogether 345 defective state subsidised houses were rectified in the following areas: Chatty (23); Gunguluza (91); Masangwanaville (89); Langa (33); Bethelsdorp (10); and Uitenhage (99). The rectification of defective state subsidised houses is the competence of the Provincial Department of Human Settlements. This function has, however, been delegated to the Municipality (which possesses Level Two accreditation). Funding for rectification projects is provided by the Provincial Department of Human Settlements, and the Municipality plans and implements its rectification projects in line with the amount of money received from the Provincial Government. REASON(S) FOR UNDERPERFORMANCE: The 10% reimbursement was mostly utilised towards covering outstanding payments to service providers, which resulted in insufficient funding to rectify all 400 houses as planned. The underperformance was also due to community unrest. CORRECTIVE ACTION / MITIGATION: To mitigate the underperformance reported against this Key Performance Indicator, the Municipality will endeavour to separate the accruals of previous financial years from the budget for the current financial year and will continue to engage communities, as and when required, to resolve conflict/address concerns.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.5: Integrated and Sustainable Human Settlements	2.5.3	Number of erven provided with permanent water and sanitation services (Annual and third quarter targets amended in line with Council resolution dated 30 March 2017)	3003	5655 <u>Amended to</u> 4000	4004	Over Achieved	During the 2016/17 financial year, altogether 4004 erven were provided with permanent water and sanitation services in the following areas: Motherwell (1013); KwaNobuhle (669); Khayamnandi (554); Pola Park (145); Uitenhage (250); Walmer (317); MK Silvertown (540); Kaba Langa (54); Qaqawuli (171); Rosedale (21); Joe Modise (15); Raymond Mhlaba (48); Mandelaville (121); and Missionvale Garden Lots (86). REASON(S) FOR OVERPERFORMANCE: Contingencies such as natural, social and technical factors that interrupt project implementation are usually factored into the planning of projects. The overperformance reported against the Key Performance Indicator can be attributed to the fact that no such contingencies were experienced during the period under review. As a result, the project was smoothly executed and remained within budget.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.5: Integrated and Sustainable Human Settlements	2.5.4	Number of Local Spatial Development Frameworks (LSDF) approved by Council	New KPI	3 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) approved by Council	3 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) submitted to Mayoral Committee Amended to: 0 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) approved by Council (In line with COAF 006)	Not Achieved	The three Local Spatial Development Frameworks (Ibhayi, Bethelsdorp and Summerstrand) have been submitted to the Executive Mayoral Committee on route to Council. REASON(S) FOR UNDERPERFORMANCE: The Local Spatial Development Frameworks could not be submitted to Council for approval before 30 June 2017, due to the postponement of the Executive Mayoral Committee meeting from 21 June 2017 to 5 July 2017. CORRECTIVE ACTION / MITIGATION: All three Local Spatial Development Frameworks will be considered by Council for approval during the 2017/18 financial year. <u>3 amended to 0 LSDFs (Ibhayi, Bethelsdorp and Summerstrand) approved by Council in line with COAF 006</u> The Municipality revisited the actual performance reported against this Key Performance Indicator. Performance reported was adjusted from 3 to 0 LSDFs. The three Local Spatial Development Frameworks (Ibhayi, Bethelsdorp and Summerstrand) have been submitted to the Executive Mayoral Committee on route to Council. REASON(S) FOR UNDERPERFORMANCE: The Local Spatial Development Frameworks could not be submitted to Council for approval before 30 June 2017, due to the postponement of the Executive Mayoral Committee meeting from 21 June 2017 to 5 July 2017. CORRECTIVE ACTION / MITIGATION: All three Local Spatial Development Frameworks will be considered by Council for approval during the 2017/18 financial year.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.5: Integrated and Sustainable Human Settlements	2.5.5	Number of households relocated from stressed informal settlements and other servitudes to Greenfield development areas	550	1200	601	Not Achieved	GREENFIELD RELOCATIONS: During the period under review, altogether 601 households were relocated from stressed informal settlements and other servitudes to Greenfield development areas as follows: 143 from various stressed areas to MK Silvertown; 93 from various stressed areas to Chatty; 112 from Qaqawuli (un-serviced site) to Qaqawuli (serviced sites); 20 from Bethelsdorp to Vastrap; 232 from various stressed areas to Area 11 (Uitenhage); and 1 from Edongweni to Motherwell. OTHER RELOCATIONS: In addition to the aforementioned, 129 households were temporarily relocated from various informal settlements to open spaces and 11 households were relocated to brownfield development areas across the Municipality. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is attributed to the instability in Uitenhage (Area 11) and Khayamnandi. Certain households invaded serviced sites in Uitenhage (Area 11), making it impossible to proceed with relocations in the area. In addition, certain disgruntled stakeholders are making relocations difficult in Khayamnandi. CORRECTIVE ACTION / MITIGATION: The Municipality initiated negotiations with the affected stakeholders to address their concerns. Relocation of households will be expedited during the 2017/18 financial year.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.6: Waste Management	2.6.1	% households within the urban edge receiving a weekly domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development)	100%	99%	100%	Over Achieved	All households within the urban edge (excluding informal areas on privately owned erven and erven not earmarked for human settlements development) received a domestic waste collection service during the 2016/17 financial year.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.6: Waste Management	2.6.2	% Compliance to the permit conditions of Arlington Waste Disposal Site	New KPI	85%	85%	Achieved	During the 2016/17 financial year, the Municipality achieved 85% compliance with the Arlington Waste Disposal Site permit conditions (audit criteria reflected in the Audit Protocol), in respect of the following areas: 1. Location 2. Permissible Waste 3. Construction 4. Access control 5. Operation 6. Monitoring 7. Method of analysis 8. Reporting 9. Recording 10. Rehabilitation and closure of the site 11. Leasing and alienation of the site 12. General

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.6: Waste Management	2.6.9	% Compliance to the permit conditions of Koedoeskloof Waste Disposal Site permit conditions	New KPI	74%	89.7%	Over Achieved	During the 2016/17 financial year, the Municipality achieved 89.7% compliance with the Koedoeskloof Waste Disposal Site permit conditions (audit criteria reflected in the Audit Protocol), in respect of the following areas: 1. Location 2. Permissible Waste 3. Construction 4. Access control 5. Operation 6. Monitoring 7. Method of analysis 8. Reporting 9. Recording 10. Rehabilitation and closure of the site 11. Leasing and alienation of the site 12. General REASON(S) FOR OVERPERFORMANCE: Audits are conducted in line with permit conditions by an external party during mid-term and at the end of the financial year. The landfill site permit conditions covers a number of compliance matters, such as the reduction in the instances of stray animals observed, visibility of workers, landfill site security and borehole compliance. The overperformance reported against this Key Performance Indicator is attributed to the Municipality performing better than anticipated against the landfill site permit conditions.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.7: Parks and Cemeteries	2.7.1	Number of Public Open Spaces and Parks upgraded through either the provision of outdoor gym equipment, fencing, pathways, benches, playground infrastructure or tree planting	6 (Ward 18, 40, 42, 46) provided with fencing and 2 (Ward 53 & 59) provided with outdoor gym equipment.	6	6	Achieved	During the 2016/17 financial year, the following six Public Open Spaces were provided with outdoor gym equipment: 1. Dubula POS (Ward 17) 2. Varsvlei POS (Ward 35). 3. Gomomo (Ward 43) 4. Ngxovo (Ward 16) 5. Matanzima (Ward 46) 6. Chatty (Ward 42).
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.7: Parks and Cemeteries	2.7.2	Number of cemeteries upgraded through either the provision of fencing, construction of berms, installation of cameras, upgrade of sewerage system	4 (ward 2; ;29; 35; 47) cemeteries were provided with berms	6	7	Over Achieved	During the 2016/17 financial year, the following seven cemeteries were upgraded through the construction of berms / provision of fencing and/or the upgrading of the sewerage system: 1. Despatch cemetery in Ward 52 (berms). 2. Gerald Smith cemetery in Ward 48 (berms). 3. Bethelsdorp Cemetery in Ward 35 (berms). 4. Motherwell Cemetery in Ward 53 (berms and upgrade of sewerage system). 5. Forest Hill cemetery in Ward 2 (berms). 6. Bloemendal Cemetery in Ward 29 (berms). 7. The Kabah Cemetery in Ward 50 was provided with fencing. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against this Key Performance Indicator is attributed to the prioritisation and efficient implementation of the project to ensure the beautification of Nelson Mandela Bay cemeteries. BUDGET: Expenditure remains within Budget as the upgrades were done at a reasonable price than originally anticipated.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.7: Parks and Cemeteries	2.7.3	Number of parks upgraded at beachfront through the provision of either revetments, parking areas, walkways, security cameras, picnic facilities or dune stabilisation	New KPI	3	3	Achieved	During the 2016/17 financial year, the following parks were upgraded at the beachfront through the provision of picnic facilities: 1. New Brighton Beach POS (Ward 60). 2. Hobie Beach POS (Ward 2). 3. Flat Rock (Ward 3).
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.8: Environmental Health	2.8.1	% Compliance with Ambient Air Quality Standards	100%	100%	100%	Achieved	Throughout the 2016/17 financial year, the Municipality achieved 100% compliance with the Ambient Air Quality Standards, as stipulated in Section 3 of the National Ambient Air Quality Standards (Government Gazette 1210 of 24 December 2009). The air at five Air Quality Stations was tested and found to be compliant.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.9: Arts and Culture Infrastructure	2017	% completion of the Mqolomba / Jabavu Sports field development (Phase 1)	New KPI	30%	53%	Over Achieved	As at 30 June 2017, the Mqolomba / Jabavu Sportsfield development (Phase 1) was 53% complete. Work performed to date includes: Survey – 100% complete; Geotech - 100% complete; Concept and Viability – 100% complete; Design and Development – 100%; Working Drawings – 100%; Tender Documentation – 100% ; Bid Specifications and NMBM Approval – 100%; Tender Advert - 100%; Tender Period - 100%; Tender Adjudication and Report; Tender Award - 100%; Contractors' Documentation - 50%. REASON(S) FOR OVERPERFORMANCE/ BUDGET: The completion of the Mqolomba / Jabavu Sports field development (Phase 1) is a three-year project. The overachievement reported against this Key Performance Indicator has no implication for the budget, since all expenditure is in line with the service level agreement and project plan.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.9: Arts and Culture Infrastructure	2017	% completion of the upgrade of the changing rooms and ablutions at Walmer / Fountain Road Sports field (Phase 1) (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	New KPI	70% Amended to 30%	30%	Achieved	During the 2016/17 financial year, the Municipality completed 30% of the upgrade of the changing-rooms and ablutions at the Walmer/Fountain Road Sports field (Phase 1).
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.9: Arts and Culture Infrastructure	2017	% completion of the Wolfson Stadium upgrade	New KPI	30%	100% (achieved in the third quarter)	Over Achieved	During the 2016/17 financial year, 100% of the Wolfson Stadium upgrade was completed (in the third quarter). The work done, comprises the following: flooring, fencing, the installation of heavy duty gates, additional lightning in the dressing rooms, masonry work, painting and installation of cubicle benches, carpentry and glazing, tiling, steel works and better fencing. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against this Key Performance Indicator is attributed to the earlier than anticipated appointment of contractors on a tri-annual tender during the first quarter, which resulted in earlier delivery against the project plan. BUDGET: The overachievement reported against this Key Performance Indicator has no implication on budget since all expenditure is in line with the service level agreement and project plan.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.9: Arts and Culture Infrastructure	2017	% completion of the Veeplaas Sports field Astro turf upgrade	New KPI	100%	67%	Not Achieved	During the 2016/17 financial year, the Municipality completed 67% of the upgrade of the Veeplaas Sports field Astro turf. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to instability/community unrest in the area, which resulted in the contractor not being able to commence with the project. This led to the site hand-over being done in March 2017 only. CORRECTIVE ACTION / MITIGATION: The contractor is currently on site and it is envisaged that the Municipality will deliver against this Key Performance Indicator in the 2017/18 financial year.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.10: Beaches and Resorts	2.10.1	Number of flagship events hosted to position the Nelson Mandela Bay Metropolitan Municipality as a world class destination	6 (Cultural Festival; City of Champions; Summer Season; Splash Festival; Judo Common Wealth; Ironman)	6 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Ironman, Splash Festival)	8 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Ironman, Splash Festival, City Relay, NMB Half Marathon Championships) Amended to: 9 (City of Champion: Record Breaking, IsiXhosa Festival, Ebubeleni Festival, Summer Season Programme, Xterra Trail Run, Ironman, Splash Festival, City Relay, NMB Half Marathon Championships) (In line with COAF 006)	Over Achieved	During the 2016/17 financial year, the Municipality hosted the following events: 1. City of Champions (30 July 2016) 2. IsiXhosa / NMB Festival (26 - 30 July 2016) 3. Ebubeleni Festival (30 Dec 2016) 4. Summer Season (16 - 31 Dec 2016) 5. Ironman (10 - 12 February 2017) 6. Splash Festival (14 - 17 April 2017). The Municipality also hosted the following 2 events during the first quarter, in addition to the 6 events planned for 2016/17: 7. City Relay (3 July 2016) 8. NMB Half Marathon Championships (30 July 2016). REASON(S) FOR OVERPERFORMANCE/ BUDGET: The hosting of the 2 additional events (City Relay and NMB Half Marathon Championships) was funded through savings and did not have an effect on the budget provision for this Key Performance Indicator. 8 flagship events amended to 9 flagship events in line with COAF 006 The Municipality revisited the actual performance reported against this Key Performance Indicator. Performance reported was adjusted from 8 to 9 flagship events. During the 2016/17 financial year, the Municipality hosted the following events: 1. City of Champions (30 July 2016) 2. IsiXhosa / NMB Festival (26 - 30 July 2016) 3. Ebubeleni Festival (30 Dec 2016) 4. Summer Season (16 - 31 Dec 2016) 5. Xterra Trail Run (10 - 12 February 2017) 6. Ironman (2 April 2017) 7. Splash Festival (14 - 17 April 2017). The Municipality also hosted the following 2 events during the first quarter, in addition to the 6 events planned for 2016/17: 8. City Relay (3 July 2016) 9. NMB Half Marathon Championships (30 July 2016). REASON(S) FOR OVERPERFORMANCE/ BUDGET: The hosting of the 3 additional events (City Relay; NMB Half Marathon Championships and Xterra Trail Run) was funded through savings and did not have an effect on the
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.10: Beaches and Resorts	2.10.2	Number of beaches with Blue Flag status maintained	3 (Humewood Beach, Kings Beach and Hobie Beach)	3 (Humewood Beach, Kings Beach, Hobie Beach)	3 (Humewood Beach, Kings Beach and Hobie Beach)	Achieved	During the 2016/17 financial year, the Municipality maintained the Blue Flag status of the following three beaches: Humewood Beach; King's Beach and Hobie Beach.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.11: Arts, Culture, Heritage and Libraries	2.11.1	% completion of the Arts Culture and Knowledge Facility upgrade (Phase 1) (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	New KPI	45% Amended to 30%	39%	Over Achieved	During the 2016/17 financial year, the Municipality completed 39% of the upgrade of the Arts, Culture and Knowledge Facility upgrade (Phase 1) project. REASON(S) FOR OVERPERFORMANCE: The Arts, Culture and Knowledge Facility upgrade (Phase 1) is a three-year project. The overachievement reported against this Key Performance Indicator is attributed to the close monitoring of the project. BUDGET: The overperformance had no implication for the budget, since all expenditure was in line with the service level agreement and project plan.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.11: Arts, Culture, Heritage and Libraries	2.11.2	% completion of Mendi multi-purpose centre (Phase 2) (Key Performance Indicator and targets deleted in line with Council resolution dated 30 March 2017)	79% of Mendi multi-purpose centre Phase 1 completed in line with project plan (Conversion of Beer hall to a Multi-Purpose Theatre)				

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.12: Metro Police	2.12.1	Number of Metro Police Service Precincts established (Annual and third quarter targets amended in line with Council Resolution dated 30 March 2017)	New KPI	4 <u>Amended to</u> 2	7	Over Achieved	During the 2016/17 financial year, the Municipality established seven Metro Police Precincts in the following areas: Southern Area: Summerstrand/Humewood; Central Area: CBD, Central; Ibhayi Area: New Brighton/KwaDwesi/KwaMagxaki/Motherwell; Northern Areas: Gelvandale/Korsten/Bethelsdorp/Booyensens Park; Western Areas: Western Suburbs/Walmer, Despatch; and Uitenhage Area: KwaNobuhle. REASON(S) FOR OVERPERFORMANCE: During the financial year, the Municipality appointed officials to various positions reflected on the Metro Police structure. To ensure visibility and presence of the Metro Police in as many wards as possible, Metro Police officials were deployed in more than planned precinct areas. BUDGET: The additional deployment did not have an effect on the budget, as all costs related to internal operational costs.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.13: Safety and Security Fleet	2.13.1	Number of safety and security fleet procured	New KPI	6	20	Over Achieved	During the 2016/17 financial year, the Municipality procured 20 security vehicles. REASON(S) FOR OVERPERFORMANCE: Additional funding of R3.2 million was made available for the procurement of safety and security fleet during the Adjustments Budget processes, which resulted in overperformance being reported against this Key Performance Indicator.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.14: Motherwell Urban Renewal Programme	2.14.1	% completion of Motherwell Thusong Centre (Phase 2: Traffic and Licensing Centre)	0%	100% By March 2017	81%	Not Achieved	The Motherwell Thusong Centre (Phase 2 Traffic and Licensing Centre) was 81% complete as at 30 June 2017, against a target of 100% completion by March 2017. The 81% completion is made up of the following: Building Works (90%) and Civil Works (72%). REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed partly to a delay in the commencement of the project, due to challenges experienced in the confirmation and approval of the necessary budget as part of Supply Chain Management process. In addition, the project was affected by community unrest, as well as the late appointment of SMME sub-contractors. CORRECTIVE ACTION / MITIGATION: Project budget has since been approved, the community's concerns have been addressed, and SMME sub-contractors have been appointed. It is anticipated that the Motherwell Thusong Centre (Phase 2 Traffic and Licensing Centre) will be completed during the 2017/18 financial year.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.15: Assistance to the Poor (ATTP)	2.15.1	% qualifying households earning less than R3 000 per month (two state pensions) with access to free basic services	100%	100%	100%	Achieved	During the 2016/17 financial year, the Municipality provided the following free basic services (value: R582 764 477) to 112 419 qualifying households in terms of its Assistance to the Poor Programme (ATTP): 97 742 (water); 98 689 (sanitation); 78 916 (electricity); 91 192 (refuse removal); and 82 873 (rebate on rates accounts). There is currently, further to the aforementioned qualifying households, a backlog of 2 950 applications in the system. The backlog is attributed to the detailed nature of the verification processes. The Municipality continues to prioritise the processing of ATTP applications. Inconsistencies in beneficiary figures per category above are attributed to the following: 1) Where an ATTP recipient is not the registered owner of the property; he/she will qualify for free basic water and electricity only (not for general rates and refuse charges). 2) Where a property is registered in a missing/absconded husband's name and the water/electricity account is registered in the wife's name, she will be granted an ATTP rebate for water/electricity/sewerage only (not for general rates and refuse charges). 3) Body Corporates: Sectional title property owners and electricity consumers (credit/pre-paid) may apply for ATTP rebates. However, water accounts are centrally administered by Body Corporates and while individual consumers may apply for a water rebate, the benefit will go to the Body Corporates. No basic refuse charges apply to Body Corporates that have private refuse removal contracts in place. The difference in the numbers of beneficiaries receiving free water and those receiving free electricity is attributed to the fact that some pre-paid meters are not linked to the Consolidated Billing System.

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KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.1	% completion of precinct plan for Bayworld upgrade	New KPI	100%	10%	Not Achieved	The Bayworld Precinct Plan upgrade is 10% complete. The 10% completion is made up of stakeholder consultation, which occurred during the first quarter of the financial year. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to the Mandela Bay Development Agency's Board of Directors' instruction that further stakeholder consultation be conducted before a consultant is appointed to develop a precinct plan for the Bayworld upgrade. CORRECTIVE ACTION / MITIGATION: Consultation with relevant stakeholders will continue in the 2017/18 financial year, hereafter a consultant will be appointed to develop a precinct plan for the Bayworld upgrade.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.2	% completion of the Stadium Precinct Plan <i>(Key Performance Indicator and targets deleted in line with Council resolution dated 30 March 2017)</i>	N/A				
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.3	% completion of Singaphi Street/ Red Location Museum precinct development (Phase 3)	95% of Red Location Singaphi Road upgrade Phase 2 completed (in line with project plan)	70%	73%	Over Achieved	The Singaphi Street/Red Location Museum precinct development (Phase 3) is 73% complete. The 73% completion is made up of the following: Site establishment; service investigation, road set out; Bellmouth Box Cut, Singaphi Box Cut, stormwater installation; waterline installation and roadbed preparation. REASON(S) FOR OVERPERFORMANCE: Contingencies such as natural, social and technical factors interrupting project implementation were factored into the planning of this project. The smooth implementation of the project can be attributed to the fact that no such contingencies were experienced during implementation. As a result, the project was smoothly executed. BUDGET: Expenditure remains within budget.
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.4	% completion of Vuyisile Mini Square and Precinct upgrade <i>(Key Performance Indicator and targets deleted in line with Council resolution dated 30 March 2017)</i>	N/A				
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.5	% completion of Schauderville/ Korsten Precinct development (Phase 1) <i>(Key Performance Indicator and targets deleted in line with Council resolution dated 30 March 2017)</i>	N/A				
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.6	% completion of Helenvale precinct areas upgrade (through the construction of sidewalks and pedestrian walkways)	New KPI	100%	54%	Not Achieved	The Helenvale Precinct areas upgrade (through the construction of sidewalks and pedestrian walkways) is 54% complete. Work done, included: excavation; concrete panels; earthworks; concrete works; artworks; and the manufacturing of a poetry block. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is attributed to disputes with SMMEs on the packages offered to them by the contractor. The SMMEs subsequently halted the implementation of the project. CORRECTIVE ACTION / MITIGATION: A workshop was hosted by the Mandela Bay Development Agency's SPUU (Safety and Peace Through Urban Upgrade) with stakeholders to address their concerns. It is envisaged that the Helenvale Precinct areas upgrade will be completed during the 2017/18 financial year.

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KPA 2: Integrated Service-Delivery to a well-structured-city	KPE 2.16: Facilitating-Public Capital Projects	2.16.7	% completion of the New Brighton Swimming Pool and recreational precinct development <i>(Key Performance Indicator and targets deleted in line with Council resolution dated 30 March 2017)</i>	N/A				
KPA 2: Integrated Service Delivery to a well-structured city	KPE 2.16: Facilitating Public Capital Projects	2.16.8	% completion of the remedial work of the exterior structure of the Campanile	New KPI	90%	100%	Over Achieved	The remedial work of the exterior structure of the Campanile is 100% complete. REASON(S) FOR OVERPERFORMANCE: Contingencies such as natural, social and technical factors interrupting project implementation were factored into the planning of this project. The smooth implementation of the project can be attributed to the fact that no such contingencies were experienced during implementation. As a result, the project was smoothly executed. BUDGET: Early delivery against this Key Performance Indicator is within budget.
KPA 3: Inclusive Economic Development and Job Creation	KPE 3.1: Economic Development	3.1.1	Number of SMMEs incubated <u>Amended to</u> Number of SMMEs in the SEDA incubation programme <i>(Key Performance Indicator amended in line with Council resolution dated 30 March 2017)</i>	Emerging business supported through the SEDA-NMB Information and Communication Technology (ICT) Incubator = 52	50	53	Over Achieved	As at 30 June 2017, 53 Small, Micro and Medium Enterprises (SMMEs) were in the Small Enterprise Development Agency (SEDA) incubation programme. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against the Key Performance Indicator is attributed to the fact that more SMMEs than targeted were attracted to the incubation programme. BUDGET: The additional three SMMEs supported through this programme did not have an effect on the budget, since not all support provided, was of a financial nature.
KPA 3: Inclusive Economic Development and Job Creation	KPE 3.1: Economic Development	3.1.2	Number of SMMEs trained in export development <u>Amended to</u> Number of export development sessions held <i>(Key Performance Indicator and targets amended in line with Council resolution dated 30 March 2017)</i>	New KPI	40 <u>Amended to</u> 4	11	Over Achieved	During the 2016/17 financial year, altogether 11 export development sessions were held on the following dates: 26 August 2016, 13 October 2016, 14 October 2016, 09 November 2016, 10 November 2016, 11 November 2016, 3 February 2017, 29, 30 and 31 May 2017, as well as 01 June 2017. REASON(S) FOR OVERPERFORMANCE: The overperformance reported against the Key Performance Indicator is attributed to proactive stakeholder engagement and training collaboration between the Department of Trade and Investment and the Export Helpdesk. BUDGET: The additional seven export development sessions were held at no additional cost to the Municipality.
KPA 3: Inclusive Economic Development and Job Creation	KPE 3.1: Economic Development	3.1.3	Developing an Ocean Economy Strategy and Implementation Plan for Nelson Mandela Bay	New KPI	Ocean Economy Strategy Implementation Plan approved by Council	Target not met (Tender cancelled)	Not Achieved	The Ocean Economy Strategy and Implementation Plan could not be developed during the 2016/17 financial year. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is attributed to delays experienced in Supply Chain Management processes, which involved objections against the bid evaluation processes; this resulted in the tender being cancelled. CORRECTIVE ACTION / MITIGATION: It has anticipated that the Ocean Economy Strategy will form part of the Municipality's long term strategy development processes.

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KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KPI NO	KEY PERFORMANCE INDICATOR (KPI)	BASELINE AS AT 30 JUNE 2016	TARGET QUARTER ENDING 30 JUNE 2017	ACTUAL QUARTER ENDING 30 JUNE 2017	ACHIEVEMENT STATUS	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
KPA 3: Inclusive Economic Development and Job Creation	KPE 3.2: Expanded Public Work Programme (EPWP) and Job creation	3.2.1	Number of Work Opportunities (WO) created	1933	6009	2986	Not Achieved	As at 30 June 2017, the Municipality created 2986 Work Opportunities within Nelson Mandela Bay. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to the following challenges experienced:- • Low directorates targets; • Reporting not conforming to EPWP requirements. CORRECTIVE ACTION / MITIGATION: To mitigate against the underperformance reported against this Key Performance Indicator, the following corrective measures were implemented by the Municipality:- • The EPWP policy, project and its inherent challenges are currently being dealt with at Executive Management level. • The Municipality continues to engage the National Department of Public Works on implementation and reporting challenges with regards to EPWP in the institution.
KPA 3: Inclusive Economic Development and Job Creation	KPE 3.2: Expanded Public Work Programme (EPWP) and Job creation	3.2.2	Number of Full Time Equivalent (FTE) jobs created	376	1830	776	Not Achieved	As at 30 June 2017, the Municipality created 776 Full Time Equivalent jobs within Nelson Mandela Bay. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to the following challenges experienced:- • Low directorates targets; • Reporting not conforming to EPWP requirements. The low number of Full Time Equivalent Jobs reported can further be attributed to the shorter duration of projects implemented during the period under review. CORRECTIVE ACTION / MITIGATION: To mitigate against the underperformance reported against this Key Performance Indicator, the following corrective measures were implemented by the Municipality:- • The EPWP policy, project and its inherent challenges are currently being dealt with at Executive Management level. • The Municipality continues to engage the National Department of Public Works on implementation and reporting challenges with regards to EPWP in the institution.
KPA 4: Institutional and capacity development	KPE 4.1: Facilities	4.1.1	Developing a strategy for the provision of integrated office accommodation for municipal staff and Councillors	New KPI	Integrated office accommodation strategy approved by Council	Target not met (Integrated office accommodation strategy presented at Executive Management Committee on 19 June 2017)	Not Achieved	On 19 June 2017, an Integrated Office Accommodation Strategy was presented for consideration to the Executive Management Committee of the Nelson Mandela Bay Municipality. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to prolonged consultation during the first nine months of the financial year. CORRECTIVE ACTION / MITIGATION: The Strategy (which will set a standard for office space for all municipal officials and Councillors) will be submitted to the HR/Corporate Admin Standing Committee on route to Council for final approval in the 2017/18 financial year.
KPA 4: Institutional and capacity development	KPE 4.2: Human Resources Transformation	4.2.1	Number of people from employment equity target groups employed in the three highest levels of management (City Manager Section 56 Managers and Strategic Skilled Level Managers) in compliance with the Municipality's approved Employment Equity Plan	46 African Male - 26 African Female - 6 Coloured Male - 2 Coloured Female - 2 White Male - 6 White Female - 4 Indian Male - 0 Indian Female - 0	47 African Male - 25 African Female - 7 Coloured Male - 3 Coloured Female - 2 White Male - 5 White Female - 4 Indian Male - 1 Indian Female - 0	61 African male (27); African female (9); Coloured male (6); Coloured female (2); White male (11); White female (3); Indian male (1); Indian female (2).	Not Achieved	As at 30 June 2017, altogether 61 people from employment equity target groups were employed in the three highest levels of management (City Manager, Section 56 Managers and Strategic Skilled Level Managers), in compliance with the Municipality's approved Employment Equity Plan. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is attributed to various positions at the three highest levels being occupied by individuals who do not meet the employment equity requirement for that level/position. This can be attributed to these positions already being occupied at the time when the NMBM Employment Equity Plan was approved and/or the unavailability/scarcity of suitable designated people to fill these positions. It must be noted that the achievement of Employment Equity targets involves a process that unfolds over a number of years; for example, employed officials who do not meet the employment equity requirements cannot be removed from their current positions. CORRECTIVE ACTION / MITIGATION: To mitigate against this challenge, the Municipality will during the 2017/18 financial year focus on the measurement of new appointments only, in line with the approved NMBM Employment Equity Plan.

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KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KPI NO	KEY PERFORMANCE INDICATOR (KPI)	BASELINE AS AT 30 JUNE 2016	TARGET QUARTER ENDING 30 JUNE 2017	ACTUAL QUARTER ENDING 30 JUNE 2017	ACHIEVEMENT STATUS	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.1	% of the Municipality's budget actually spent on implementing its Workplace Skills Plan	0.084%	0.114%	0.063%	Not Achieved	During the 2016/17 financial year to date, the Municipality spent 0.063% of its approved Budget on implementing its institutional Workplace Skills Plan. The actual performance report implies that the Municipality has to date spent R6 182 304 on workplace skills development. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against this Key Performance Indicator is due to: 1) Competing operational priorities; 2) Officials attending developmental programmes / seminars which are not funded through the training budget; 3) Officials attending skills development programmes which are free of charge to the Municipality; and 4) Officials opting not to participate in further skills development programmes. CORRECTIVE ACTION / MITIGATION: The Municipality continues to monitor the implementation of the Workplace Skills Plan and training budget expenditure through the Skills Development and Employment Equity Committee; Directorate Skills Development and Employment Equity Focus Groups and quarterly performance reviews of Senior Managers.
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.2	Debt coverage ratio (debt servicing costs to annual operating income)	3.57%	8%	2.79%	Over Achieved	As at 30 June 2017, the debt servicing cost to operating revenue ratio amounted to 2.79%. This implies that the Municipality currently spends 2.79% of its operating income on servicing its existing debt costs (external loan obligations). The risk that the Municipality may not be able to settle its annual long-term borrowing commitments becomes greater the higher this ratio. The Municipality therefore exercises due caution to ensure that its operating revenue is not overburdened by the level of borrowing. The careful and judicious management of borrowing is considered critical in ensuring continued financial viability. REASON(S) FOR OVERPERFORMANCE: The improved performance is attributed to the Municipality's conscious efforts to pay its loan obligations on time, thereby avoiding further loan charges as a result of late payment. In addition, the Municipality did not take up any new loans during the period under review.
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.3	% outstanding service debtors to revenue	21.59%	20%	24.11%	Partially Achieved	The % outstanding service debtors to revenue ratio was calculated at 24.11% as at 30 June 2017. REASON(S) FOR UNDERPERFORMANCE: This ratio was affected by the continued failure of the 14 large local electricity consumers to pay their municipal accounts in full. CORRECTIVE ACTION / MITIGATION: The Municipality will continue to engage with the 14 large local electricity consumers on the issue of the arrears due to the institution. It is envisaged that performance against this Key Performance Indicator will improve during the 2017/18 financial year.
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.4	Cost coverage ratio (excluding unspent conditional grants)	2.04 months	2 months	2.32 months	Over Achieved	The cost coverage ratio (excluding unspent conditional grants) as at 30 June 2017 amounted to 2.32 months. The actual performance of 2.32 months is an indication that the Municipality can meet its financial obligations for a period of 2.32 months without any income being received. REASON(S) FOR OVERPERFORMANCE: The improved cost coverage ratio can be attributed to the implementation of the Operational Efficiencies Workplan, in terms of which expenditure on identified votes is monitored.

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KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KPI NO	KEY PERFORMANCE INDICATOR (KPI)	BASELINE AS AT 30 JUNE 2016	TARGET QUARTER ENDING 30 JUNE 2017	ACTUAL QUARTER ENDING 30 JUNE 2017	ACHIEVEMENT STATUS	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.5	% of the Municipality's Capital Budget actually spent	88.55%	95%	97.50%	Over Achieved	During the 2016/17 financial year, the Municipality spent 97.50 % of its Capital Budget. The actual performance reported, implies that the Municipality spent R1 423 million of its Capital Budget. REASON(S) FOR OVERPERFORMANCE: The improved performance reported against this Key Performance Indicator is attributed to the Municipality's close monitoring of capital budget expenditure as follows: 1) Requiring that all KPIs in the SDBIP be supported with a viable procurement plan; and 2) Conducting quarterly performance reviews of senior managers timeously.
KPA 5: Financial sustainability and viability	KPE 5.1: Budget and Financial Accounting	5.1.6	% of the Municipality's approved Operating Budget spent on repairs and maintenance	4.37%	5.94%	3.32%	Not Achieved	During the 2016/17 financial year, the Municipality spent 3.32% of its approved Operating Budget on repairs and maintenance. The actual performance reported, implies that the Municipality spent R327.627 million on repairs and maintenance. REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is due to capacity challenges in the implementation of the Municipality's Repairs and Maintenance Programmes. In addition, certain repairs and maintenance normally occur on an on-going basis, depending on the occurrence of events requiring maintenance (e.g. burst pipes). CORRECTIVE ACTION / MITIGATION: The Municipality continues to monitor the expenditure on repairs and maintenance through quarterly performance reporting and performance reviews of senior managers.
KPA 5: Financial sustainability and viability	KPE 5.2: Revenue Management and Customer Care	5.2.1	% implementation of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 Implementation Plan (Annual and third quarter targets amended in line with Council resolution dated 30 March 2017)	New KPI	100% by December 2016 (Full Go-Live of the Enterprise Resource Planning - ERP Solution) Amended to 100% (Full Go-Live of the Enterprise Municipal Solution - EMS)	58%	Not Achieved	As at 30 June 2017, 58% of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 was implemented. The 58% implementation is made up of Interface Development (51%), Yap Building (64%), and data migration (59%). REASON(S) FOR UNDERPERFORMANCE: The underperformance reported against the Key Performance Indicator is attributed to the following: 1. Updated version of the mSCOA Classification Framework from Version 5.4 to Version 6 by National Treasury. 2. Significant customisation required by the Municipality across all financial modules. 3. Challenges experienced during the data migration process, specifically relating to the Billing System. 4. Delayed finalisation of Costing Segment Functionality by National Treasury. CORRECTIVE ACTION / MITIGATION: Additional resources have been allocated to ensure timeous completion of the project. In addition, regular meetings are held to monitor the progress of project implementation. The Municipal Standard Chart of Accounts is expected to be fully implemented during the first quarter of the 2017/18 financial year.
KPA 5: Financial sustainability and viability	KPE 5.2: Revenue Management and Customer Care	5.2.2	% billed revenue collection rate (before write-offs)	91.40%	94%	94.30%	Over Achieved	The billed revenue collection rate as at 30 June 2017 is calculated at 94.30% (before write-offs). This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. REASON(S) FOR OVERPERFORMANCE: The improved performance is attributed to the intensified implementation of the credit control policy. To this end, residential consumers who fail to pay their municipal accounts on time have their prepaid electricity supply blocked.

NMA Nelson Mandela Bay - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2016/17							2015/16				
	1	2	3	4	5	6	7	8	9	10	11	12
R thousand	Original Budget	Budget Adjustments (l.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Revenue - Standard												
Governance and administration	2,637,914	(169,780)	2,468,135	2,724,880		256,746	110.4%	103.3%				2,707,968
Executive and council	67	117	184	9,705		9,521	5288.1%	14556.4%				116
Budget and treasury office	2,611,549	(165,693)	2,445,856	2,690,123		244,267	110.0%	103.0%				2,661,161
Corporate services	26,298	(4,204)	22,095	25,052		2,957	113.4%	95.3%				46,691
Community and public safety	821,912	4,278	826,190	539,992		(286,198)	65.4%	65.7%				734,164
Community and social services	30,200	418	30,618	27,984		(2,634)	91.4%	92.7%				26,650
Sport and recreation	27,810	5,614	33,424	31,124		(2,300)	93.1%	111.9%				19,651
Public safety	242,449	(19,996)	222,452	204,830		(17,622)	92.1%	84.5%				229,141
Housing	520,644	16,816	537,459	271,140		(266,319)	50.4%	52.1%				455,307
Health	810	1,426	2,237	4,915		2,678	219.7%	606.6%				3,415
Economic and environmental services	637,476	32,430	669,907	397,703		(272,204)	59.4%	62.4%				352,747
Planning and development	494,848	(36,605)	458,242	205,789		(250,454)	45.1%	41.6%				184,670
Road transport	136,466	70,896	207,362	187,346		(20,017)	90.3%	137.3%				160,778
Environmental protection	6,162	139	6,302	4,568		(1,734)	72.5%	74.1%				7,299
Trading services	6,249,678	98,164	6,347,842	6,211,764		(136,078)	97.9%	99.4%				5,746,120
Electricity	3,940,040	42,145	3,982,185	3,789,257		(192,928)	95.2%	96.2%				3,708,273
Water	954,627	87,953	1,042,580	1,163,571		120,991	111.6%	121.9%				996,553
Waste water management	1,049,935	(18,594)	1,031,340	954,100		(77,240)	92.5%	90.9%				759,019
Waste management	305,077	(13,359)	291,737	304,636		13,099	104.5%	99.9%				282,275
Other	19,543	(342)	19,201	17,507		(1,694)	91.2%	89.6%				17,501
Total Revenue - Standard	10,386,524	(35,250)	10,351,274	9,891,846		(459,428)	95.7%	95.4%				9,558,900
Expenditure - Standard												
Governance and administration	1,381,034	127,250	1,508,284	1,730,177	221,892	221,892	114.7%	125.3%				1,234,578
Executive and council	214,394	(23,269)	191,126	176,357	(14,769)	(14,769)	92.3%	82.3%				187,685
Budget and treasury office	691,342	125,583	816,925	1,202,186	385,262	385,262	147.2%	173.9%				756,282
Corporate services	475,298	24,936	500,234	351,633	(148,600)	(148,600)	70.3%	74.0%				280,610
Community and public safety	1,856,136	9,164	1,865,319	1,408,590	(456,729)	(456,729)	75.5%	75.9%				1,596,436
Community and social services	204,060	(5,163)	198,898	196,807	(90)	(90)	100.0%	97.4%				187,463
Sport and recreation	223,023	(9,458)	213,565	207,842	(5,723)	(5,723)	97.3%	93.2%				211,365
Public safety	665,305	(6,598)	658,747	646,812	(9,935)	(9,935)	98.5%	97.5%				749,762
Housing	574,719	25,538	600,258	444,279	(455,979)	(455,979)	24.0%	25.1%				316,392
Health	189,028	4,824	193,852	208,850	14,999	14,999	107.7%	110.5%				131,452
Economic and environmental services	1,082,307	583	1,082,890	958,700	(124,190)	(124,190)	88.5%	88.6%				974,247
Planning and development	509,863	13,721	523,584	400,272	(123,312)	(123,312)	76.4%	78.5%				519,417
Road transport	405,417	(9,205)	396,212	412,250	16,038	16,038	104.0%	101.7%				304,283
Environmental protection	167,026	(3,932)	163,094	146,178	(16,916)	(16,916)	89.6%	87.5%				150,547
Trading services	5,167,615	160,507	5,348,122	5,035,427	(311,695)	(311,695)	94.2%	97.5%				4,945,911
Electricity	3,686,463	(174,433)	3,549,029	3,597,784	48,754	48,754	101.4%	97.6%				3,487,071
Water	732,067	174,908	906,974	727,200	(179,774)	(179,774)	80.2%	99.3%				702,836
Waste water management	532,694	45,808	578,502	493,232	(85,269)	(85,269)	85.3%	92.6%				486,957
Waste management	216,392	97,225	313,616	216,210	(95,406)	(95,406)	69.6%	100.8%				269,037
Other	16,391	2,527	18,918	20,106	1,188	1,188	106.3%	122.7%				15,511
Total Expenditure - Standard	9,503,483	320,051	9,823,533	9,154,000	(669,533)	(669,533)	95.2%	96.3%				8,766,683
Surplus(Deficit) for the year	883,041	(555,301)	507,741	737,846	230,106	230,106	145.3%	85.5%				791,817

NMA Nelson Mandela Bay - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17							2015/16				
	1	2	3	4	5	6	7	8	9	10	11	12
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Revenue by Vote												
Vote 1 - Budget and Treasury	2,611,556	(165,168)	2,446,388	2,688,505		242,117	109.9%	102.9%				2,662,693
Vote 2 - Public Health	317,525	(11,737)	305,788	318,420		12,632	104.1%	100.3%				299,709
Vote 3 - Human Settlements	785,395	7,417	792,812	312,673		(480,140)	39.4%	39.8%				479,704
Vote 4 - Economic Development and Recreational Services	165,376	5,748	171,124	149,395		(21,729)	87.3%	90.3%				109,035
Vote 5 - Corporate Services	17,166	(7,526)	9,640	15,587		5,947	161.7%	90.8%				34,141
Vote 6 - Rate and General Engineers	116,921	76,157	193,078	178,572		(14,506)	92.5%	152.7%				147,733
Vote 7 - Water Services	954,627	87,953	1,042,580	1,163,571		120,991	111.6%	121.9%				996,553
Vote 8 - Sanitation Services	1,049,935	(18,594)	1,031,340	947,460		(83,880)	91.9%	90.2%				759,019
Vote 9 - Electricity and Energy	3,940,040	42,145	3,982,185	3,789,257		(192,928)	95.2%	96.2%				3,708,273
Vote 10 - Executive and Council	21,410	2,887	24,297	25,186		890	103.7%	117.6%				6,360
Vote 11 - Safety and Security	266,903	(19,996)	246,907	226,367		(20,540)	91.7%	84.8%				248,628
Vote 12 - Nelson Mandela Bay Stadium	51,410	(35,000)	16,410	14,193		(2,217)	86.5%	27.6%				50,932
Vote 13 - Strategic Programmes Directorate	22,984	(5,530)	17,455	17,052		(403)	97.7%	74.2%				22,426
Vote 14 - Recreational and Cultural Services	45,275	5,995	51,270	45,608		(5,662)	89.0%	100.7%				33,296
Example 15 - Vote15	-	-	-	-		-	-	-				-
Total Revenue by Vote	10,366,524	(35,250)	10,331,274	9,891,846		(439,428)	95.7%	95.4%				9,558,500
Expenditure by Vote to be appropriated												
Vote 1 - Budget and Treasury	665,987	111,427	777,414	1,181,075		403,661	151.9%	177.3%				723,426
Vote 2 - Public Health	592,989	102,203	695,191	563,068		(132,123)	81.0%	95.0%				652,693
Vote 3 - Human Settlements	734,397	29,259	763,656	260,919		(502,737)	34.2%	35.5%				564,998
Vote 4 - Economic Development and Recreational Services	141,087	(5,707)	135,380	124,367		(11,013)	91.9%	88.1%				111,891
Vote 5 - Corporate Services	373,649	20,146	393,795	333,340		(60,455)	84.6%	89.2%				296,648
Vote 6 - Rate and General Engineers	624,164	(10,298)	613,866	562,264		(51,601)	91.6%	90.1%				407,538
Vote 7 - Water Services	732,067	174,908	906,974	727,200		(179,774)	80.2%	99.3%				702,977
Vote 8 - Sanitation Services	533,397	45,386	578,783	458,024		(120,760)	79.1%	85.9%				430,121
Vote 9 - Electricity and Energy	3,686,463	(137,433)	3,549,030	3,597,784		48,754	101.4%	97.6%				3,500,746
Vote 10 - Executive and Council	271,554	(9,262)	262,292	238,469		(23,823)	90.9%	87.8%				235,069
Vote 11 - Safety and Security	679,220	(7,646)	671,574	661,276		(10,298)	98.5%	97.4%				621,408
Vote 12 - Nelson Mandela Bay Stadium	115,177	16,908	132,085	128,697		(3,389)	97.4%	111.7%				192,150
Vote 13 - Strategic Programmes Directorate	13,588	2,638	16,227	13,134		(3,093)	80.9%	96.7%				22,748
Vote 14 - Recreational and Cultural Services	339,743	(12,478)	327,265	304,382		(22,883)	93.0%	89.6%				304,071
Example 15 - Vote15	-	-	-	-		-	-	-				-
Total Expenditure by Vote	9,503,483	320,050	9,823,533	9,154,000		(669,533)	93.2%	96.3%				8,766,683
Surplus/(Deficit) for the year	863,041	(355,300)	507,741	737,846		230,105	145.3%	85.5%				791,817

NMA Nelson Mandela Bay - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17					2015/16						
	1	2	3	4	5	6	7	8	9	10	11	12
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Revenue By Source												
Property rates	1,638,304	(19,303)	1,619,001	1,639,399		20,397	101.3%	100.1%				1,502,463
Property rates - penalties & collection charges												
Service charges - electricity revenue	3,736,594	24,500	3,761,094	3,568,992		(192,102)	94.9%	95.5%				3,466,989
Service charges - water revenue	612,076	38,141	650,216	761,650		111,434	117.1%	124.4%				660,223
Service charges - sanitation revenue	478,263	(83,199)	395,064	424,335		39,271	110.2%	88.7%				377,421
Service charges - refuse revenue	161,097	(34,164)	126,932	127,050		117	100.1%	78.9%				144,592
Service charges - other												
Rental of facilities and equipment	23,755	592	24,347	22,990		(1,357)	94.4%	96.7%				21,042
Interest earned - external investments	92,295	4,939	97,234	121,035		23,801	124.5%	131.1%				113,354
Interest earned - outstanding debtors	168,865		168,865	178,768		9,902	105.9%	105.9%				160,682
Dividends received				341		341	#DIV/0!	#DIV/0!				77
Fines	242,441	(21,236)	221,205	202,307		(18,898)	91.5%	83.4%				224,461
Licences and permits	13,791		13,791	10,473		(3,318)	75.9%	75.9%				9,332
Agency services	2,574	(1)	2,573	2,503		(70)	97.3%	97.2%				2,345
Transfers recognised - operational	1,385,051	54,631	1,439,682	954,122		(485,559)	66.3%	68.9%				1,148,940
Other revenue	980,732	(89,085)	891,646	904,140		12,493	101.4%	92.2%				897,028
Gains on disposal of PPE	30		30	606		576	2019.6%	2019.6%				28
Total Revenue (excluding capital transfers and contributions)	9,535,857	(134,186)	9,401,671	8,918,690		(482,981)	94.9%	93.5%				8,728,976
Expenditure By Type												
Employee related costs	2,501,615	(31,183)	2,470,432	3,080,663		590,231	123.9%	122.3%				2,343,747
Remuneration of councillors	67,716	(1,600)	66,116	64,284		(1,832)	97.2%	94.9%				62,196
Debt impairment	423,346	264,555	687,901	437,845		(250,056)	63.6%	103.4%				625,575
Depreciation & asset impairment	1,023,933	(14,899)	1,009,034	778,250		(230,784)	77.1%	76.0%				1,095,302
Finance charges	158,019		158,019	155,281		(2,738)	98.3%	98.3%				166,492
Bulk purchases	2,991,096	27,500	3,018,596	3,010,600		(7,996)	99.7%	100.7%				2,815,732
Other materials	467,648	(26,221)	431,427	342,298		(89,129)	79.3%	74.8%				409,289
Contracted services	525,974	58,452	584,427	690,011		65,584	111.2%	123.6%				461,775
Transfers and grants	73,469	6,680	80,149	47,462		(32,687)	59.2%	64.6%				22,835
Other expenditure	1,280,666	36,765	1,317,432	606,009		(711,423)	46.0%	47.3%				743,706
Loss on disposal of PPE				1,297		1,297	#DIV/0!	#DIV/0!				34
Total Expenditure	9,503,483	320,050	9,823,533	9,154,000		(669,533)	93.2%	96.3%				8,766,683
Surplus/(Deficit)	32,375	(454,236)	(421,861)	(235,310)		186,551	55.8%	-726.8%				(37,706)
Transfers recognised - capital	830,667	35,936	866,603	905,519		38,917	104.5%	109.0%				777,512
Contributions recognised - capital												
Contributed assets		63,000	63,000	67,637		4,637	107.4%	#DIV/0!				52,011
Surplus/(Deficit) after capital transfers & contributions	863,041	(355,300)	507,741	737,846		230,105	145.3%	85.5%				791,617
Taxation												
Surplus/(Deficit) after taxation	863,041	(355,300)	507,741	737,846		230,105	145.3%	85.5%				791,617
Attributable to minorities												
Surplus/(Deficit) attributable to municipality	863,041	(355,300)	507,741	737,846		230,105	145.3%	85.5%				791,617
Share of surplus/(deficit) of associate												
Surplus/(Deficit) for the year	863,041	(355,300)	507,741	737,846		230,105	145.3%	85.5%				791,617

NIMA Nelson Mandela Bay - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2016/17					2015/16						
	Original Budget	Total Budget Adjustments (i.o. MFMA 23)	Final Adjustments budget	Actual Outcome	Unauthorized expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote Multi-year expenditure												
Vote 1 - Budget and Treasury	26,616	21,900	48,516	29,553		(18,953)	61%	111%				36,129
Vote 2 - Public Health	37,200	14,220	51,420	56,654		4,434	102%	150%				180,659
Vote 3 - Human Settlements	211,100	(172,000)	199,100	205,227		6,127	103%	97%				13,665
Vote 4 - Economic Development and Recreational Services	78,729	24,064	100,793	81,134		(22,659)	81%	11%				47,192
Vote 5 - Corporate Services	29,400	(2,000)	27,400	26,206		(1,194)	96%	115%				21,000
Vote 6 - General Engineers	202,500	250,000	452,500	440,500		(12,000)	97%	115%				182,204
Vote 7 - Water Services	173,551	(1,000)	172,551	199,848		27,297	116%	79%				232,984
Vote 8 - Sanitation Services	309,750	(3,250)	306,500	240,785		(65,715)	80%	79%				215,917
Vote 9 - Electricity and Energy	217,744	(2,000)	215,744	250,231		34,487	127%	135%				3,422
Vote 10 - Executive and Council	10,137	(2,000)	8,137	9,648		1,511	119%	55%				6,442
Vote 11 - Safety and Security	7,550	(1,465)	6,085	6,825		740	112%	90%				11,725
Vote 12 - Nelson Mandela Bay Stadium	-	4,865	4,865	-		(4,865)	-	25%				1,016
Vote 13 - Strategic Programmes Directorate	56,000	11,918	19,203	18,661		(943)	97%	84%				66,774
Vote 14 - Recreational and Cultural Services	-	3,058	59,058	49,716		(9,342)	84%	69%				1,289,333
Example 15 - Vote 15	-	-	-	-		-	-	-				-
Capital multi-year expenditure	1,358,600	114,610	1,473,210	1,360,787		(82,423)	94%	102%				
Single-year expenditure												
Vote 1 - Budget and Treasury	1,650	10,950	12,600	230		(12,370)	2%	12%				1,563
Vote 2 - Public Health	16,650	5,076	21,726	11,149		(10,577)	51%	67%				13,269
Vote 3 - Human Settlements	-	-	-	-		-	-	-				-
Vote 4 - Economic Development and Recreational Services	-	-	-	-		-	-	-				-
Vote 5 - Corporate Services	14,250	1,500	15,750	14,129		(1,621)	90%	59%				8,000
Vote 6 - Rate and General Engineers	3,000	-	3,000	2,255		(745)	75%	75%				4,072
Vote 7 - Water Services	3,000	-	3,000	3,116		116	104%	104%				3,921
Vote 8 - Sanitation Services	10,500	-	10,500	6,349		(2,151)	79%	79%				26,413
Vote 9 - Electricity and Energy	-	-	-	-		-	-	-				-
Vote 10 - Executive and Council	7,050	3,476	10,526	9,670		(856)	92%	137%				3,328
Vote 11 - Nelson Mandela Bay Stadium	-	-	-	-		-	-	-				-
Vote 12 - Strategic Programmes Directorate	-	-	-	-		-	-	-				-
Vote 13 - Recreational and Cultural Services	1,500	-	1,500	1,232		(268)	82%	82%				62,566
Vote 14 - Recreational and Cultural Services	-	-	-	-		-	-	-				-
Example 15 - Vote 15	97,800	21,002	78,802	50,126		(28,676)	51%	87%				1,352,298
Capital single-year expenditure	1,416,400	135,612	1,552,012	1,430,913		(121,099)	92%	101%				
Total Capital Expenditure - Vote	2,775,000	250,222	3,025,224	2,791,700		(233,524)	93%	101%				
Capital Expenditure - Standard												
Government	62,003	33,715	95,718	62,437		(33,280)	65%	101%				100,408
Executive and council	10,137	2,655	13,002	9,648		(3,354)	74%	59%				15,147
Budget and treasury office	29,400	32,850	61,316	29,784		(31,532)	49%	105%				38,081
Corporate services	28,400	(2,000)	21,400	22,006		1,606	108%	99%				47,180
Community and public safety	285,200	(7,811)	277,389	275,228		(2,041)	99%	97%				258,803
Community and social services	12,000	10,181	22,181	20,794		(1,387)	94%	173%				13,659
Sport and recreation	45,500	(7,123)	38,377	30,154		(8,223)	79%	65%				53,315
Public safety	14,600	2,011	16,611	16,455		(156)	99%	113%				9,750
Housing	211,100	(12,000)	199,100	205,227		6,127	103%	97%				180,659
Health	2,000	(1,000)	1,000	2,558		1,558	258%	128%				1,919
Economic and environmental services	340,132	83,204	423,336	320,909		(102,426)	78%	94%				291,294
Planning and development	84,014	35,962	119,976	67,394		(52,582)	62%	115%				217,847
Road transport	21,800	1,000	22,800	22,800		-	100%	100%				217,847
Environmental protection	42,000	2,000	44,000	39,708		(4,292)	90%	118%				39,270
Electricity	229,244	26,624	255,868	272,317		16,449	102%	106%				701,689
Water	176,551	(1,000)	175,551	301,576		126,025	171%	132%				242,331
Waste water management	303,500	(3,250)	300,250	243,900		(56,350)	80%	60%				186,776
Waste management	17,500	17,674	35,174	24,737		(10,437)	70%	141%				238,504
Other	-	-	-	-		-	-	-				33,678
Total Capital Expenditure - Standard	1,416,400	135,612	1,552,012	1,430,913		(121,099)	92%	101%				1,352,298
Funded by:												
Municipal Government	794,191	46,689	840,880	849,897		9,017	101%	107%				760,641
Provincial Government	-	-	-	-		-	-	-				-
Direct Municipality	36,475	(10,753)	25,722	5,170		(20,552)	20%	14%				16,671
Other transfers and grants	830,667	35,816	866,483	855,067		(11,416)	99%	103%				777,512
Transfer recognised - capital	51,000	10,000	61,000	107,513		44,513	171%	203%				47,147
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	532,713	88,676	621,389	468,333		(153,056)	75%	88%				527,039
Internally generated funds	1,416,400	135,612	1,552,012	1,430,913		(121,099)	92%	101%				1,352,298
Total Capital Funding	1,416,400	135,612	1,552,012	1,430,913		(121,099)	92%	101%				1,352,298

MMA Nelson Mandela Bay - Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/17						2015/16	
	Original Budget	Budget Adjustments (i.l.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	7,284,807	(167,379)	7,117,428	7,460,513	343,086	104.8%	102.4%	7,237,647
Government - operating	1,391,004	11,513	1,402,517	878,217	(524,300)	62.6%	63.1%	1,206,016
Government - capital	940,707	36,082	976,789	983,120	6,331	100.6%	104.5%	932,291
Interest	91,495	5,739	97,234	120,860	23,626	124.3%	132.1%	112,372
Dividends				341	341	#DIV/0!	#DIV/0!	77
Payments								
Suppliers and employees	(7,756,281)	14,384	(7,741,897)	(7,727,572)	14,325	99.8%	99.6%	(7,321,511)
Finance charges	(158,019)	215	(157,804)	(157,804)	180	99.9%	99.7%	(168,838)
Transfers and Grants	(73,469)	(6,720)	(80,189)	(62,817)	17,372	78.3%	85.5%	(105,376)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,720,244	(106,166)	1,614,078	1,495,039	(119,039)	92.6%	86.9%	1,892,677
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE								
Decrease (Increase) in non-current debtors								
Decrease (Increase) other non-current receivables	(2,000)	(4,063)	(6,063)		6,063	-	-	
Decrease (Increase) in non-current investments								
Payments								
Capital assets	(1,459,151)	(806)	(1,459,957)	(1,383,251)	76,706	94.7%	94.8%	(1,621,917)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,461,151)	(4,869)	(1,466,020)	(1,383,251)	82,769	94.4%	94.7%	(1,621,917)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans								
Borrowing long term/refinancing								
Increase (decrease) in consumer deposits	2,000	4,508	6,508		(6,508)	-	-	
Payments								
Repayment of borrowing	(93,920)		(93,920)	(93,920)		100.0%	100.0%	(104,093)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(91,920)	4,508	(87,412)	(93,920)	(6,508)	107.4%	102.2%	(104,093)
NET INCREASE/ (DECREASE) IN CASH HELD	167,173	(106,527)	60,646	17,868				166,667
Cash/cash equivalents at the year begin:	1,612,505	253,749	1,866,255	1,612,505				1,445,839
Cash/cash equivalents at the year end:	1,779,678	147,223	1,926,901	1,630,374	(296,527)	84.6%	91.6%	1,612,505