# Annual Report

# 2014/15

KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

***Council Resolution 03/2016***

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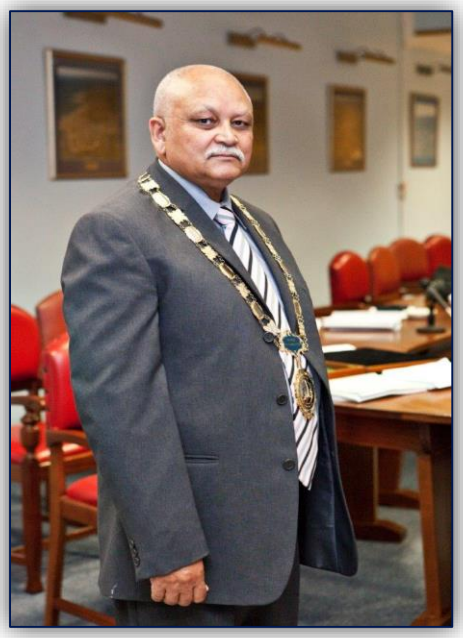
# Chapter 1

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR'S FOREWORD



As Executive Mayor of the southernmost municipality in South Africa, it is my pleasure and privilege to present our Annual Report for the 2014/15 financial year. This is the fourth Annual Report of my Council's term of office and it marks an appropriate time to reflect on what we have achieved in terms of our Integrated Development Plan. I am proud to say that the Municipality has once again shown that despite a small budget we are leaders in terms of service delivery and have the capacity to deliver on our Constitutional mandate.

This is to a large extent attributable to our administrative and political stability. All our senior management positions are filled and all political parties represented on Council have developed an excellent working relationship that places the interests of the Cape Agulhas Community on the forefront of all our agendas.

During the previous financial year we achieved our very first unqualified audit without any significant matters, also known as a "clean audit". This achievement was acknowledged under the year of review by the South African Local Government Association (SALGA) and more recently at the 2015 Institute of Municipal Finance Officers Conference (IMFO). We are also very proud to announce that we have managed to maintain our "clean audit" status for the 2014/15 financial year. We are very proud of this achievement and I would like to express my sincere and heartfelt appreciation and gratitude towards all the people who have worked diligently towards achieving this goal.

The financial viability of municipalities is a nationwide concern and Cape Agulhas is no exception. Challenges include decreasing cash reserves and availability of grant funding, increasing indigents, an increasing portion of the budget that we have limited control over such as bulk electricity purchases which do not correspond to the limit for tariff increases, salaries negotiated at Bargaining Council level etc. In order to address this we commissioned the development of a long term financial plan which was approved by Council in June 2015. This plan contains detailed recommendations and strategies which we plan to begin implementing in the new financial year in a bid to secure our long term financial sustainability.

I believe that the Municipality has done well in the provision of basic services considering its limited capital funding. All households in the Municipality's area of jurisdiction have access to basic services. All grants received from the national and provincial governments for the upgrading of service infrastructure were fully spent. We are also proud to say that our capital budget for the year was utilised effectively and some of our flagship projects include the upgrading of 1 888 metres of roads in Nuwerus, the construction of the stormwater system in Struisbaai North, the upgrading of the Struisbaai waste water treatment works, and the upgrading of the water supply in Protem. We are also particularly proud of our ever decreasing electricity losses which stand at an all-time low of 6.45%.

We acknowledge that we still face a lot of challenges in Cape Agulhas and as the sphere of government closest to the people, we play a critical role in ensuring that our community's needs are addressed. We therefore embrace the spirit of co-operative governance and

strive to work with other organs of state to improve the lives of our people. The construction of the Anene Booysen Skills Centre in partnership with the Construction SETA and Boland College is just one example of what we can achieve if we work together.

In conclusion, I would like to express my appreciation and thanks to every community member, Ward Committee Member and Councilor for their input and participation in the affairs of the Municipality. I would also like to thank the management team and each and every staff member for their support during the year under review. Our achievements would not have been possible without you.

**Ald. RG Mitchell**

**EXECUTIVE MAYOR**

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

The future viability of a small municipality like Cape Agulhas, is constantly challenged. The mutual challenges of sound financial and administrative management, as well as the decline in the tax – base and an increase in indigent households, remains a reality. When I was appointed as Municipal Manager in September 2013, my vision together with that of the Executive Mayor was to ensure that we tighten financial and budgetary controls, stick to our constitutional mandate and align our organisational structure to the above. The view is held that we have indeed achieved this vision and this is corroborated by the fact that we had 100% expenditure on grants, unauthorised expenditure declined significantly and the audit outcomes have improved over the last two years.

To achieve this we had to make some unpopular albeit rational and informed decisions. The organogram was revised, job security was strengthened and a number of policies were developed to ensure that our human resources could be managed effectively. Financial controls were put in place to limit over and under expenditure, unauthorised expenditure and virements were stopped and deviations kept to the minimum. This was managed while ensuring that service delivery still happens.

In the next few years it is imperative that we carefully manage and monitor the decline in our reserves, keep employee costs within the National Treasury limits, allocate sufficient budget for maintenance of infrastructure and find ways to increase our declining revenue base. Although debt collection is currently at 100%, we still experience year-on-year growth in debtors. Debtor controls like improved debt collection practice as well as ensuring that sufficient budget is approved for the writing off of irrecoverable debt must be explored within the next financial year in order to turn this trend around.

Although we are doing well with the provision of basic services, housing still and will for the foreseeable future remain one of our main challenges. We have, however, performed well in this as can be seen from the fact that we have constantly, for the last few years, received housing grants higher than what was initially gazetted. This trend is expected to continue as we have proven that we can deliver.

All his hard work has however paid off. As the Executive Mayor alluded to in his summary, we have received an unqualified audit report with no significant findings from the Auditor-General for the second year in a row. We are indeed proud of this achievement and I would like to echo the Mayor's thanks to all who have contributed towards this milestone.

As a Municipality we pledge to renew our efforts to provide you with quality, cost-effective services that will build on our successes of the past. It is our intention to scale up on our partnership efforts that will allow for not only positive outcomes, but profound ones.

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Our warmest appreciation goes to our community, our councilors, ward committee members, management and staff for their support during the reporting year. A sound basis has been set on which we can build to address the remaining challenges.

Please take the time to peruse this Annual Report for 2014/15 and let us have your input on it

**DGI O'Neill**

**MUNICIPAL MANAGER**

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## 1.2 MUNICIPAL OVERVIEW

This report addresses the performance of the Cape Agulhas Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and accurate reporting on programme performance and the general state of affairs in their locality.

The 2014/15 Annual Report reflects on the performance of the Cape Agulhas Municipality for the period 1 July 2014 to 30 June 2015. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), requiring the municipality to prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

**The Cape Agulhas Municipality committed itself to the following vision and mission:**

*Vision:*

***"To render continuous, sustainable effective services to all inhabitants and visitors in the area in order to create a healthy and safer environment for happy communities"***

*Mission:*

***"We the Cape Agulhas Municipality will strive to render the best affordable municipal services in a sympathetic manner to the whole area and its inhabitants in order to create a happy economic active and informed community"***

## 1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

With a projected population of 34 044 people Cape Agulhas Municipality places a very high premium on providing cost effective service delivery that improves its communities' standard of living. The Municipality has an excellent service delivery record, having reached its "Millennium Development Goals" in respect of the delivery of water, sanitation and electricity to all its residents. No households receive services below the minimum standard within the region. Mindful of the poverty within our community, service delivery initiatives incorporate Expanded Public Works Programme (EPWP) principles as far as possible. There has also been a constant effort to provide low cost housing which emphasizes the Municipality's commitment to eradicate poverty.

### 1.3.1 Population

#### *a) Population*

The Municipality is estimated to account for approximately 12.7% of the district's approximate population of 258 176 in 2014/15. There was a marked increase of 14.7% in the total population in the municipal area when compared to the previous statistical period (28 786).

The table below indicates the total population per town within the municipal area

| Napier | Bredasdorp | Elim | Arniston | Struisbaai | L'Agulhas | Suider-strand | Farms | Total |
|---|---|---|---|---|---|---|---|---|
| 4 212 | 15 524 | 1 412 | 1 267 | 3 877 | 548 | 44 | 6 152 | 33 038 |
| *Source: Statistics SA* | | | | | | | | |

***Table 1.: Demographic information of the municipal area – Total population***

#### *b) Households*

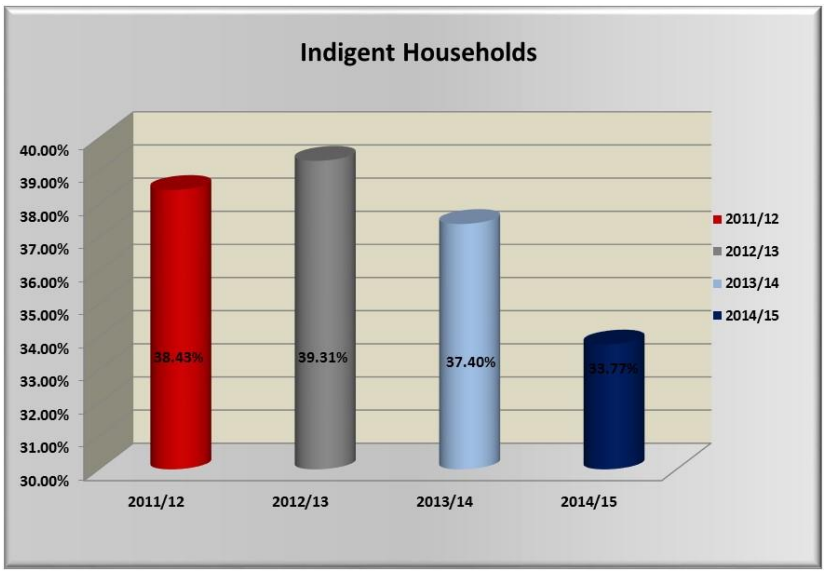
The average household size in Cape Agulhas Municipal Area is **3.5.** The majority of the households in the municipal area consist of core family members which are parents with children. In many cases children are unable to move out of their parents house, either because they cannot afford to move out or because there is a lack of affordable housing in the area. Single person -and single parent households are also very common in the different wards.

The total number of households within the municipal area that are serviced by the Municipality, has increased from 9 090 households in the 2013/14 financial year to a total of 10 161 in the 2014/15 financial year. This indicates an increase of 11.78% in the total number of households within the municipal area over the two years.

| Households | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|
| Number of households in municipal area | 8 449 | 8 807 | 9 090 | 10 161 |
| Number of indigent households in municipal area | 3 247 | 3 462 | 3 400 | 3 431 |

***Table 2.: Total number of households***

**The graph below indicates that the total number of indigent households increased by 0.91% from the 2013/14 to the 2014/15 financial year. This is mainly due to increased applicants qualifying as an indigent household and people moving into the area.**




***Graph 1.: Total % indigent households within the municipal area***

### *c) Key Economic Activities*

The Municipality is dependent on the following economic activities:

| Key Economic Activities | Description |
|---|---|
| Agriculture and Agro-processing | • Agriculture- Livestock farming, ostriches, wheat crops, canola, vegetables, dried flowers, grapes & olives<br>• Agro-processing- Dairy products, wool, mutton, meat, wine<br>• Oilseed, ostrich meat and feathers & geese feathers & down |
| Tourism | • Tourism industry is one of the more important economic sectors in Cape Agulhas although its contribution towards the GDPR is not yet reflecting this trend. However, the recent economic recess had a noticeable negative influence in this area. The tourism industry includes:<br>○ Nature Based Tourism (fynbos, fauna & flora species)<br>○ Adventure Tourism (horse riding, mountain biking, paintballing, quad biking, river kayaking)<br>○ Marine Tourism (whales watching, fishing, De Hoop and De Mond marine conservation area)<br>○ Family Holidays (beaches & play parks)<br>○ Agri Tourism (wool route, wine farms)<br>○ Marine Tourism<br>○ Cultural & Heritage Tourism (Lighthouse, Elim, Shipwrecks)<br>○ ICE (Conferences, events, teambuilding)<br>○ Business Tourism<br>○ Events Tourism (Foot of Africa marathon, Overberg Air Show, Napier Patatfees, Agri Mega week, Heartbeat Christ Festival, Cape Floral Kingdom Expo) |

| Key Economic Activities | Description |
|---|---|
| Fishing and Mari-culture | Cape Agulhas is the most important production area in the Cape line-fish industry. Mari-culture and the processing of marine products like saltwater- and freshwater fish farms, abalone farm, mussels and seaweed cultivating, has the potential to become a very lucrative industry for the area. This provides valuable natural resources which can be harvested and processed for commercial use and can be converted into a financially viable economic opportunity with multiple business ventures |
| Trade | The trading industry has remained one of the dominant economic sectors in the municipal area during the past 1o years |

***Table 3.: Key Economic activities***

### 1.3.2 Socio Economic Information

#### *a) Socio Economic Growth*

**The socio-economic information for the municipal area is as follows:**

| Financial year | Housing Backlog | Unemploy-ment Rate | Households with No Income | Skills prop. of pop. – Low skilled employ | People older than 14 years illiterate | HIV/AIDS Prevalence | Urban/rural household split |
|---|---|---|---|---|---|---|---|
| 2011/12 | 4 331 | 16.8% | 15.2% | 40% | 26% | 2.8% | 83.2/16.8% |
| 2012/13 | 3 726 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2013/14 | 3 319 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2014/15 | 3 411 | Statistics only available on provincial level and not on municipal level | | | | | |
| *Source: Municipal housing data base* | | | | | | | |

***Table 4.: Socio Economic Information***

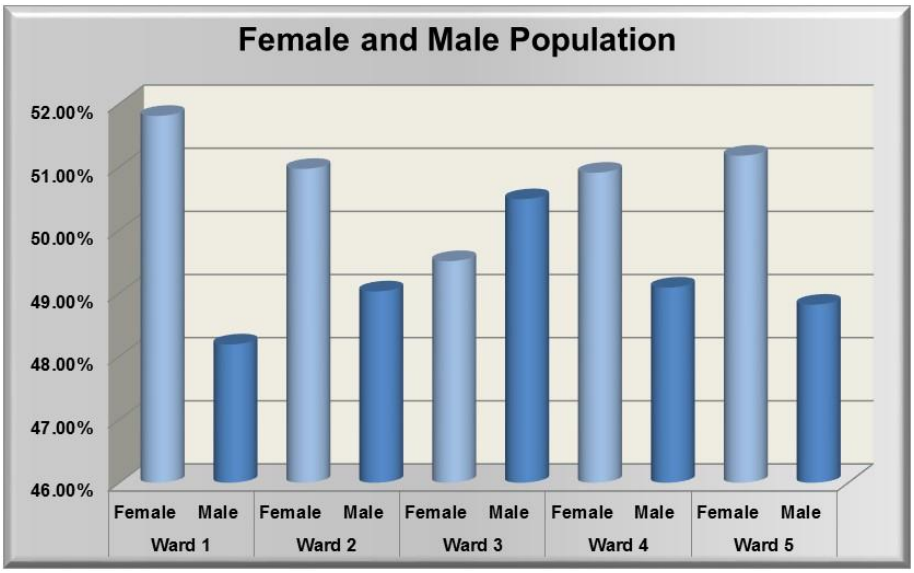
#### *b) Population by Gender*

The population is fairly equally distributed in terms of gender with 50.9% females and 49.1% males, which is in line with South African, Western Cape and district percentages.

| Financial year | Ward 1 | | Ward 2 | | Ward 3 | | Ward 4 | | Ward 5 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| 2014/15 | 3 106 | 2 889 | 4 092 | 3 937 | 3 127 | 3 189 | 2 911 | 2 807 | 3 572 | 3 407 |
| *Source: Statistics SA* | | | | | | | | | | |

***Table 5.: Demographic information of the municipal area – Gender***

**The following graph displays the female and male population.**




***Graph 2.: Gender Population***

### *c) Population by Gender/Age*

Approximately 67.63% of the total population of the Cape Agulhas Municipal Area falls in the economically active population (EAP) which is classified as individuals aged 15-65. The municipal area has a fairly young population and 23.42% (age 0-14) are dependent on the economically active population. This has an effect on education and job creation. The table below indicates the population by age categories:

| Age group | Percentage of population (%) |
|---|---|
| 0-4 | 8.15 |
| 5-9 | 7.28 |
| 10-14 | 8 |
| 15-19 | 8.03 |
| 20-24 | 8.19 |
| 25-29 | 8.50 |
| 30-34 | 6.56 |
| 35-39 | 6.79 |
| 40-44 | 7.56 |
| 45-49 | 6.86 |
| 50-54 | 6.13 |
| 55-59 | 4.72 |
| 60-64 | 4.30 |
| 65-69 | 3.32 |
| 70-74 | 2.57 |

| Age group | Percentage of population (%) |
|---|---|
| 75-79 | 1.54 |
| 80-84 | 0.96 |
| 85-89 | 0.34 |
| 90+ | 0.21 |

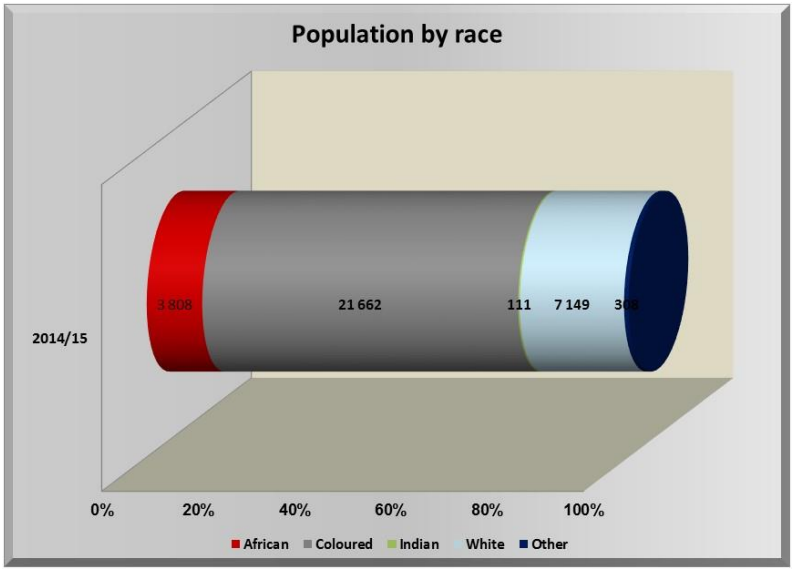
*Table 6.: Demographic information of the municipal area by age*

### *d) Population by Race Categories*

| Population - Racial | 2014/15 |
|---|---|
| African | 3 808 |
| Coloured | 21 662 |
| Indian/Asian | 111 |
| White | 7 149 |
| Other (e.g. Khoi/San) | 308 |
| **Total** | **33 038** |
| *Source: Statistics SA* | |

*Table 7.: Demographic information of the municipal area – Race categories*

**The graph below shows the population by race.**




*Graph 3.: Population by race*

### 1.3.3 Demographic Information

#### *a) Municipal Geographical Information*

Cape Agulhas Municipality is the southern most local municipality in Africa. Its coastline is surrounded by the Atlantic and Indian Oceans which meet at the most southern town in Africa, named L'Agulhas. The geographical area consists of approximately 2 411 km². The Municipality falls within the jurisdiction of the Overberg District Municipality.

### Wards

The Municipality is structured into the following 5 wards:

| Ward | Areas |
|---|---|
| 1 | Napier, Elim, Spanjaardskloof and surrounding farms |
| 2 | Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms |
| 3 | Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde area, Volstruiskamp) |
| 4 | Part of Bredasdorp (CBD), Protem, Van der Stelskraal and surrounding farms |
| 5 | Arniston, Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and surrounding farms |

*Table 8.: Municipal Wards*

**Below is a map that indicates the wards of the Municipality in the Overberg District area:**

*Figure 1.: Cape Agulhas Area map*

The area includes a significant rural area, as well as the following towns:

**Bredasdorp**

Bredasdorp can be reached by turning at the crossing of the N2 and the R316 route from Caledon to Arniston and on the R319 route from Swellendam to Struisbaai / L'Agulhas. Although it has a typical rural atmosphere, it has an average business core with all the important services, such as a hospital, clinic, police station, magistrate, bank services and retirement facilities.

**Napier**

Napier is situated between Caledon and Bredasdorp on the R316 route. The town consists of a number of small businesses with agriculture as the dominant economic activity in the areas.

**Waenhuiskrans / Arniston**

Waenhuiskrans/Arniston is probably the only town in South Africa with two acknowledged names. This fisherman's town is situated approximately 24km from Bredasdorp on the R316 route. It is also host to the World Heritage site of Kassiesbaai, a quaint subsistence fishing community.

**Struisbaai**

Struisbaai is known for its 14km white sand beach. This is the longest uninterrupted white sand beach in Southern Africa. This beach town is a popular holiday town that attracts visitors throughout the year.

**L'Agulhas**

L'Agulhas is the most southern town in Africa. The legendary point of Africa is surrounded by both the warm Indian and the cold Atlantic Oceans that meet at the most southern point.

**Suiderstrand**

This beach town is situated approximately 5km from L'Agulhas. Suiderstrand is also a holiday town and was established as a result of a need for holiday houses with a rustic rural character.

**Elim**

Elim is a historical Moravian missionary station with monumental status. The town is communal property, belonging to the Moravian Church.

**Klipdale and Protem**

Both these rural towns owe their establishment and development to the railroad and the grain silo's that were built there.

**Rural Areas**

Except for the occasional emptying of septic tanks on farms, no basic services are rendered to farm workers. A study was undertaken in 2007 to determine the backlogs in terms of basic water and sanitation services in rural areas. Potable water is supplied by Overberg Water and sanitation services are supplied by the land owners themselves.

## 1.4 SERVICE DELIVERY OVERVIEW

### 1.4.1 Basic Service Delivery Performance Highlights

| Highlight | Description |
|---|---|
| Upgrade of roads | • Paving of streets in Nuwerus: We completed Ifraim Street (58.2m), Hertzog Street (630m), October Street (640m), and Geel Street (560m)<br>• Tarring of roads in Kassiesbaai<br>• Rebuilding of Ou Meule Street (Bredasdorp) |
| Upgrade of stormwater systems | • Repair stormwater damage to Trade -and Van der Byl Street (Bredasdorp)<br>• Upgrade stormwater in Hugo Street (Bredasdorp)<br>• Complete construction of the stormwater systems in Struisbaai North |
| Upgrade of sports fields | Construction of Zwelitsha Sport Ground |
| Upgrading of Waste Water Treatment Works | Complete the upgrade of the Struisbaai Waste Water Treatment Works |
| Upgrade of water supply | Upgrade the water supply in Protem |
| Human settlement | • Built houses for the poor – Zwelitsha Area upgrade<br>• Formalize informal settlement (Zwelitisha)<br>• Repair old and built new toilet facilities in the informal settlement<br>• Repaired and built new toilet facilities in Klipdale Informal Settlements |
| Blue Flag Status | Pilot Blue Flag Status obtained for Struisbaai Beach |
| Electricity | Electricity losses are at an all-time low of 6.45% |

***Table 9.: Basic Service Delivery Highlights***

### 1.4.2 Basic Services Delivery Challenges

| Service Area | Challenge | Actions to address |
|---|---|---|
| General infrastructure development and maintenance | The Municipality does not have an Infrastructure Growth Plan (IGP) | An application was made to Western Cape Provincial Department of Local Government to assist with an IGP as part of the Back-to-Basics Programme. |
| | Ageing infrastructure. | Infrastructure maintenance is addressed in the Long Term Financial Plan approved by Council in May 2015. |
| Water distribution losses | Reduction of Water losses. | Funding applications have been submitted to various organs of state to obtain funds to undertake a water meter replacement |
| Waste Water Treatment Works | Green Drop compliance | The Bredasdorp WWTW is due for a total upgrade. Two alternative options are currently being looked at, namely the conclusion of an agreement with an external service provider to upgrade the plant to a biogas technology WWTW during 2015/16. |

| Service Area | Challenge | Actions to address |
|---|---|---|
| | | However, should this option not realise, the project is planned for implementation in 2016/17 as part of the MIG program. |
| Waste management | Upgrade of landfill site | The Western Cape Provincial Department of Local Government is providing assistance with the facilitation of the environmental regulatory requirements (waste license) to increase the lifespan of the existing landfill sites through the Back-to-Basics Support Plan |
| | Illegal dumping | • Recycling is encouraged to lengthen the lifespan of the landfill sites<br>• Law enforcement and awareness campaigns are ongoing to address illegal dumping |
| Streets and stormwater | Stormwater backlogs due to inadequate stormwater systems | Systematic annual upgrade of stormwater system with budget available |
| | Still too much gravel roads that need to be maintained | Re-gravelling of sections of road on an annual basis with budget available |
| | Shortage of staff | Appoint EPWP workers |
| Electricity provision | Lack of funding for the development and maintenance of electrical infrastructure | • Systematic annual upgrade of electrical network with budget available<br>• Ongoing application for external funding from various sources |
| | NERSA Tariff modeling | |

***Table 10.: Basic Services Delivery Challenges***

### 1.4.3 Proportion of Households with access to Basic Services

| Proportion of Households with minimum level of Basic services | | |
|---|---|---|
| **Description** | **2013/14** | **2014/15** |
| Electricity - service connections | 100% | 100% |
| Water - available within 200m from dwelling | 100% | 100% |
| Sanitation - Households with at least VIP service | 100% | 100% |
| Waste collection - kerbside collection once a week | 100% | 100% |

***Table 11.: Households with minimum level of Basic Services***

The Municipality is coping well with the provision of the required basic services and there are no backlogs as can be seen from the above statistics. However, the current increase of indigent households' year-on-year is placing ever increasing financial pressure on the Municipality to fulfill its obligations. The layout of the informal settlements also needs to be addressed in order for vehicles to have access to all areas of the settlement to install electrical infrastructure.

## 1.5 FINANCIAL HEALTH OVERVIEW

### 1.5.1 Financial Viability Highlights

| Highlight | Description |
|---|---|
| Clean audit | The Municipality achieved a clean audit in 2014/15 for the second consecutive year |
| Long Term Financial Plan (LTFP) | The Municipality adopted a LTFP. This plan should assist in addressing the liquidity and sustainability issues of the Municipality |
| Debt collection rate of 107% | The Municipality implemented its credit control and debt collection policy |
| Capital expenditure | The Municipality spent its full capital budget for 2014/15 |

*Table 12.: Financial Viability Highlights*

### 1.5.2 Financial Viability Challenges

| Challenge | Action to address |
|---|---|
| Short term liquidity of the Municipality | Implementation of the LTFP plan to address short term liquidity issues |
| High cost structure of Council and administration | Review and tabling of the new organogram to Council for approval |
| Long term financial sustainability of the Municipality | Implementation of the long term financial plan to address sustainability |

*Table 13.: Financial Viability Challenges*

### 1.5.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

| KPA & Indicator | 2013/14 | 2014/15 |
|---|---|---|
| Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year) (Higher is better) | 505.87 | 487.64 |
| Service debtors to revenue – (Total outstanding service debtors: revenue received for services) (Lower is better) | 4.62 | 4.98 |
| Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure (Higher is better) | 1.40 | 1.92 |

*Table 14.: National KPI's for financial viability and management*

### 1.5.4 Financial Overview

| Details | Original budget | Adjustment Budget | Actual |
|---|---|---|---|
| **Income** | **229 916** | **244 456** | **238 760** |
| Grants | 58 736 | 66 946 | 68 090 |
| Taxes, Levies and tariffs | 158 035 | 161 709 | 153 144 |
| Other | 13 145 | 15 801 | 17 526 |

| Details | Original budget | Adjustment Budget | Actual |
|---|---|---|---|
| *Less* Expenditure | 226 479 | 245 689 | 232 596 |
| **Net Surplus/(deficit)** | **3 435** | **(1 233)** | **6 163** |
| *Note: surplus/(deficit)* | | | |

***Table 15.: Financial Overview***

### 1.5.5 Operating Ratios

| Detail | Expected norm | Actual | Variance |
|---|---|---|---|
| Employee Cost | <35% | 36.06 | 1.06 above norm |
| Repairs & Maintenance | >10% | 4.79 | 3.21 below norm |
| Finance Charges & Depreciation | <10% | 6.71 | 3.29 below norm |

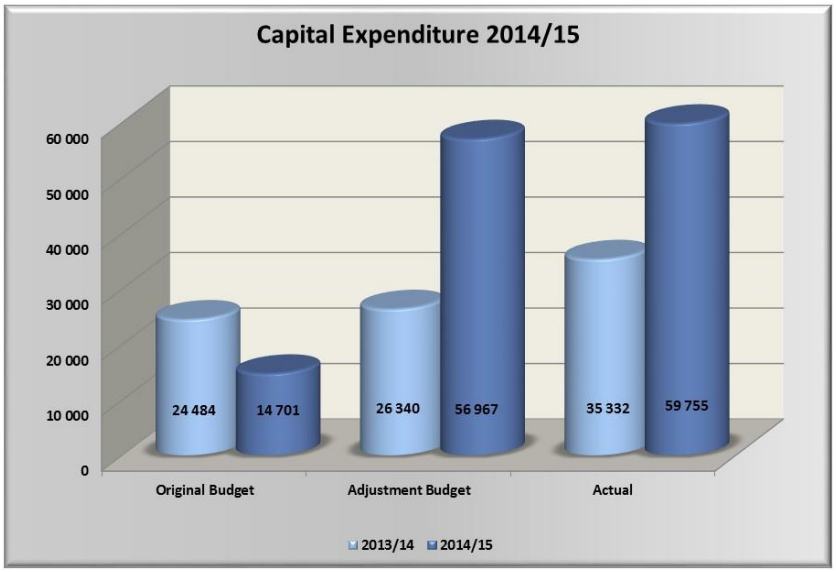
***Table 16.: Operating Ratios***

The Municipality's expenditure on employee related cost is still below the national norm. The finance charges are also well below the norm due to the Municipality only having one small outstanding loan. However, the low cost on repairs and maintenance is still a concern that needs to be addressed.

### 1.5.6 Total Capital Expenditure

| Detail | 2013/14 | 2014/15 |
|---|---|---|
| | R'000 | |
| Original Budget | 24 484 | 14 701 |
| Adjustment Budget | 26 340 | 56 967 |
| Actual | 35 332 | 59 755 |
| % Spent | 134.14 | 104 |

***Table 17.: Total Capital Expenditure***




***Graph 4.: Total Capital Expenditure***

## 1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

Cape Agulhas Municipality currently employs 316 officials (excluding non-permanent positions), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of human resource management is to render an innovative human resource service that addresses both skills development and an administrative function.

It is the Municipality's aim to develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the staff of the Municipality undergoes constant training throughout the year to ensure that the human resource capacity of the Municipality complies with the Skills Development Act (SDA), 1998.

### 1.6.1 Municipal Transformation and Organisational Development Highlights

| Highlight | Description |
|---|---|
| Full-time appointment of non-permanent contract workers | Contract workers have been permanently appointed in accordance with legislation to address poverty and unemployment |
| Employment equity targets and goals achieved | Continuous effort to achieve the government targets and goals in accordance with the Employment Equity Policy of Cape Agulhas Municipality |
| Skills development | Built the Anene Booysen Skill Centre in partnership with the Construction SETA and Boland College |

*Table 18.: Municipal Transformation and Organisational Development Highlights*

### 1.6.2 Municipal Transformation and Organisational Development Challenges

| Challenge | Action to address |
|---|---|
| Re-structuring of the organisational design | Due to budget constraints, we are not able to fully implement the proposed organisational design |

*Table 19.: Municipal Transformation and Organisational Development Challenges*

### 1.6.3 Employment Equity (EE) targets and actuals

| African | | | Coloured | | | Indian | | | White | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 31 | 8 | 25.80% | 0 | 0 | 0 | 1 | 0 | 0% | 2 | 2 | 100% |

*Table 20.: 2014/15 EE targets/Actual by racial classification*

| Male | | | Female | | | Disability | | |
|---|---|---|---|---|---|---|---|---|
| Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 13 | 6 | 46.15% | 18 | 2 | 11.11% | 1 | 1 | 100% |

*Table 21.: 2014/15 EE targets/actual by gender classification*

### 1.6.4 Skills Development – Budget allocation

| Total Operational Budget | Total Allocated | % Spend |
|---|---|---|
| R238 304 082 | R1 951 577 | 0.81% |

*Table 22.: Budget allocated and spent for skills development*

## 1.7 AUDITOR-GENERAL REPORT

The Municipality has again maintained its record of unqualified audits with no matters (clean audit) for 2014/15. This serves to emphasize the Municipality's commitment to clean administration and good governance.

An action plan was drawn up based on specific audit findings from the 2013/14 audit which is monitored and progress with the corrective actions evaluated on a monthly basis by the Internal Auditor and the CFO. This plan is a standing item on the Municipal Manager's monthly Directors meeting and is also submitted to Council during their monthly meetings, as well as the Audit and Performance Audit Committee during their quarterly meetings.

### 1.7.1 Audited Outcomes

| Year | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|
| **Status** | Unqualified with other matters | Unqualified with other matters | Unqualified with other matters | Unqualified with no other matters | Unqualified with no other matters |

*Table 23.: Audit Outcomes*

# Chapter 2

# CHAPTER 2: GOVERNANCE

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### 2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

| KPA & Indicators | Municipal Achievement 2013/14 | Municipal Achievement 2014/15 |
|---|---|---|
| The percentage of a municipality's **capital budget** actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 134.14% | 104% |

***Table 24.: National KPIs - Good Governance and Public Participation Performance***

### 2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| Highlight | Description |
|---|---|
| IDP and Budget Imbizo process | An inclusive process to capture issues and comments from the public on the draft IDP and Budget |
| Municipality received a good rating in the Provincial Social Media Audit | Cape Agulhas Municipality was rated as good in a Provincial Social Media Audit. Municipalities were rated as good/medium or low |
| MPAC | A fully functional MPAC was established |

***Table 25.: Good Governance and Public Participation Performance Highlights***

### 2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| Description | Actions to address |
|---|---|
| Effectiveness of ward committees | Training programs for all ward committee members |
| Low levels of public participation | A new Communication and Public Participation Policy will be developed in 2015/16 |

***Table 26.: Good Governance and Public Participation Challenges***

# CHAPTER 2: GOVERNANCE

## 2.4 GOVERNANCE STRUCTURE

### 2.4.1 Political Governance Structure

Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles and have delegated their executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councilors are also actively involved in community work and the various social programmes in the municipal area.

#### *a) Council*

During the year a total of 15 council meetings were held, including special council meetings.

The table below categorises the councillors within their specific political parties and wards for the 2014/15 financial year:

| Council Members | Capacity | Political Party | Ward representing or proportional | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|---|---|---|---|---|---|
| | | | | % | % |
| R Mitchell | Executive Mayor | ANC | Ward 3 | 100 | n/a |
| D Jantjies | Executive Deputy Mayor | Independent | Ward 2 | 100 | n/a |
| R Mokotwana | Member of MAYCO | ANC | Proportional | 100 | n/a |
| E Marthinus | Speaker | ANC | Proportional | 100 | n/a |
| P Atyhosi | District representative | ANC | Proportional | 91 | 9 |
| D Burger | Ward Councillor | DA | Ward 5 | 86.7 | 100 |
| W October | Ward Councillor | DA | Ward 1 | 100 | n/a |
| J Nieuwoudt | Ward Councillor/ District representative | DA | Ward 4 | 93.3 | 100 |
| A Coetzee | Councillor | DA | Proportional | 93.3 | 100 |

***Table 27.: Council Meetings***

#### *b) Executive Mayoral Committee*

The Executive Mayor of the Municipality, **Alderman R. Mitchell,** assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, assigned by legislation and delegated by Council. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2014 to 30 June 2015:

| Name of member | Capacity |
|---|---|
| R Mitchell | Executive Mayor |
| D Jantjies | Executive Deputy Mayor |
| R Mokotwana | Member |

***Table 28.: Executive Mayoral Committee***

### *c) Portfolio Committees*

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor. Section 79 committees are temporary and appointed by the Council as needed. They are usually appointed to investigate a particular issue and do not have any decision making powers, except those delegated to them by Council. Once their *ad hoc* task have been completed, Section 79 committees are usually disbanded. External experts, as well as councillors can be included on Section 79 committees.

The portfolio committees for the 2011/16 Mayoral term and their Chairpersons are as follow:

| Committee | Members | Section 79 or 80 Committee | Meeting Date |
|---|---|---|---|
| Public Works | D Jantjies (Chairperson)<br>D Burger<br>P Atyhosi | 80 | 22 July 2014<br>19 August 2014<br>22 September 2014<br>21 October 2014<br>25 November 2014<br>27 January 2015<br>24 February 2015<br>24 March 2015<br>21 April 2015<br>12 May 2015<br>17 June 2015 |
| Masakhane Committee | P Atyhosi<br>R Mokotwana<br>D Jantjies<br>J Nieuwoudt | 80 | 22 July 2014<br>19 August 2014<br>22 September 2014<br>21 October 2014<br>25 November 2014<br>27 January 2015<br>24 February 2015<br>24 March 2015<br>21 April 2015<br>12 May 2015<br>17 June 2015 |

| Committee | Members | Section 79 or 80 Committee | Meeting Date |
|---|---|---|---|
| Corporate Services | R Mokotwana<br>J Nieuwoudt<br>P Atyhosi | 80 | 22 July 2014<br>19 August 2014<br>22 September 2014<br>21 October 2014<br>25 November 2014<br>27 January 2015<br>24 February 2015<br>24 March 2015<br>21 April 2015<br>12 May 2015<br>17 June 2015 |

***Table 29.: Portfolio Committees***

### 2.4.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the Head of the Administration and primarily has to serve as custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

| Name of Official | Department | Performance agreement signed |
|---|---|---|
| | | Yes/No |
| D O'Neill | Municipal Manager | Yes |
| S Ngwevu | Director: Corporate Services | Yes |
| N Kotze | Director: Technical Services | Yes |
| H van Biljon | Director: Financial Services | Yes |
| K Mrali | Director: Community Services | Yes |
| P Everson | Assistant Director: Electro Mechanical Services | n/a (not a Section 57 employee) |

***Table 30.: Administrative Governance Structure***

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.5 INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

### 2.5.1 Intergovernmental Structures

To adhere to the principles of the Constitution the Municipality participates in the following intergovernmental structures:

| Name of Structure | Members | Outcomes of Engagements/Topics Discussed |
|---|---|---|
| SALGA | Western Cape Municipalities | All municipal service topics |
| Waste Forum | Western Cape Municipalities | Waste related topics |
| Blue & Green Drop Forum | Western Cape Municipalities | Water & sanitation related topics |
| MIG | Western Cape Municipalities | Infrastructure projects |
| DWA Bi-Lateral Meetings | Overberg District Municipality and Overberg Water | Water & sanitation related topics |
| IMESA | Southern Cape Engineers | Municipal related topics |
| EPWP | Provincial Government | EPWP related topics |
| MinMay | Municipal Managers and Mayor | Provincial Local Government driven agenda |
| MinMay Tech | Municipal Managers | Provincial Local Government driven agenda |
| PCF (Premier's Coordinating Forum) | Premier and Municipal Managers | Premier's Department responsible for agenda |
| DCF (District Coordinating Forum) | Municipal Managers and Mayor | Inter-municipal co-operation, shared services |
| DCF Tech | Municipal Managers | Inter-municipal co-operation, shared services |

***Table 31.: Project and Functions***

### 2.5.2 Joint Projects and Functions with Sector Departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

| Name of Project/ Function | Expected Outcome/s of the Project | Sector Department/s involved | Contribution of Sector Department |
|---|---|---|---|
| LGMTech 3 (MGRO) | MFMA Compliance | Provincial Treasury, Municipality | Oversight, Planning, Compilation of project plans |
| President/Ministerial Meeting | MFMA Compliance | Minister's Office, Municipality | Oversight, Planning, Compilation of project plans |
| Back-To-Basics | MFMA Compliance to Back-To-Basics Implementation Plan | Provincial Treasury, Local Government | Back-To-Basics engagement with senior politicians & officials |

***Table 32.: Project and Functions***

# CHAPTER 2: GOVERNANCE

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

### 2.6 PUBLIC MEETINGS

The table below details public communication and participatory initiatives held by the Municipality during the financial year under review:

| Activity | Date | Purpose | Target Audience | How was this communicated to the community? |
|---|---|---|---|---|
| Ward feedback meetings – Ward 1 | 29 July 2014<br>30 September 2014 | Feedback to communities IDP meeting- to get input from the community with IDP | Residents of ward | Pamphlets, sms, loud hailing and Facebook |
| | 9 October 2014<br>25 November 2014 | IDP Review and Feedback to Communities<br>Feedback meeting with Taxpayer Association of Napier | Residents of ward | Pamphlets, sms, loud haling and Facebook |
| | 11 December 2014 | Year-end function by ward councilor | n/a | Advert in local media, sms, Facebook |
| | 26 February 2015 | CAMAF (Cape Agulhas Municipal Advisory Forum) meeting ( IDP input session) Bredasdorp | Senior officials of the Municipality, ward committee members, councilors , sector departments ( Provincial and National) | Pamphlets, sms, loud haling and Facebook |
| | 16 April 2015 | Feedback to the communities | Residents of ward | Advert in local media, sms, Facebook |
| Ward feedback meeting – Ward 2 | 7 August 2014<br>14 August 2014 | Feedback to communities IDP meeting- to get input from the community with IDP | Residents of ward | Pamphlets, sms, loud haling and Facebook |

| Activity | Date | Purpose | Target Audience | How was this communicated to the community? |
|---|---|---|---|---|
| | 8 October 2014<br>14 October 2014<br>20 October 2014 | IDP review and feedback meeting | n/a | n/a |
| | 16 December 2014 | Ward year-end function | n/a | n/a |
| | 24 February 2015 | CAMAF meeting ( IDP input session ) Bredasdorp | Senior officials of the Municipality, ward committee members, councilors, sector departments (Provincial and National) | n/a |
| | 3 March 2015 | Report back meeting to residents in the ward | Residents of ward | Pamphlets, sms , Facebook |
| | 15 June 2015<br>18 June 2015 | Report back meeting to residents in the ward | Residents of ward | Pamphlets, sms , Facebook |
| Ward feedback meeting – Ward 3 | 24 July 2014<br>25 September 2014 | Feedback to communities IDP meeting- to get input from the community with IDP | Residents of ward | Pamphlets, sms, loud haling and Facebook |
| | 16 December 2014 | Ward year–end function | n/a | n/a |
| | 25 February 2015 | CAMAF and feedback meeting | n/a | n/a |
| | 25 June 2015 | Report back meeting to residents in the ward | Residents of ward | Pamphlets, sms, loud haling and Facebook |
| Ward feedback meeting – Ward 4 | 17 July 2014 | Feedback to communities IDP meeting- to get input from the community with IDP | Residents of ward | Pamphlets, sms, loud haling and Facebook |
| | 6 October 2014<br>7 October 2014<br>8 October 2014 | IDP review and feedback meeting, Bredasdorp and Protem | n/a | n/a |
| | 8 December 2014 | Ward year-end function | Residents in the ward | Pamphlets, sms , Facebook |
| | 14 April 2015<br>15 April 2015 | Quarterly feedback meeting to residents in the ward | Residents in the ward | Pamphlets, sms, Facebook |

| Activity | Date | Purpose | Target Audience | How was this communicated to the community? |
|---|---|---|---|---|
| | 20 April 2015<br>12 May 2015 | Report back meeting to residents in the ward | n/a | n/a |
| Ward feedback meeting – Ward 5 | 12 August 2014 | Feedback to communities IDP meeting- to get input from the community with IDP | Residents of ward | Pamphlets, sms, loud haling and Facebook |
| | 1 October 2014<br>24 October 2014 | IDP review and feedback meeting. | n/a | n/a |
| | 10 December 2014<br>12 December 2014 | Ward year-end function | Residents of ward | Pamphlets, sms, Facebook |
| | 23 December 2014<br>2 February 2015 | Quarterly feedback meeting to residents in the ward | Residents of ward | Pamphlets, sms, Facebook |
| | 22 April 2015 | Report back meeting to residents in the ward | n/a | n/a |

***Table 33.: Public Meetings***

| Activity | Date | Purpose | Target Audience | How was this communicated to the community? |
|---|---|---|---|---|
| Housing consumer meetings – Ward 2 | 14/15 April 2015 | To educate prospective homeowners about their responsibilities as new homeowners | All people who are approved to receive a house | By hand, telephone, post and sms |
| Housing consumer meetings - Ward 3 | 20/21/28/29 April 2015<br>20/28 May 2015 | To educate prospective homeowners about their responsibilities as new homeowners | All people who are approved to receive a house | By hand, telephone, post and sms |
| Housing consumer meetings - Ward 4 | 23 April 2015<br>11 May 2015 | To educate prospective homeowners about their responsibilities as new homeowners | All people who are approved to receive a house | By hand, telephone, post and sms |
| Housing Beneficiary Meetings Ward 5 - Struisbaai | 10 July 2014<br>12 August 2014<br>18 September 2014<br>29 October 2014<br>20 February 2015 | To finalize logistics regarding the applications | Approved beneficiaries on housing waiting list in Struisbaai | By hand, telephone, post and sms |
| Meetings with beneficiaries for PHP Housing Project<br>Bredasdorp Ward 2, 3 and 4 | 27/29 January 2015<br>10-12/18 February 2015<br>3 and 5 March 2015 | To verify details of all qualified beneficiaries for the PHP Housing Project | All qualified beneficiaries for the PHP Project | By hand, telephone, post and sms |

***Table 34.: Public Meetings: Housing***

# CHAPTER 2: GOVERNANCE

## 2.7 WARD COMMITTEES

The ward committees support the ward councilor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

### 2.7.1 Ward 1: Napier, Elim, Spanjaardskloof and Surrounding Farms

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| J Wessels | Huis Klippe Drift/ Secretary | 22 July 2014<br>19 August 2014<br>22 September 2014<br>21 October 2014<br>25 November 2014<br>27 January 2015<br>24 February 2015<br>24 March 2015<br>21 April 2015<br>21 May 2015<br>23 June 2015 |
| C Viegeland | Stewards Council | |
| J Adams | Napier Health and Welfare Forum | |
| E Harker | Agulhas Skills School | |
| J Stevens | Protea Primary School | |
| A Pick (till December 2014) | Individual | |
| D Xinela (till December 2014) | Individual | |
| I Pieterse | Individual | |
| M Cloete | Individual | |
| W October | Councilor | |
| E Johnson | Elim E-Centre | |
| K Koebergh (from December 2014) | Individual | |
| D Schoeman (from December 2104) | Individual | |

***Table 35.: Ward 1 Committee Meetings***

### 2.7.2 Ward 2: Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| C Kies | Liefdesnessie Services Centre | 28 July 2014<br>25 August 2014<br>29 September 2014<br>27 October 2014<br>1 December 2014<br>26 January 2015<br>25 February 2015<br>23 March 2015<br>27 April 2015<br>25 May 2015<br>23 June 2015 |
| K Dunston | AMSSS | |
| J Adams | De Heide Primary | |
| E Green | Bet El Evangelical Church | |
| E Plaatjies | Compasion in Action | |
| C September | Young Peoples Rugby Club | |
| M De Jager | Individual | |
| L Marthinus | Individual | |
| F Hendricks | Individual | |
| D Jantjies | Individual | |
| M Meyer ( from January 2015) | Individual | |

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| C Pedro (till December 2014) | Individual | |

*Table 36.: Ward 2 Committee Meetings*

### 2.7.3 Ward 3: Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde, Volstruiskamp area)

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| R October | Bredasdorp Taxi Association | 22 July 2014<br>21 August 2014<br>22 October 2014<br>22 November 2014<br>27 January 2015<br>23 February 2015<br>31 March 2015<br>30 April 2015<br>21 May 2015<br>17 June 2015 |
| L Manxeba | Lesedi Educare | |
| H Kock | United Pentecostal Church | |
| J Volmink | CARA | |
| N Madubela | Isolomzi Organization | |
| K Zimy | Isolomzi Organization | |
| H Temmers | Individual | |
| D Hans | Individual | |
| R Baker | Individual | |
| M Asanda | Individual | |
| R Mitchell | Councilor | |

*Table 37.: Ward 3 Committee Meetings*

### 2.7.4 Ward 4: Part of Bredasdorp (CBD), Protem, Van der Stelskraal and Surrounding Farms

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| D Gilomee | Otto du Plessis Hospital | 22 July 2014<br>19 August 2014<br>23 September 2014<br>21 October 2014<br>25 November 2014<br>28 January 2015<br>24 February 2015<br>25 March 2015<br>23 April 2015<br>18 May 2015<br>22 June 2015 |
| S van Dyk | ACVV Bredasdorp | |
| R Strydom | Suideroord ACVV Home for the elderly | |
| R Visser | Primary Bredasdorp | |
| L Groenewald | Bredasdorp Tax Association | |
| J Bester | NG Church Bredasdorp | |
| M Oosthuizen | Individual | |
| L Marais | Individual | |
| H Odendaal | Individual | |
| E Karelse | Individual | |
| J Nieuwoudt | Individual | |

*Table 38.: Ward 4 Committee Meetings*

### 2.7.5 Ward 5: Arniston, Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and Surrounding Farms

| Name of representative | Capacity representing | Dates of public ward meetings held during the year |
|---|---|---|
| A Marthinus | Waenhuiskrans Visser Union | 23 July 2014<br>3 September 2014<br>22 October 2014<br>26 November 2014<br>21 January 2015<br>25 February 2015<br>25 March 2015<br>22 April 2015<br>13 May 2015 |
| S Lourens | Struisbaai Community Police Association | |
| R Theunissen | C.I.A | |
| C Uys | Onse Hoop | |
| D de Jongh | Struisbaai Sports Club | |
| A Vlok | Suidpunt Conservation Association | |
| V de Villiers | NG Church Suidpunt | |
| J Keuler | Suidpunt Fishing and Marine Conservation Society | |
| D Kleinscmidt | NG Church Struisbaai | |
| D Burger | Councilor | |

*Table 39.: Ward 5 Committee Meetings*

## 2.8 FUNCTIONALITY OF A WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and should be representative. The ward councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of ward committees and their functionality:

| Ward Number | Committee established Yes / No | Number of reports submitted to the Speakers Office | Number meetings held during the year | Number of monthly Committee meetings held during the year | Number of quarterly public ward meetings held during the year |
|---|---|---|---|---|---|
| 1 | Yes | 11 | 11 | 5 | 1 |
| 2 | Yes | 11 | 11 | 6 | 1 |
| 3 | Yes | 10 | 10 | 4 | 1 |
| 4 | Yes | 11 | 11 | 5 | 1 |
| 5 | Yes | 9 | 9 | 4 | 1 |

*Table 40.: Functioning of Ward Committees*

# CHAPTER 2: GOVERNANCE

## 2.9 REPRESENTATIVE FORUMS

### 2.9.1 Labour Forum

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| D O'Neill | Municipal Manager | 4 July 2014<br>7 August 2014<br>19 September 2014<br>27 October 2014<br>20 November 2014<br>4 February 2015<br>5 March 2015<br>30 April 2015<br>22 March 2015<br>12 June 2015<br>29 June 2015 |
| N Kotze | Director: Technical Services | |
| S Ngwevu | Director: Corporate Services | |
| P Everson | Assistant Director: Electro-Mechanical Services | |
| K Mrali | Director: Community Services | |
| D Jantjies | Councilor | |
| D Burger | Councilor | |
| R Mokatwana | Councilor | |
| W Opperman | SAMWU | |
| P Plaatjies | SAMWU | |
| W Stanley | SAMWU | |
| R Jansen | SAMWU | |
| S Hendricks | SAMWU | |
| A Kloppers | IMATU | |
| C Arends | IMATU | |

***Table 41.: Labour Forum***

### 2.9.2 IDP Forum (Cape Agulhas Municipal Advisory Forum)

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| Dean O'Neill | Municipal Manager | 1 October 2014 |
| R Mitchell | Executive Mayor | |
| W October | Ward 1 Councilor | |
| D Jantjies | Ward 2 Councilor | |
| J Nieuwoudt | Ward 4 Councilor | |
| D Burger | Ward 5 Councilor | |
| P Atyhosi | PR Councilor | |
| M Mokotwana | PR Councilor | |
| A Coetzee | PR Councilor | |
| E Marthinus | PR Councilor | |
| S Ngwevu | Director: Corporate Services | |
| N Kotze | Director: Technical services | |
| H Van Biljon | Director: Financial Services | |

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| P Everson | Assistant Director: Electro-Mechanical Services | |
| K Mrali | Director: Community Services | |
| 5 Representatives: Ward 1 | Ward Committee | |
| 5 Representatives: Ward 2 | Ward Committee | |
| 5 Representatives: Ward 3 | Ward Committee | |
| 5 Representatives: Ward 4 | Ward Committee | |
| 5 Representatives: Ward 5 | Ward Committee | |
| L Valentine | IDP Coordinator: Strategic Services | |
| Managers: CAM | Cape Agulhas Municipality | |
| Other role players | Provincial sector departments<br>Community members<br>Business sector<br>Overberg District Municipality<br>Community structures | |

***Table 42.: IDP Forum***

### 2.9.3 Risk committee

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| B Swart (Chief Risk Officer) | Chairperson | 7 October 2014<br>12 December 2014<br>6 March 2015<br>11 June 2015<br>30 June 2015 |
| H van Biljon (Director : Financial Services) | Member | |
| S Ngwevu (Director: Corporate Services) | Member | |
| K Mrali (Director: Community Services) | Member | |
| N Kotze (Director: Technical Services) | Member | |
| P Everson (Assistant Director: Electro-Mechanical Services) | Member | |

***Table 43.: Risk Committee***

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.10 RISK MANAGEMENT

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the municipality. Section 62(1) of the Local Government: MFMA stipulates, inter alia, that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the

effective, efficient and economical use of the resources of the municipality. The Cape Agulhas Municipality has instituted such a systematic and formalised process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplishes its vision, mission and strategic plans as well as a strategy in its own right.

The Municipality also has a Fraud and Risk Management Committee (FARMCO) established by the Municipal Manager to oversee the effective implementation of the risk management processes, as well as the effective management of identified risks. The Municipality has a Risk Management Policy, Framework and Implementation Plan in place that was reviewed and approved by Council on 26 August 2014. The policy is reviewed annually by the FARMCO and the revised documents are submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by one Risk Management Official to ensure the following functions are performed:

- Assisting management to develop the Risk Management Policy, strategy and implementation plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and
- Developing and disseminating risk reports.

Overberg District Municipality is in the process of establishing a shared risk management service between all the municipalities in the district. This shared service will be responsible for management in the district and the Municipality's risk official will coordinate risk.

### 2.10.1 Risk Assessment Process

The strategic risk assessment for the 2014/15 financial year was completed during August 2014 and the operational risk assessment during December 2014. The assessment results were submitted to Council and adopted.

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

### 2.10.2 Top Strategic Risks for the Municipality

As part of the risk assessment, management identified current controls, which mitigates the inherent risks identified. After considering controls, the identified risks receive a residual risk rating.

Once the residual risks have been determined it is categorized according to high, medium and low risks, from which management determine which of the risks require further actions to mitigate the risk to lessen the severity of the risk identified.

Some of the risks identified during the 2014/15 financial year that may affect the community at large, are as follows:

- Financial sustainability of the Municipality, including the Capital Replacement Reserves
- Old and inadequate infrastructure

- Security at municipal building, for both staff and the community
- Adverse conditions due to climate change e.g. flooding
- The cost of compliance to laws and regulations

### 2.10.3 Organizational Risk Assessment

The annual risk assessment on operational level highlighted the following risks that may affect the community:

- Costing methods in the municipal environment, such as ABC costing, to enhance efficiency.
- Scarce water sources.

### 2.10.4 Fraud and Risk Committee

The role of the committee is to oversee the effective management of risk within the municipality and to provide timely and useful enterprise risk management reports to the Municipal Manager and the Audit Committee of the municipality.

The Risk Committee consists of the following members:

| Name of Committee Member | Capacity | Meeting dates |
|---|---|---|
| B Swart (Chief Risk Officer) | Chairperson | 7 October 2014<br>12 December 2014<br>6 March 2015<br>11 June 2015<br>30 June 2015 |
| H van Biljon (Director : Financial Services) | Member | |
| S Ngwevu (Director: Corporate Services) | Member | |
| K Mrali (Director: Community Services) | Member | |
| N Kotze (Director: Technical Services) | Member | |
| P Everson (Assistant Director: Electro-Mechanical Services) | Member | |

***Table 44.: Risk Committee***

It must be noted that the committee's charter makes provision for the appointment of an independent chairperson to enhance independence oversight over risk management. The Municipality is in the process of appointing such an independent person in the next financial year.

## 2.11 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### 2.11.1 Developed Strategies

| Name of strategy | Developed Yes/No | Date Adopted |
|---|---|---|
| Risk Management Policy | Yes | 26 August 2014 |
| Risk Management Strategy and Implementation Plan | Yes | 26 August 2014 |
| Fraud Prevention Policy | Yes | 1 December 2010 (currently being revised) |

***Table 45.: Strategies***

### 2.11.2 Implementation of Strategies

| Key Risk Areas | Key measures to curb corruption and fraud |
|---|---|
| Policy | A Fraud And Corruption Policy is a key defense mechanism because it highlights that the institution has a formal framework in place to deal with fraud and corruption. It answer key questions such as:<br>• What is fraud and corruption?<br>• How do we deal with it when it arises?<br>• What are the roles and responsibilities?<br>• What are the sanctions? |
| Institutional arrangements | The creation of specific structures (e.g. a fraud committee) and the definition of roles and responsibilities enable coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees |
| Systems and control | With well-structured and documented systems and controls in place gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanism that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption |
| Fraud and corruption risk management | All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption |
| Training, awareness and communication | Making managers, staff, suppliers and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution |

***Table 46.: Implementation of the Strategies***

## 2.12 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must -
(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

### 2.12.1 Functions of the Audit Committee

The Audit Committee have the following main functions as prescribed in Section 166(2)(a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (Dora) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

### 2.12.2 Members of the Audit Committee

The Audit Committee of the Cape Agulhas Municipality comprises:

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| C Pieterse | Chairperson | 26 September 2014<br>8 August 2014<br>19 January 2015<br>17 April 2015 |
| M Weitz | Member | |
| E Lakay | Member | |
| A Kok | Member | |

*Table 47.: Members of the Audit Committee*

### 2.12.3 Municipal Audit Committee Recommendations

| Date of Committee meeting | Committee recommendations during 2014/15 | Actions taken on recommendations |
|---|---|---|
| 20 September 2014 | Re-appointment of Committee members for a second term | Members re-appointed for a second term by Council |
| | To keep vacant position on the Committee until a suitable local candidate can be sourced | Recommendation approved by Council |
| | Inputs given by the Committee on the draft 2013/14 annual financial statement | Inputs taken into consideration and discussed with Committee during finalisation of the statements |
| 8 December 2014 | • Draft risk analysis results must be compared with previous results to ensure that no unmitigated risks remains from previous years<br>• That the revised plans be submitted to the Committee for consideration | • Comparison done and integrated in latest risk registers where required<br>• Updated register discussed and considered during the meeting of 19 January 2015 |
| | • That Auditor-General repeat findings be included in the risk registers<br>• That repeat findings be included in the Internal Audit Plan | Items included in the risk registers and the Internal audit Plan |
| | That the Committee's annual report be submitted for inclusion in the municipality's annual report | Report submitted and included in the annual report as one of the Annexures |
| 19 January 2015 | • Rotation of members after their second term of office to be developed<br>• Continuation of the appointment of candidates from within the municipal as they have an interest in the ongoing success of the Municipality | List of rotation in consultation with all members will commence in January 2016 – two years before appointment of new members |
| | That Committee's amended annual report after consideration of the final Auditor-General report be included in the final annual report of the Municipality | Amended Committee report was included in the final municipal annual report |
| 17 April 2015 | No recommendations | |

*Table 48.: Municipal Audit Committee Recommendations*

## 2.13 PERFORMANCE AUDIT COMMITTEE

The Local Government Municipal and Performance Management Regulations require that the Performance Audit Committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) stipulates that the Performance Audit Committee must include at least one person who has expertise in performance management. It is also a requirement of Section 14(2)(d) that the Council of a municipality designate a member of the Performance Audit Committee who is neither a councillor nor an employee of the municipality as the Chairperson of the Committee.

### 2.13.1 Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Local Government Municipal and Performance Management Regulations the performance Audit Committee has the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

### 2.13.2 Members of the Performance Audit Committee

The Performance Audit Committee of the Cape Agulhas Municipality comprises of:

| Name of representative | Capacity | Meeting dates |
|---|---|---|
| C Pieterse | Chairperson | 26 September 2014<br>8 August 2014<br>19 January 2015<br>17 April 2015 |
| M Weitz | Member | |
| E Lakay | Member | |
| A Kok | Member | |

***Table 49.: Members of the Performance Audit Committee***

## 2.14 INTERNAL AUDITING

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- prepare a risk based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
- risk and risk management.

The Municipality has an in-house internal audit function that consists of one Internal Auditor and one intern.

Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

| Function | Date/Number |
|---|---|
| • Assistance with the risk assessment for 2014/15<br>• Training of the newly appointed Manager: Strategic Services on Risk Management | • From August to November 2014<br>• May and June 2015 |
| Execution of the Risk Based Audit Plan for 2014/15 | Ongoing during the financial year |
| Attendance of management, Mayco, Council and Portfolio Committees where required | Ongoing during the financial year |
| Driving the Municipal Governance Review and Oversight process | Ongoing during the financial year |
| Driving the Service Delivery Budget Implementation Plan and auditing of performance | Ongoing during the financial year |
| Auditing of and issuing audit reports on:<br>• Compliance to laws and regulations<br>• SCM process on the evaluation of declaration of interest during the tender process<br>• Housing waiting list administration (follow-up audit)<br>• Updated land use register (follow-up audit)<br>• Administration of the leave management process<br>• Annual review of policies (follow-up audit)<br>• Risk Management Process of the Swellendam Municipality (independent audit as the internal auditor is involved in the risk management process as well) | Ongoing during the financial year |

***Table 50.: Table 36: Internal Audit Functions***

## 2.15 BY-LAWS AND POLICIES

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

| Policies developed/ revised | Date adopted |
|---|---|
| Asset Management Policy | 28 May 2015 |
| Credit Control Policy | 28 May 2015 |
| Property Rates Policy | 30 June 2015 |
| Petty Cash Policy | 30 June 2015 |
| Risk Management Policy | 26 August 2014 |

***Table 51.: Policies***

Below is a list of all the by-laws adopted during the financial year:

| By-laws developed/ revised | Date adopted by Council |
|---|---|
| By-Law on Municipal Land Use Planning | 30 June 2015 (Resolution: 154/2015) |

***Table 52.: By-laws***

# CHAPTER 2: GOVERNANCE

## 2.16 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of Batho Pele and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Below is a communication checklist of the compliance to the communication requirements:

### 2.16.1 Communication Activities

| Communication activities | Yes/No | Date Approved/Completed |
|---|---|---|
| Communication Strategy | Yes | June 2015 |
| Functional complaint management systems | Yes | June 2015 |
| Customer satisfaction surveys | Yes | June 2015 |

***Table 53.: Communication platforms***

### 2.16.2 Communication Unit

| Communication Unit | Yes/No | Number of people in the unit | Job titles |
|---|---|---|---|
| | Yes | 1 (Acting) | Clerk Communication |

***Table 54.: Communication Unit***

### 2.16.3 Newsletters

| Type of Newsletter | Number distributed | Circulation number | Distribution |
|---|---|---|---|
| Internal | 12 | +/- 314 | Monthly |
| External | 4 | +/- 10 000 households | Quarterly |

***Table 55.: Newsletter distribution***

### 2.16.4 Additional communication channels utilized:

| Channel | Yes/No | Number of People Reached |
|---|---|---|
| Facebook | Yes | 5 376 |
| Twitter | Yes | 58 |
| SMS system | Yes | 4 304 |
| Radio (fortnightly slot) | Yes | Undetermined |

*Table 56.: Additional communication channels utilized*

## 2.17 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's Communication Strategy.

The table below gives an indication about the information and documents that are published on our website:

| Description of information and/or document | Published Yes/No |
|---|---|
| **Municipal contact details (Section 14 of the Promotion of Access to Information Act)** | |
| Full Council details | Yes |
| Contact details of the Municipal Manager | Yes |
| Contact details of the CFO | Yes |
| Physical address of the Municipality | Yes |
| Postal address of the Municipality | Yes |
| **Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)** | |
| Draft Budget 2014/15 | Yes |
| Adjusted Budget 2014/15 (Approved 18 February 2015) | Yes |
| Asset Management Policy (Approved 17 April 2015) | Yes |
| Indigent Policy (Masakhane) | Yes |
| Funds and Reserves Policy | Yes |
| Investment Policy (Approved 17 April 2015) | Yes |
| Rates Policy | Yes |
| Supply Chain Management Policy (Approved 14 August 2014) | Yes |
| Budget & Virement Policy (Approved 14 August 2014) | Yes |
| Petty Cash Policy (14 August 2014) | Yes |

| Description of information and/or document | Published Yes/No |
|---|---|
| Draft Borrowing Policy | Yes |
| Top layer SDBIP 2014/15 | Yes |
| **Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)** | |
| Reviewed IDP for 2014/15 | Yes |
| IDP Process Plan for 2014/15 | Yes |
| **Reports (Sections 52(d), 71, 72 &75(1)(c) and 129(3) of the MFMA)** | |
| Annual Report of 2013/14 (Approved 24 February 2015) | Yes |
| Oversight reports (approved 15 April 2014) | Yes |
| Mid-year budget and performance assessment (Approved 30 January 2015) | Yes |
| Quarterly reports | Yes |
| Monthly Budget Statement | Yes |
| **Local Economic Development (Section 26(c) of the MSA)** | |
| Local Economic Development Strategy (Draft 2013) | Yes |
| **Performance Management (Section 75(1)(d) of the MFMA)** | |
| Performance Agreements for employees appointed as per Section 57 of MSA | Yes |
| **Assurance Functions (Sections 62(1), 165 & 166 of the MFMA)** | |
| Internal Audit Charter (Approved 26 September 2012) | Yes |
| Audit Committee Charter (Approved 26 September 2012) | Yes |
| Risk Management Strategy & Implementation Plan 2012 (Approved 28 August 2012) | Yes |

***Table 57.: Website Checklist***

## 2.18 SUPPLY CHAIN MANAGEMENT

The Municipality has adopted an SCM policy that governs the procurement processes in terms of the requirements set by National Treasury. The SCM Policy was revised and adopted by Council in June 2014 to fully comply with the SCM Regulations. The SCM Policy has been reviewed by incorporating the legislative amendments and recommendations by the Auditor-General and Provincial Treasury to give effect to the compliance aspect.

This will enable the Supply Chain Management Unit (SCMU) to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

### 2.18.1 Competitive Bids in Excess of R200 000

The bid committees are established and are functioning fully according to Council's SCM Policy and the SCM Regulations. The committees are listed below:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)

- Bid Adjudication Committee (BAC)

### *a) Bid Committee Meetings*

The table below details the number of bid committee meetings held for the 2014/15 financial year:

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|---|---|---|
| 36 | 44 | 15 |

***Table 58.: Bid Committee Meetings***

The attendance figures of members of the Bid Specification Committee are as follows:

| Members | Percentage attendance |
|---|---|
| There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid | 100 |

***Table 59.: Attendance of members of Bid Specification Committee***

The attendance figures of members of the Bid Evaluation Committee are as follows:

| Member | Percentage attendance |
|---|---|
| There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid | 100 |

***Table 60.: Attendance of members of Bid Evaluation Committee***

The attendance figures of members of the Bid Adjudication Committee are as follows:

| Member | Percentage attendance |
|---|---|
| H Van Biljon (Director: Financial Services) | 53 |
| N Kotze (Director: Technical Services) | 100 |
| P Everson (Assistant Director: Electro-Mechanical Services) | 87 |
| K Mrali (Director: Community Services) | 87 |
| S Ngwevu (Director: Corporate Services) | 80 |
| J Jamneck (Manager: Expenditure) | 40 |

***Table 61.: Attendance of members of Bid Adjudication Committee***

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

### *b) Awards Made by the Bid Adjudication Committee*

The Bid Adjudication Committee awarded 23 bids (34: 2013/14) with an estimated value of R9 399 243.86 (R41 004 210.35: 2013/14).

| Number of bids | Type of bid | Value of bid awarded R |
|---|---|---|
| 24 | Competitive bids | 13 281 460 |
| 42 | Quotations | 1 774 120 |
| 6 | Extension of contract as per Part 23.14.20 of the SCMP&S | 1 796 952 |

| Number of bids | Type of bid | Value of bid awarded R |
|---|---|---|
| 1 | Deviation in terms of Part 18.6.4 of the SCMPOS | 1 237 950 |

*Table 62.: Awards Made by the Bid Adjudication Committee*

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded R |
|---|---|---|---|---|
| SCM8/2014/15 | Building of bathrooms | Community Services / Public Services | AJ Bouers | 346 000 |
| SCM10/2014/15 | Upgrading of Napier Sportsground | Community Services / Sport and Recreation | De Groote and De Groot BK trading as Corona Landscaping | 295 974 |
| SCM11/2014/15 | Steel streetlight poles | Electrical Services | Park Boulevard Trading 35 CC | 298 737 |
| SCM16/2014/15 | Rental of printers & photocopiers for a term of 3 years | Corporate Services / Administrative Support | Hybricode Pty Ltd t/a Nashua Breede Valley | 1 931 173 |
| SCM19/2014/15 | Supply & installation of library book detection systems and 3 year maintenance agreement | Community Services / Library | CSX Customer Services Pty Ltd | 206 112 |
| SCM17/2014/15 | Building extension to Struisbaai Library | Community Services / Library | EG Lakey t/a Lakey Bouers | 291 782 |
| SCM24/2014/15 | Upgrading of netball court at Napier Sportsground | Community Services / Sport & Recreation | Cape Agulhas Civils | 328 491 |
| SCM23/2014/15 | Construction of rising main and sports field at Zwelitsha | Community Services / Sport & Recreation | Cape Agulhas Civils | 651 462 |
| SCM25/2014/15 | Construction of midblock water main | Technical Services / Water & Sewerage | SR Civil Contractors Pty Ltd | 286 737 |
| SCM22/2014/15 | Transport service for containerised waste from public drop-off's at Struisbaai, Waenhuiskrans, Napier and Bredasdorp to Bredasdorp Landfill Site for a term of 3 years | Technical Services / Solid Waste | DP Truck Hire | 3 387 083 |

*Table 63.: Ten highest bids awarded by Bid Adjudication Committee*

### *c) Awards Made by the Accounting Officer*

No bids were awarded by the Accounting Officer in terms of Section 144 of the MFMA 56 of 2003.

### 2.18.2 Deviation from Normal Procurement Processes

The table below provides a summary of deviations approved for the financial year under review:

| Number of deviations | Value of deviations R |
|---|---|
| **Deviations for amounts below R30 000:** | |
| 52 | 325 871 |
| **Deviations for amounts above R30 000:** | |
| 9 | 861 652 |
| **Deviations for amounts above R200 000:** | |
| 2 | 1 678 797 |

***Table 64.: Summary of deviations***

### 2.18.3 Logistics Management

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores Section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2015, the value of stock at the municipal stores amounted to R1 284 477 (R667 532: 2013/14).

### Staff

- The staff component of the Supply Chain Management Unit is as follows:
- Manager Supply Chain Management
- Accountant Supply Chain Management (vacant)
- Supply Chain Management Practitioner
- Supply Chain Management Clerk (vacant)
- Storekeeper
- Stores Clerk
- Financial Intern

### Supplier Database

The database for suppliers is currently operated on an Excel spreadsheet. The number of new suppliers registered within the financial year amounts to 127.

The total number of registered suppliers until 30 June 2015 amounts to 837.

We have invited new prospective service providers to register on the supplier database and all current suppliers to update their details during January 2015. An email was also sent to suppliers of whom the tax clearances have expired.

### SCM Technology: Western Cape Supplier Database

The development and implementation of a supplier database for all municipalities of the Western Cape to utilise and implement.

### Background

Ariba, on behalf of Western Cape Government, has been contracted by Provincial Treasury for the population and maintenance of a Western Cape Supplier Database.

### Purpose and Objectives

To facilitate uniformity, develop best practice guidelines, inform sound financial governance, promote and maximise service delivery through the efficient and effective use of a centralised supplier database for all municipalities.

The objective of the WCSD project is also to allow for all municipalities to utilise one central database which is housed and maintained at one central point, the attributes and benefits of which includes:

- The provision of built-in controls to track and monitor the identification of persons in the service of the state, tax clearance status, BEE status, CIDB registration, as well as all other requirements which are normally associated with registering on a supplier database.
- Notifying suppliers 30 days before tax clearance certificates expire so that suppliers have ample time to update their profiles and remain active on the system.
- Performance of regular conflict of interest checks which are run through the entire system on a monthly basis.
- Verification of banking details of all suppliers.

Registration on the WCSD is free of charge for suppliers and municipalities.

Municipalities will also be able to add all of their current suppliers on the WCSD at no extra cost.

Documentation of all suppliers will be available to all municipalities via the web based system since all original documentation received from suppliers are scanned electronically and uploaded onto the system.

Part of the objectives would also be to ensure that the core activities, functions and operations of the supplier database are in congruence with the objectives of the Constitution and to comply with the laws and regulations which govern SCM.

### 2.18.4 Disposal Management

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with Section 14 of the MFMA which deals with the disposal of capital assets. The current policies in place aim to provide the guidelines for the disposal of all obsolete and damaged assets.

# Chapter 3

# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

## 3.1 INTRODUCTION

This chapter provides an overview of the actual key service achievements of the Municipality for the 2014/15 financial year in relation to the key performance objectives and indicators as set out in the IDP. It furthermore, includes an overview of achievement in 2014/15 as compared to 2013/14.

## 3.2 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through a multitude of legislative requirements. Performance management provides a mechanism to ensure achievement of strategic goals through assessment of actual performance against pre-determined targets.

Section 152 of the Constitution sets out the objectives of local government which pave the way for the establishment of a culture of performance management which aligns to the requirements of "accountable government" Section 195 sets out the basic values and principles governing public administration, and these are also inextricably linked to the concept of performance management, specifically the following:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

### 3.2.1 LEGISLATIVE REQUIREMENTS

The MSA requires municipalities to establish a performance management system. Furthermore, the MSA and the MFMA requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the SDBIP.

In terms of Section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year as well as that were or are to be taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's

cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

The Performance Management System uses the approved SDBIP as its basis. Section 1 of the MFMA defines the service delivery and budget implementation plan as:

"a detailed plan approved by the mayor of a municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

- Projections for each month of revenue to be collected by source and operational and capital expenditure by vote
- Service delivery targets and performance indicators for each quarter".
- Budget processes and related matters"

### 3.2.2 ORGANISATION PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, performance in terms of the strategic objectives, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on a functional level.

## 3.3 THE PERFORMANCE SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2014/15

### 3.3.1 ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The Municipality adopted a performance management framework that was approved by Council on 29 May 2007 (Council Resolution 101/2007).

### 3.3.2 THE IDP AND THE BUDGET

The IDP process and the performance management process are integrated. The IDP was reviewed for 2014/15 and both the IDP and the budget for 2014/15 were approved by Council on 28 May 2014. The IDP informs the planning stage of performance management. Performance management in turn, informs the implementation management, monitoring and evaluation of the IDP

### 3.3.3 THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard namely the (Top Layer SDBIP) at organisational level and through a Departmental SDBIP at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

#### a) The municipal scorecard (Top Layer SDBIP)

The municipal scorecard Top Layer SDBIP consolidates service delivery targets set by Council/senior management and provides an overall picture of performance for the municipality as a whole, as well as a reflection of performance in terms of its strategic priorities.

The SDBIP is a layered plan comprising of a Top Layer SDBIP and Departmental SDBIP's. The approved Top Layer SDBIP is the basis of the municipality's Performance Management System. The SDBIP is a public document that comprises of Key Performance Indicators (KPI's) with quarterly service delivery targets which are derived from the IDP, legislation, regulations, risks and other critical aspects identified by the Municipal Council.

Performance reporting on the Top Layer SDBIP is submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report (S72 MFMA)) and annual basis (Annual Report (S121 MFMA)).

Components of the Top Layer SDBIP includes a one-year detailed plan and a three-year capital plan. The 5 components of the SDBIP are:

- Monthly projections of revenue to be collected for each source
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

**The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):**

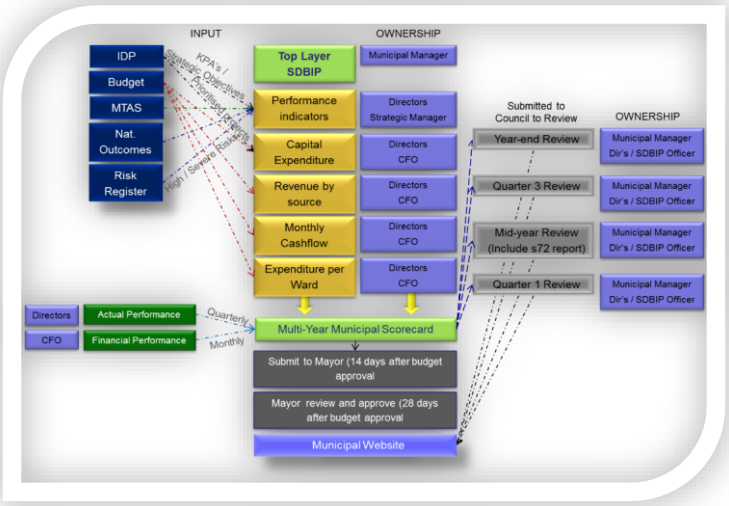



***Figure 2.: Components of the Municipal Scorecard***

Top Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.

### 3.3.4 SYSTEM TO MONITOR PERFORMANCE

The Municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The calculation of the actual performance reported (If %).
- A performance comment on actual achievement with full explanations if targets were not achieved.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

## 3.4 PERFORMANCE MANAGEMENT

Performance management is prescribed by chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Municipality adopted a performance management framework that was approved by Council on 29 May 2007 (Council Resolution 101/2007).

### 3.4.1 ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on 12 June 2014 and the information was loaded on an electronic web based system.
- The web based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 14th of every month for the previous month's performance. Updates are audited by internal audit for completeness and correctness.
- Additionally, the performance system administrator reminds all departments on a monthly basis to update their actual performance on the web based system.
- Each director reports on his specific SDBIP performance in his Section 71 MFMA report which is discussed in the monthly portfolio committee meetings to determine early warning indicators and discuss corrective measures if needed.
- A quarterly performance report is submitted to Council, which must be read together with the Section 52 Report which is required in terms of the MFMA. Section 52(d) of the MFMA furthermore requires the Mayor to submit a report to Council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the Municipality.
- The first quarterly report was submitted to Council on 28 October 2014 and the second quarterly report formed part of the Section 72 report in terms of the MFMA, which was submitted to the Mayor on 19 January 2015**.** The third quarter report was submitted to Council on 28 April 2015. The 4th quarter report was submitted to Council on 28 July 2015.
- The Annual SDBIP Performance Report for the full year will be submitted to the Performance Audit Committee in August/September 2015.

### 3.4.2 INDIVIDUAL PERFORMANCE MANAGEMENT

#### a) Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format is further regulated by Regulation 805 (August 2006) as amended by Regulation 21 (January 2014)

All performance agreements for the 2014/15 financial year were signed by 30 July 2014. The appraisal of the actual performance in terms of the singed agreements takes place twice per annum as regulated. The mid-year performance evaluations (1 July to 31 December 2014) took place on 26 February 2015 and the final evaluation of the 2014/15 financial year (1 January 2015 to 30 June 2015) is scheduled for completion during September 2015.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor;
- Portfolio Chairperson;
- Municipal Manager (in case of review of a Director);
- Chairperson of the Audit Committee;
- Independent representative by a person in the employ of the municipality.

#### b) Other municipal personnel

The Municipality has implemented individual performance management to lower level staff in annual phases. All staff on post level 0 - 15 have performance agreements or performance development plans for the 2014/15 financial year. The mid-year performance of 2014/15 (1 July 2014 to 31 December 2014) took place after closure of the second quarter and the final evaluation of the financial year (1 January 2015 to 30 June 2015) is still in process. The evaluation of performance is done between a manager and the employee in the presence of the applicable supervisor after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

### 3.4.3 SERVICE PROVIDER STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

- A service provider means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- An external service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality

- A service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

## 3.5 STRATEGIC SDBIP (TOP LAYER)

### 3.5.1 OVERALL ACTUAL PERFORMANCE FOR 2014/15

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This Section should provide an overview on the strategic achievement of a Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements).

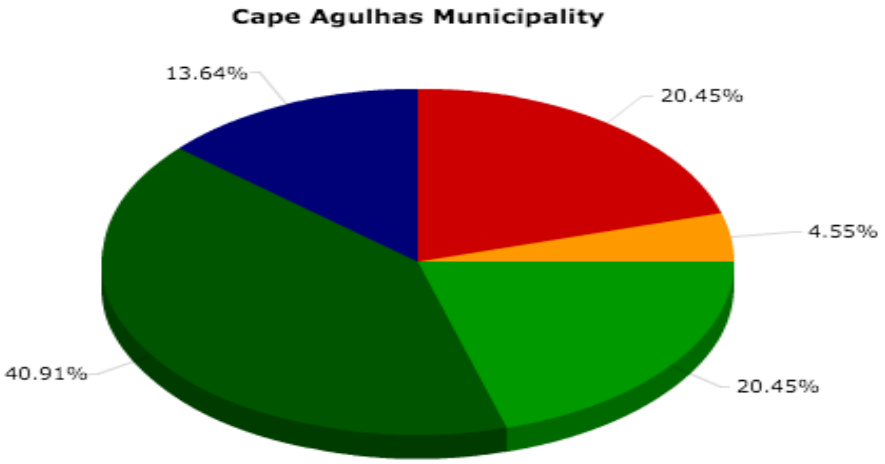
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

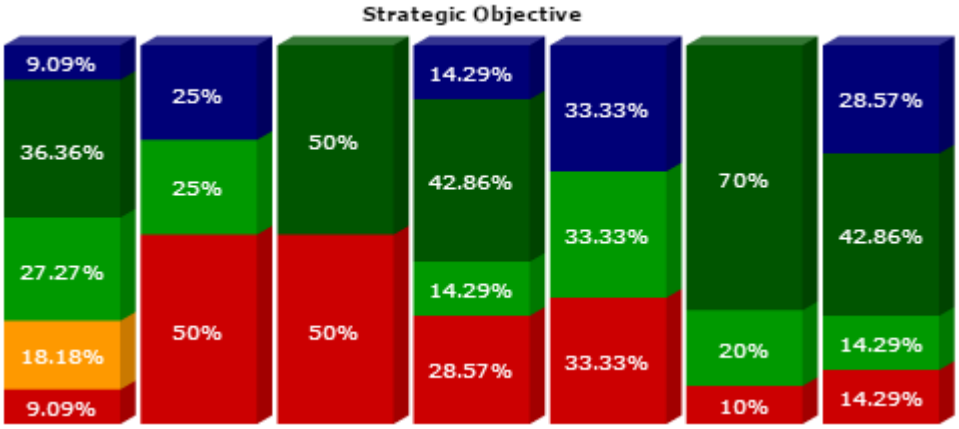
The following figure explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured.

| Category | Color | Explanation |
|---|---|---|
| KPI's Not Yet Measured | | KPIs with no targets or actuals in the selected period. |
| KPI's Not Met | | 0% >= Actual/Target < 75% |
| KPI's Almost Met | | 75% >= Actual/Target < 100% |
| KPI's Met | | Actual/Target = 100% |
| KPI's Well Met | | 100% > Actual/Target < 150% |
| KPI's Extremely Well Met | | Actual/Target >= 150% |

*Figure 3.: SDBIP Measurement Categories*

**The graph below displays the overall performance per strategic objective for 2014/15**






| | Cape Agulhas Municipality | Strategic Objective | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements | Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training | Promote service excellence and a corruption free environment | Provision of quality basic services such as water, electricity, refuse removal and sanitation | To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities | To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods | To implement sound financial management systems and procedures that will ensure the financial viability of Cape Agulhas Municipality |
| KPI Not Met | 9 (20.5%) | 1 (9.1%) | 2 (50%) | 1 (50%) | 2 (28.6%) | 1 (33.3%) | 1 (10%) | 1 (14.3%) |
| KPI Almost Met | 2 (4.5%) | 2 (18.2%) | - | - | - | - | - | - |
| KPI Met | 9 (20.5%) | 3 (27.3%) | 1 (25%) | - | 1 (14.3%) | 1 (33.3%) | 2 (20%) | 1 (14.3%) |
| KPI Well Met | 18 (40.9%) | 4 (36.4%) | - | 1 (50%) | 3 (42.9%) | - | 7 (70%) | 3 (42.9%) |
| KPI Extremely Well Met | 6 (13.6%) | 1 (9.1%) | 1 (25%) | - | 1 (14.3%) | 1 (33.3%) | - | 2 (28.6%) |
| Total: | 44 | 11 | 4 | 2 | 7 | 3 | 10 | 7 |

***Graph 5.: Overall performance per strategic objective***

### 3.5.2 DETAIL ACTUAL PERFORMANCE FOR 2014/15 KEY PERFORMANCE INDICATORS PER STRATEGIC OBJECTIVE

## a) Development and regular maintenance of bulk infrastructure such as roads, stormwater networks, potable water networks, waste water treatment plants, land and integrated human settlements

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL3 | Review the Human Settlement Plan and submit to Council by 31 May | Plan reviewed and submitted to Council by 31 May | All | New KPI for 2014/15. No comparative audited results available. | 0 | 0 | 0 | 1 | 1 | 1 | G |
| Performance Comment - | | The Council adopted the revised Human Settlement Plan on 31 March 2015. (Resolution 49/2015). | | | | | | | | | |
| Corrective Measures | | n/a | | | | | | | | | |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL32 | Complete the construction of the stormwater systems in Struisbaai-North by the end of June within the approved budget | Project completed | 5 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | G |
| **Performance Comment -** | | Project completed as planned. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL33 | Number of meters of streets tarred in Nuwerus (Napier) by the end of June within the approved budget | Number of meters tarred | 1 | 0 | 0 | 0 | 0 | 405 | 405 | 1 888.2 | B |
| **Performance Comment -** | | Completed Ifraim Street (58.2m), Hertzog Street (630m), October Street (640m), Geel Street (560m). Additional funding was allocated to the project during the adjustment budget, due to the fact that the Thusong project could not be commenced with (See TL4). | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL34 | 95% of the roads and stormwater maintenance budget spent {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of maintenance budget spent | All | 93% | 0% | 10% | 50% | 95% | 95% | 100.7% | G 2 |
| **Performance Comment -** | | 100% of the roads and stormwater maintenance budget spent. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL35 | 95% of the roads and stormwater capital budget spent {(Actual expenditure divided by the total approved capital budget) x 100} | % of capital budget spent | All | New KPI for 2014/15. No comparative audited results available. | 10% | 35% | 60% | 95% | 95% | 98.70% | G 2 |
| **Performance Comment -** | | 98.70% of the of the roads and stormwater capital budget spent. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL36 | 95% of the refuse removal maintenance budget spent {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of maintenance budget spent | All | 97% | 15% | 50% | 70% | 95% | 95% | 93.65% | O |
| **Performance Comment -** | | 93.65% of the refuse removal maintenance budget spent. Refuse is the only Department in Technical Directorate where the income is less than the expenses, and it is essential that we try as far as possible to keep expenditure on a par with income. It is also however essential to ensure that sufficient provision is made for unexpected costs that may have to be incurred to maintain the service. The Municipality's cash flow is an ongoing concern and a concerted effort is made to save money in line with a call from the Mayor on different forums/ meetings that we must work more diligently and try and save costs. | | | | | | | | | |
| **Corrective Measures** | | To continue with setting the correct tariff and to do the necessary adjustment at the adjustment budget when saving is evident as we do forecasting. | | | | | | | | | |
| TL37 | 95% of the approved refuse removal capital budget spent {(Actual amount spent /Total amount budgeted for waste removal assets)x100} | % of capital budget spent | All | New KPI for 2014/15. No comparative audited results available. | 10% | 30% | 50% | 95% | 95% | 74.41% | O |
| **Performance Comment -** | | The savings are due to the competitive prices received during the call for tenders and quotations for the purchase of various items. However, all projects were completed within this saving. | | | | | | | | | |
| **Corrective Measures** | | No corrective measures required, because all projects were completed and a saving achieved. | | | | | | | | | |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL38 | Complete the project for the upgrade of the Struisbaai Waste Water Treatment Works by 31 December 2014 | Project completed | 5 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | G |
| **Performance Comment -** | | Project completed as planned. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL40 | 95% of the approved waste water maintenance budget spent {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of waste water)x100} | % of maintenance budget spent | All | 83% | 0% | 0% | 0% | 95% | 95% | 98.70% | G 2 |
| **Performance Comment -** | | 98.7% of the approved waste water maintenance budget spent. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL43 | 95% of the approved water maintenance budget spent {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of water assets)x100} | % of maintenance budget spent | All | 88% | 0% | 0% | 0% | 95% | 95% | 95.60% | G 2 |
| **Performance Comment -** | | 95.6% of the water maintenance budget spent. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL44 | Complete the upgrade of the Water treatment Works (WTW) in Napier by the end of June within the approved budget | Project completed | 1 | New KPI for 2014/15. No comparative audited results available. | 0 | 0 | 0 | 1 | 1 | 0 | R |
| **Performance Comment -** | | The construction side was not completed due to the fact that a report was being awaited from the consultant. The Bid Adjudication Committee did not approve the construction side pending the report as premature upgrades could lead to wasteful expenditure in the long term | | | | | | | | | |
| **Corrective Measures** | | Provision has been made to continue the project in 2016/17 | | | | | | | | | |

***Table 65.: Development and regular maintenance of bulk infrastructure such as roads, stormwater networks, potable water networks, waste water treatment plants, land and integrated human settlements***

## b) Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL5 | 0.5% of the municipality's operational budget actually spent on implementing its workplace skills plan {(Actual amount spent on training/total operational budget)x100} | % of the operational budget spent on training | All | 0.74% | 0% | 0% | 0% | 0.50% | 0.50% | 0.81% | B |
| **Performance Comment -** | A total amount of R 1 951 577.46 was spent on staff training, which comprises R1 317 110.50 for staff training plus R 634 446.96 from the SETA. The total adjusted operating budget for the year was R 238 304 082. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL6 | Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan | Number of people appointed in the three highest levels of management | All | 1 | 0 | 0 | 0 | 1 | 1 | 0 | R |
| **Performance Comment -** | The only vacancy on this level was the Manager: Strategic Services. We could not recruit a suitable candidate from the designated group, despite extensive advertisement and head hunting. This is mainly attributable to logistics and remuneration. A white female was eventually appointed. | | | | | | | | | | |
| **Corrective Measures** | Internal training and development of persons from designated groups to create a pool of prospective candidates (Eg MMC and Public Management Programme at Boland College). | | | | | | | | | | |
| TL7 | Limit vacancy rate to less than 10% of budgeted post (Number of funded posts vacant / total number of funded posts)x100 | (Number of funded posts vacant / total number of funded posts)x100 | All | 23.50% | 10% | 10% | 10% | 10% | 10% | 12.72% | R |
| **Performance Comment -** | In 2013/14, a moratorium was placed on the filling of posts which led to a high vacancy rate of 14.90% at the beginning of the financial year. This was systematically reduced to 12.70% by June 2015. | | | | | | | | | | |
| **Corrective Measures** | The ongoing process of filling vacant positions will ensure that target of 10% is achieved within the first quarter of new financial year. | | | | | | | | | | |
| TL8 | Develop a individual PMS policy that includes an incentive policy and submit to Council by end September | Individual PMS policy developed that includes an incentive policy and submitted to Council by end September | All | New KPI for 2014/15. No comparative audited results available. | 1 | 0 | 0 | 0 | 1 | 1 | G |
| **Performance Comment -** | The policy was developed and approved by Council on 26 May 2015. It was approved later than anticipated due to a prolonged process of obtaining union buy-in. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |

***Table 66.: Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training***

## c) Promote service excellence and a corruption free environment

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL26 | Implement the RBAP for 2014/15 (Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100 | % of audits and tasks completed in terms of the RBAP | All | 91.20% | 10% | 30% | 50% | 80% | 80% | 90.70% | G 2 |
| **Performance Comment -** | More audits and other tasks were completed than anticipated due to a knowledgeable and experienced intern that was rotated to Internal Audit Unit, as well as conflicting tasks that were transferred to the Strategic Management Section which freed up audit time | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL27 | Develop a Communication Strategy with an implementation plan and submit to Council by end March | Communication Strategy with implementation plan developed and submitted to Council by end March | All | New KPI for 2014/15. No comparative audited results available. | 0 | 0 | 1 | 0 | 1 | 0 | R |
| **Performance Comment -** | The development of a Communication Strategy forms part of the Provincial Back to Basics Support Plan for the Municipality which was approved by Council on 30 June 2015. (Resolution 143/2015) As a result the plan will only be finalised the next financial year | | | | | | | | | | |
| **Corrective Measures** | The development of a Communication Strategy will be done in 2015/16 as part of the Back to Basics Support Programme. | | | | | | | | | | |

***Table 67.: Promote service excellence and a corruption free environment***

## d) Provision of quality basic services such as water, electricity, refuse removal and sanitation

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL9 | Limit electricity losses to not more than 12% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100} | % electricity losses | All | 8.94% | 0% | 0% | 0% | 12% | 12% | 6.45% | B |
| **Performance Comment -** | Achieved by eradicating all non-metered connections within Municipal Departments, addressing electricity theft and changing faulty meters on a daily basis. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL10 | 95% of the electricity maintenance budget spent {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of maintenance budget spent | All | 76.29% | 0% | 0% | 60% | 95% | 95% | 96.50% | G 2 |
| **Performance Comment -** | Electrical infrastructure maintained according to maintenance schedule. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL11 | 95% of the electricity capital budget spent {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans | % of capital budget spent | All | New KPI for 2014/15. No comparative audited results available. | 2% | 6% | 35% | 95% | 95% | 99.36% | G 2 |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| **Performance Comment -** | We spent 99.36% Planning was in place and we started implementing in July of the financial year. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL12 | Replace high and low tension cables in Arniston, Struisbaai, Napier and L'Agulhas by end June within the approved budget | Project completed | All | New KPI for 2014/15. No comparative audited results available. | 0 | 0 | 0 | 1 | 1 | 1 | G |
| **Performance Comment -** | All ageing and deteriorating infrastructure is on a capital replacement plan and is replaced according to this plan. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL39 | 90% waste water discharge quality obtained as per SANS 242 parameters | % water quality of waste water discharge | All | 90% | 90% | 90% | 90% | 90% | 90% | 58.33% | R |
| **Performance Comment -** | Below standard waste water quality is primarily attributable to mechanical failures at the Bredasdorp waste water treatment plant, which is currently exceeding its design capacity. | | | | | | | | | | |
| **Corrective Measures** | The Bredasdorp Waste Water Treatment Works (WWTW) is due for a total upgrade. Two alternative options are currently being looked at, namely the conclusion of an agreement with an external service provider to upgrade the plant to a biogas technology WWTW during 2015/2016. The Municipality has also registered the project with the MIG program should the bio-gas option not realise, in which case the project is planned for implementation in 2016/2017. | | | | | | | | | | |
| TL41 | Limit technical water losses to not more than 18% {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100} | % water losses | All | 22.50% | 0% | 0% | 0% | 18% | 18% | 21% | R |
| **Performance Comment -** | The 21% water loss percentage is due to a lot of factors namely;<br>1). Distribution losses due to old infrastructure;<br>2). Half of the towns have old water meters (older than 20 years). Old meters can register a loss of ±10%;<br>3).Pressure management - high pressures account for higher water losses.<br>4). Bulk meters must be read concurrently with household meters; The installation of the L'Agulhas, Struisbaai and Suiderstrand bulk meters would not have dropped the water losses | | | | | | | | | | |
| **Corrective Measures** | During this financial year leak detection was done in towns with high water losses only due to cost implications; Funding applications were submitted to the Department of Water Affairs for water demand management which included replacement of house hold meters, etc; New applications will be lodge at different departments for replacement of household meters, pressure management, etc. Leak detection will be done more frequently to locate leakages. Night flows monitoring will also be done to locate leakages. | | | | | | | | | | |
| TL42 | 95% water quality level obtained as per SANS 241 physical and micro parameters | % water quality level | All | 99% | 95% | 95% | 95% | 95% | 95% | 98.58% | G 2 |
| **Performance Comment -** | 98.5% compliant with SANS241 for the year under review according to laboratory results. This is a clear indication of the municipality's effort to ensure quality drinking water for its community. | | | | | | | | | | |
| **Corrective Measures** | None required. | | | | | | | | | | |

***Table 68.: Provision of quality basic services such as water, electricity, refuse removal and sanitation***

## e) To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL29 | Obtain Blue Flags status for a portion of the Struisbaai beach by end November | Blue flag status received for a portion of the Struisbaai beach by end November | All | 0 | 0 | 1 | 0 | 0 | 1 | 1 | G |
| **Performance Comment -** | | Pilot Blue Flag Status achieved for Struisbaai Beach. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL30 | Create FTE's through government expenditure with the EPWP | Number of FTE's created by end June | All | 82 | 0 | 0 | 0 | 51 | 51 | 147 | B |
| **Performance Comment -** | | 147 Full Time Equivalents (FTE's) were created during the year on various Extended Public Works Program (EPWP) projects. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL31 | Review the LED strategy with an implementation plan and submit to Council by end September | LED strategy reviewed with an implementation plan and submitted to Council by end September | All | New KPI for 2014/15. No comparative audited results available. | 1 | 0 | 0 | 0 | 1 | 0 | R |
| **Performance Comment -** | | The development of a Local Economic development (LED) Strategy was one of the priorities identified as part of the Provincial Joint Planning Initiative due to in-house capacity constraints. . The Department of Economic Development and Tourism has agreed to assist the municipality with this, but it will only take place in the next financial year. | | | | | | | | | |
| **Corrective Measures** | | A new LED Strategy will be developed in the 2015/16 Financial Year, A new Strategic Manager was appointed on 1 May 2015 to drive the process. | | | | | | | | | |

***Table 69.: To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities***

## f) To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL1 | Construct the ablution facility at the Zwelitsha Sport field by end June within the approved budget | Ablution facility constructed by end June | 3 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | G |
| **Performance Comment -** | | Phase 1 of the project completed. Phase 2 scheduled for 2015/16 Financial Year. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL2 | Upgrade the sport field at Napier by end June within the approved budget | Sport field upgraded by end 30 June | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | G |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall performance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| **Performance Comment -** | Project completed as planned. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL4 | Completion of phase 2 of the Thusong Centre by end of June within the approved budget | Project completed | 1 | Phase 1 completed during 2013/14 | 0 | 0 | 0 | 1 | 1 | 0 | R |
| **Performance Comment -** | The Municipality's budget allocation was insufficient to complete the project. Although requested, additional funding was not received from Province to complete the project. | | | | | | | | | | |
| **Corrective Measures** | The project was registered for MIG funding in June 2015 for R 5 600 000. The project will be completed over two financial years. | | | | | | | | | | |
| TL15 | Provide 6kl free basic water per month to all households | Number of HH receiving free basic water | All | 8 309 | 8 490 | 8 490 | 8 490 | 8 490 | 8 490 | 8 513 | G 2 |
| **Performance Comment -** | 8 513 households receive 6kl free basic water per month. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL16 | Provide free basic sanitation, refuse and availability fee for water to the amount of R 245 (including VAT) to indigent households in terms of the equitable share requirements | Number of HH receiving free basic sanitation | All | 3 248 | 3 180 | 3 180 | 3 180 | 3 180 | 3 180 | 3 431 | G 2 |
| **Performance Comment -** | 3 431 households receive free basic sanitation, refuse and availability fee for water to the amount of R 245 (including VAT) to indigent households in terms of the equitable share requirements. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL17 | Provide 50 kwh free basic electricity per month per indigent household in terms of the equitable share requirements | Number of HH receiving free basic electricity | All | 2 672 | 3 180 | 3 180 | 3 180 | 3 180 | 3 180 | 3 431 | G 2 |
| **Performance Comment -** | 3 431 households receive 50 kwh free basic electricity per month per indigent household in terms of the equitable share requirements. | | | | | | | | | | |
| **Corrective Measures** | n/a | | | | | | | | | | |
| TL21 | Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network | Number of formal residential properties that receive piped water (credit and prepaid water) | All | 8309 | 8 490 | 8 490 | 8 490 | 8 490 | 8 490 | 8 513 | G 2 |
| **Performance Comment -** | 8 513 formal residential properties receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network. | | | | | | | | | | |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL22 | Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) | Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) | All | 8 442 | 8 030 | 8 030 | 8 030 | 8 030 | 8 030 | 8 600 | G 2 |
| **Performance Comment -** | | 8 600 formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas). | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL23 | Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) | Number of residential properties which are billed for sewerage in accordance with the financial system | All | 5 634 | 5 582 | 5 582 | 5 582 | 5 582 | 5 582 | 6 125 | G 2 |
| **Performance Comment -** | | 6 125 formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets). An additional 2936 houses have septic tanks. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL24 | Number of formal residential properties for which refuse is removed once per week | Number of formal residential properties for which refuse is removed | All | 9 259 | 8 490 | 8 490 | 8 490 | 8 490 | 8 490 | 9 068 | G 2 |
| **Performance Comment -** | | 9 068 formal residential properties for which refuse is removed once per week. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |

***Table 70.: To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods***

## g) To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL13 | Upgrade the server room by the end of April within the approved budget | Project completed | All | New KPI for 2014/15. No comparative audited results available. | 0 | 0 | 0 | 1 | 1 | 0 | R |
| **Performance Comment -** | | The Council decided to re-prioritise this project during the adjustment budget, and re-allocated the funding to Project FAIR. (A HR project aimed at reviewing the Municipality's organisational structure and job profiles). This project was partially externally funded and required co-funding by the Municipality. | | | | | | | | | |
| **Corrective Measures** | | The upgrading of the server room has been referred to the 2015/16 financial year. | | | | | | | | | |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL14 | Achieve a debtors payment percentage of at least 98% by 30 June {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100} | % debtors payment ratio achieved | All | 97.35% | 98% | 98% | 98% | 98% | 98% | 107.70% | G 2 |
| **Performance Comment -** | | Due to a concerted effort to recover outstanding debts to improve the municipality's financial position, it was possible to recover a higher percentage of debt for the financial year under review. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL18 | Financial viability measured in terms of the outstanding service debtors {(Total outstanding service debtors/ revenue received for services)x100} | % outstanding service debtors | All | 20.40% | 0% | 0% | 0% | 10% | 10% | 9.49% | B |
| **Performance Comment -** | | Although the target was achieved, the current economic climate is affecting the ability of residents to pay for services as evidenced by increasing indigents. | | | | | | | | | |
| **Corrective Measures** | | The Municipality will investigate alternative debt collection measures. | | | | | | | | | |
| TL19 | Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | Cost coverage | All | 1.92 | 0 | 0 | 0 | 0.7 | 0.7 | 1.03 | G 2 |
| **Performance Comment -** | | The Municipality's financial viability measured in terms of the available cash to cover fixed operating expenditure is 1.03 | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL20 | Financial viability measured in terms of the municipality's ability to meet it's service debt obligations {(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant} | Ratio achieved | All | 384.9 | 0 | 0 | 0 | 70 | 70 | 0.007 | B |
| **Performance Comment -** | | The Municipality's financial viability measured in terms of the municipality's ability to meet it's service debt obligations is 0.007 | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |
| TL25 | The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the IDP | % of the budget spent | All | 106.64% | 0% | 0% | 0% | 95% | 95% | 104% | G 2 |
| **Performance Comment -** | | Housing infrastructure installation initially treated as operational but rectified to capital expenditure during the year. | | | | | | | | | |
| **Corrective Measures** | | n/a | | | | | | | | | |

| Ref | KPI | Unit of Measurement | Wards | Actual performance of 2013/14 | Target | | | | | Overall perfor-mance for 2014/15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 | Annual | Actual | R |
| TL28 | Complete a Long-term viability investigation and submit the report with recommendations to Council by end September | Long-term viability investigation completed and report submitted to Council by end September | All | New KPI for 2014/15. No comparative audited results available. | 1 | 0 | 0 | 0 | 1 | 1 | G |
| Performance Comment - | | A financial viability investigation was adopted by Council in June 2014. Funds were then requested from Provincial Treasury for phase 2 namely the development of a long term financial plan. The CAM Long Term Financial Plan was approved by Council on 30 June 2015. (Resolution 162/2015) | | | | | | | | | |
| Corrective Measures | | n/a | | | | | | | | | |

***Table 71.: To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality***

## 3.6 MUNICIPAL FUNCTIONS

### 3.6.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

| Municipal Function | Municipal Function Yes / No |
|---|---|
| **Constitution Schedule 4, Part B functions:** | |
| Air pollution | Yes (currently run in conjunction with the Overberg District Municipality (ODM) due to capacity constraints. The ODM is also responsible for the licensing function) |
| Building regulations | Yes |
| Child care facilities | No |
| Electricity and reticulation | Yes |
| Firefighting services | No (run by ODM) |
| Local tourism | Yes |
| Municipal airports | No |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | No |
| 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 harbors, excluding the regulation of international and national shipping and matters related thereto | No |
| 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 |

| Municipal Function | Municipal Function Yes / No |
|---|---|
| **Constitution Schedule 5, Part B functions:** | |
| Beaches and amusement facilities | Yes |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlors 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 (burials done by the veterinarian) |
| Fencing and fences | Yes |
| Licensing of dogs | No |
| Licensing and control of undertakings that sell food to the public | No (managed by the District Municipality) |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | No |
| Municipal abattoirs | No |
| Municipal parks and recreation | Yes |
| Municipal roads | Yes |
| Noise pollution | Yes |
| Pounds | Yes |
| Public places | Yes |
| Refuse removal, refuse dumps and solid waste disposal | Yes |
| Street trading | Yes |
| Street lighting | Yes |
| Traffic and parking | Yes |

***Table 72.: Functional Areas***

## 3.7 OVERVIEW OF PERFORMANCE PER WARD

The Municipality currently does not keep records of households receiving basic services per ward. However, the table below gives an indication of the detail of basic service delivery per town:

| Basic Service Provisions | | | | | |
|---|---|---|---|---|---|
| **Detail** | **Town** | **Water** | **Sanitation** | **Electricity** | **Refuse** |
| Formal Households with minimum service delivery | Bredasdorp | 3 681 | 4 204 | 4 600 | 4 146 |
| | Napier | 1 111 | 1 115 | 1 266 | 1 135 |
| | Struisbaai | 2 306 | 2 315 | 1 736 | 2 341 |
| | L'Agulhas | 640 | 648 | 625 | 638 |

| Basic Service Provisions | | | | | |
|---|---|---|---|---|---|
| Detail | Town | Water | Sanitation | Electricity | Refuse |
| | Waenhuiskrans | 602 | 608 | 258 | 621 |
| | Protem | 20 | 20 | 0 | 24 |
| | Klipdale | 20 | 20 | 0 | 25 |
| | Suiderstrand | 133 | 135 | 115 | 120 |
| Households without minimum service delivery | | 0 | 0 | 0 | 0 |
| **Total Households** | | **8 513** | **9 061** | **8 600** | **9 068** |

***Table 73.: Basic Service provision per area***

### 3.7.1 WARD 1: NAPIER, ELIM, SPANJAARDSKLOOF AND SURROUNDING FARMS

| Project Name and detail | Start Date | End Date | Total Value (R) |
|---|---|---|---|
| Upgrading of Napier Sport complex | February 2015 | June 2015 | 799 800 |
| Upgrading of Nuwerus Streets | July 2014 | June 2015 | 5 800 000 |
| Smartie Town roads | September 2014 | June 2015 | 400 000 |

***Table 74.: Capital projects of Ward 1: Napier, Elim, Spanjaardskloof and surrounding farms***

| Top Four Service Delivery Priorities for Ward 1 (Highest Priority First) | | |
|---|---|---|
| No. | Priority Name and Detail | Progress During 2014/15 |
| 1 | Installation of new public ablution facilities and upgrading of the old facilities | The new ablution facilities are not done yet but the old facilities are upgraded/maintained regularly |
| 2 | Installation of solar heating panels for houses in Napier and Elim | Dormant due to cessation of Provincial roll out programme |
| 3 | Solar geysers for Napier and Elim | Dormant due to cessation of Provincial roll out programme |
| 4 | Tarring of roads in Tamatiekraal and Bo-Dorp | Bo-Dorp street completed |

***Table 75.: Top four service delivery priorities for Ward 1: Napier, Elim, Spanjaardskloof and surrounding farms***

### 3.7.2 WARD 2: PART OF BREDASDORP, KLIPDALE, HOUTKLOOF AND SURROUNDING FARMS

| Project Name and detail | Start Date | End Date | Total Value (R) |
|---|---|---|---|
| Replacement of midblock water main | May 2015 | June 2015 | 286 736 |

***Table 76.: Capital projects of Ward 2: Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms***

| Top Four Service Delivery Priorities for Ward 2 (Highest Priority First) | | |
|---|---|---|
| No. | Priority Name and Detail | Progress During 2014/15 |
| 1 | Building of a bridge from Fabrieks Way to Long Street | Not budgeted for due to financial constraints |
| 2 | Paving of all sidewalks | Not budgeted for due to financial constraints |
| 3 | Speed humps | 5 speed humps constructed |

| Top Four Service Delivery Priorities for Ward 2 (Highest Priority First) | | |
|---|---|---|
| **No.** | **Priority Name and Detail** | **Progress During 2014/15** |
| 4 | Putting up of a play park close to the old cemetery (c/o Villiers and Sealy Street) | Completed |

*Table 77.: Top four service delivery priorities for Ward 2: Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms*

### 3.7.3 WARD 3: PART OF BREDASDORP (SELFBOU AREA, KLEINBEGIN, ZWELITSHA, KALKOONDE AREA, VOLSTRUISKAMP)

| Project Name and detail | Start Date | End Date | Total Value (R) |
|---|---|---|---|
| Establishing of a soccer field in Zwelitsha | May 2015 | June 2015 | 2 284 057 |
| Upgrading of informal settlement program | June 2014 | August 2014 | 11 900 249 |

*Table 78.: Capital projects of Ward 3: Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde area, Volstruiskamp)*

| Top Four Service Delivery Priorities for Ward 3 (Highest Priority First) | | |
|---|---|---|
| **No.** | **Priority Name and Detail** | **Progress During 2014/15** |
| 1 | Additional change/cloakrooms at Nelson Mandela Hall | Not budgeted for due to financial constraints |
| 2 | Availability of land for small businesses and establishment of a Business Hive to encourage entrepreneurs | Dormant - land available but external funding to be sourced for development of hive. |
| 3 | Putting up of speed humps (Gonnabos, Blombos, Baadjes, Zwelitsha, Kamferbos Streets) | 2 speed humps constructed |
| 4 | Install street lights in Pola Park informal area | Completed. Ongoing process, lights get installed when requested |

*Table 79.: Top four service delivery priorities for Ward 3: Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde area, Volstruiskamp)*

### 3.7.4 WARD 4: PART OF BREDASDORP (CBD), PROTEM, VANDERSTELSKRAAL AND SURROUNDING FARMS

| Project Name and detail | Start Date | End Date | Total Value (R) |
|---|---|---|---|
| Stormwater | February 2015 | April 2015 | 100 000 |

*Table 80.: Capital projects of Ward 4: Part of Bredasdorp (CBD), Protem, Vanderstelskraal and surrounding farms*

| Top Four Service Delivery Priorities for Ward 4 (Highest Priority First) | | |
|---|---|---|
| **No.** | **Priority Name and Detail** | **Progress During 2014/15** |
| 1 | Upgrading of water supply in Protem | Completed |
| 2 | Supply outlet for stormwater in Patterson Street | Not budgeted for due to financial constraints |
| 3 | Upgrading of stormwater canal in Fletcher Street – phase 2 | Not budgeted for due to financial constraints |
| 4 | Upgrading of stormwater network in Patterson- and Fabrieks Way | Not budgeted for due to financial constraints |

*Table 81.: Top four service delivery priorities for Ward 4: Part of Bredasdorp (CBD), Protem, Vanderstelskraal and surrounding farms*

### 3.7.5 WARD 5: ARNISTON, STRUISBAAI, L'AGULHAS, SUIDERSTRAND, HAASVLAKTE AND SURROUNDING FARMS

| Project Name and detail | Start Date | End Date | Total Value (R) |
|---|---|---|---|
| Human settlements (70 plots of which 40 are top structures) | May 2014 | March 2015 | 3 200 000 |
| Kassiesbaai Roads | Oct 2014 | Mar 2015 | 5 300 000 |
| Stormwater Struisbaai | Jul 2014 | Mar 2015 | 350 000 |

*Table 82.: Capital projects of Ward 5: Arniston, Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and surrounding farms*

| Top Four Service Delivery Priorities for Ward 5 (Highest Priority First) | | |
|---|---|---|
| No. | Priority Name and Detail | Progress During 2014/15 |
| 1 | Installation of streetlights for streets and open spaces in Kassiesbaai | The Municipality maintains the lights in terms of an agreement with ESKOM |
| 2 | Developing of a new soccer field next to the rugby field | Completed |
| 3 | Fencing of play park next to Struisies crèche | Not budgeted for |
| 4 | Put in ceiling at the Community Hall | Not budgeted for |

*Table 83.: Top four service delivery priorities for Ward 5: Arniston, Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and surrounding farms*

## 3.8 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges and includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

### 3.8.1 WATER PROVISION

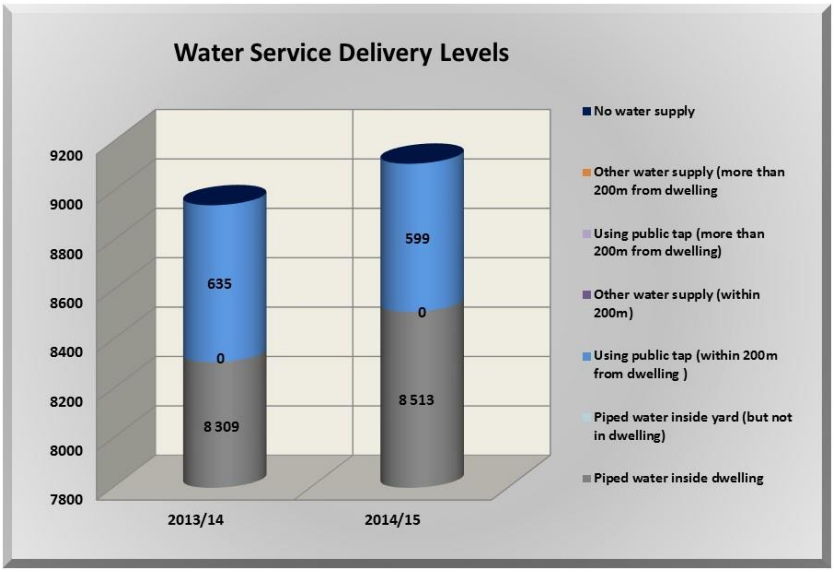
The Municipality's primary water sources are ground water from various boreholes in the area. Bredasdorp has, in addition, the Uitvlucht spring and the Sanddrift Dam which it uses for its water supply. Water sources are, however, limited and additional sources need to be investigated in the near future. The peak water demand during summer season in coastal towns remains a challenge.

| Year | Agriculture | Forestry | Industrial, Business and Domestic | Unaccounted for water losses |
|---|---|---|---|---|
| 2013/14 | 0 | 0 | 1 798 871 cubic meters | 22.5% |
| 2014/15 | 0 | 0 | 1 974 793 cubic meters | 21.4% |

*Table 84.: Total use of water by sector (cubic meters)*

| Water Service Delivery Levels | | |
|---|---|---|
| Households | | |
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| ***Water:* (above min level)** | | |
| Piped water inside dwelling | 8 309 | 8 513 |
| Piped water inside yard (but not in dwelling) | 0 | 0 |
| Using public tap (within 200m from dwelling ) | 635 | 599 |
| Other water supply (within 200m) | 0 | 0 |
| ***Minimum Service Level and Above sub-total*** | **8 944** | **9 112** |
| ***Minimum Service Level and Above Percentage*** | **100** | **100** |
| ***Water:* (below min level)** | | |
| Using public tap (more than 200m from dwelling) | 0 | 0 |
| Other water supply (more than 200m from dwelling | 0 | 0 |
| No water supply | 0 | 0 |
| ***Below Minimum Service Level sub-total*** | **0** | **0** |
| ***Below Minimum Service Level Percentage*** | **0** | **0** |
| **Total number of households*** | **8 944** | **9 112** |
| **Include informal settlements* | | |

***Table 85.: Water service delivery levels: Households***




***Graph 6.: Water service delivery levels***

| Access to Water | | | |
|---|---|---|---|
| Financial year | Proportion of households with access to water points* | Proportion of households with access to piped water | Proportion of households receiving 6 kl free |
| 2013/14 | n/a | 100% | 100% |
| 2014/15 | 1% | 99% | 100% |
| ** Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute*<br>*# 6,000 liters of potable water supplied per formal connection per month* | | | |

***Table 86.: Access to water***

| Employees: Water Services and Sanitation Services* | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 1 | 1 | 1 | 0 | 0.00 |
| 4 – 6 | 4 | 4 | 4 | 1 | 20.00 |
| 7 – 9 | 10 | 9 | 6 | 3 | 33.33 |
| 10 - 12 | 2 | 3 | 3 | 0 | 0.00 |
| 13 - 15 | 30 | 40 | 31 | 9 | 22.50 |
| **Total** | **47** | **58** | **45** | **13** | **22.41** |
| *Employees and Posts numbers are as at 30 June.*<br>**These employees is also responsible for Waste Water (Sanitation)* | | | | | |

***Table 87.: Employees: Water Services***

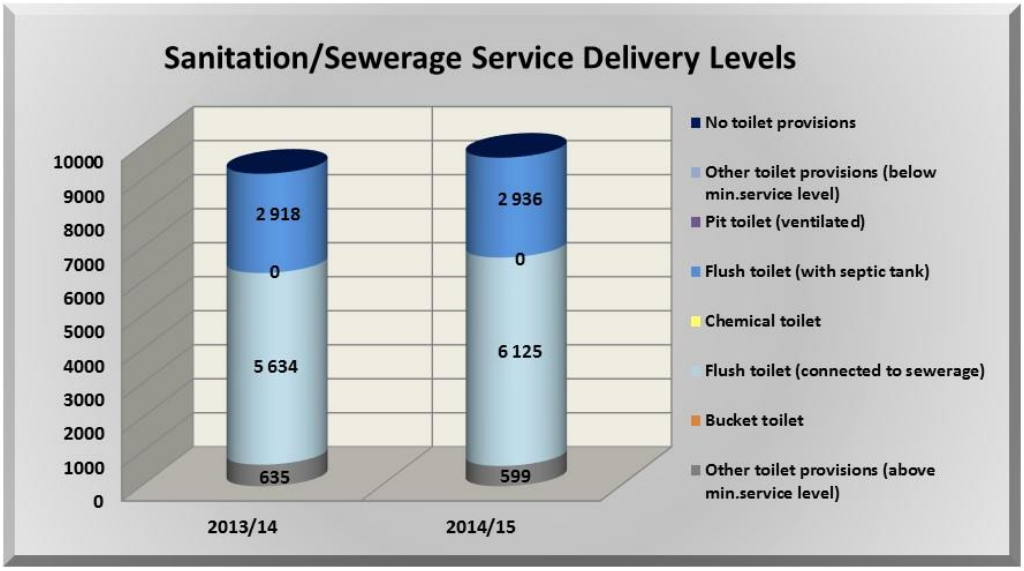
### 3.8.2 WASTE WATER (SANITATION) PROVISION

Bredasdorp has a fully waterborne sewerage system in place. Only the lower income areas in Napier, Arniston and Struisbaai have a full waterborne sewerage system. High income areas are serviced with septic tanks. A server tanker is available for the rural areas.

Various waste water treatment plants are operational throughout the area. Purified sewer water is used for irrigation of the public sports facilities in Bredasdorp.

| Sanitation Service Delivery Levels | | |
|---|---|---|
| Households | | |
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| ***Sanitation/sewerage:*** **(above minimum level)** | | |
| Flush toilet (connected to sewerage) | 5 634 | 6 125 |
| Flush toilet (with septic tank) | 2 918 | 2 936 |
| Chemical toilet | 0 | 0 |
| Pit toilet (ventilated) | 0 | 0 |
| Other toilet provisions (above min.service level) (Communal flush toilets) | 635 | 599 |
| ***Minimum Service Level and Above sub-total*** | **9 187** | **9 660** |
| ***Minimum Service Level and Above Percentage*** | **100** | **100** |
| ***Sanitation/sewerage:*** **(below minimum level)** | | |
| Bucket toilet | 0 | 0 |
| Other toilet provisions (below min.service level) | 0 | 0 |
| No toilet provisions | 0 | 0 |
| ***Below Minimum Service Level sub-total*** | **0** | **0** |
| ***Below Minimum Service Level Percentage*** | **0** | **0** |
| **Total households** | **9 187** | **9 660** |
| *Including informal settlements* | | |

***Table 88.: Sanitation service delivery levels***




***Graph 7.: Sanitation Service Delivery Levels***

Various Waste Water Treatment Plants are operational throughout the area. Purified sewer water is used for irrigation of the public sports facilities in Bredasdorp.

| Capital Expenditure 2014/15: Sanitation Services R'000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| *No capital expenditure took place during the 2014/15 financial year* | | | | | |

***Table 89.: Capital Expenditure 2014/15: Sanitation Services***

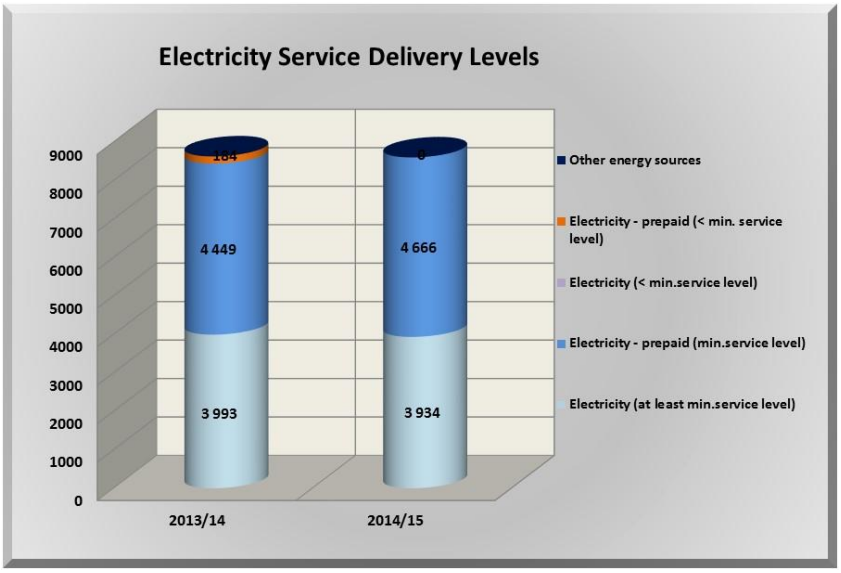
### 3.8.3 ELECTRICITY

The Council receives a subsidy of **R11 500** per RDP house from the Department of Energy to provide electricity to all such houses. Therefore, RDP houses get their connection for free.

Council budgeted **R100 000** to provide a connection at no cost to informal households that are not connected. All formal households have access to electricity. The only households without electricity are the RDP houses that were recently completed.

| Electricity Service Delivery Levels | | |
|---|---|---|
| Households | | |
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| ***Energy:*** **(above minimum level)** | | |
| Electricity | 3 993 | 3 934 |
| Electricity - prepaid | 4 449 | 4 666 |
| ***Minimum Service Level and Above sub-total*** | **8 442** | **8 600** |
| ***Minimum Service Level and Above Percentage*** | **100** | **100** |
| ***Energy:*** **(below minimum level)** | | |
| Electricity (< min.service level) | 0 | 0 |
| Electricity - prepaid (< min. service level) | 0 | 0 |
| Other energy sources | 0 | 0 |
| ***Below Minimum Service Level sub-total*** | **0** | **0** |
| ***Below Minimum Service Level Percentage*** | **0** | **0** |
| **Total number of households** | **8 442** | **8 600** |

***Table 90.: Electricity service delivery levels***




***Graph 8.: Electricity service delivery levels***

| Employees: Electricity Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | 0 | 0 |
| 4 - 6 | 3 | 4 | 4 | 0 | 0 |
| 7 - 9 | 3 | 4 | 3 | 1 | 25 |
| 10 - 12 | 5 | 5 | 5 | 0 | 0 |
| 13 – 15 | 4 | 5 | 4 | 1 | 20 |
| **Total** | **17** | **20** | **18** | **2** | **10** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 91.: Employees: Electricity services***

| Capital Expenditure 2014/15: Electricity Services R'000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Upgrade main switch at Struisbaai** | 240 | 240 | 240 | 0 | 240 |
| **Renew overhead lines** | 500 | 500 | 499 | (1) | 499 |
| **Electrification of IRDP houses** | 2 000 | 2 000 | 2 000 | 0 | 2 000 |
| *Only the priority or high cost capital projects are detailed above.* | | | | | |

***Table 92.: Capital Expenditure 2014/15: Electricity Services***

The upgrade and the replacement of overhead lines are part of the Municipality's ongoing process of upgrading the electrical infrastructure within the municipal area.

The Electrical Department complete the electrification of low cost houses as they are built.

### 3.8.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

All households in the municipal area have access to a weekly refuse collection service. In low income areas the bags are carried out to the nearest collection point. Each household receives 60 black bags per annum free of charge.

The Municipality has a recycling programme in place and the separation of waste takes place at source. A two bag system has been implemented for collecting of waste. Material that can be recycled is placed in clear bags and other waste in black bags. This programme also creates jobs and extensive use is made of the Expanded Public Works Programme (EPWP).

The Municipality has a licensed landfill site in Bredasdorp and three Drop-Off areas (Napier, Waenhuiskrans and Struisbaai). There is also a licensed landfill site in Elim which is operated by the Elim "Opsieners Raad". The waste from the Drop-Off's is collected and transported to the Bredasdorp landfill site.

The Municipality has applied for closure permits for the old Struisbaai, Napier, L'Agulhas and Waenhuiskrans landfill sites and the application is still in process.

Street cleaning takes place on a continuous basis throughout the year. We also make use of EPWP for this and create jobs for unemployed persons.

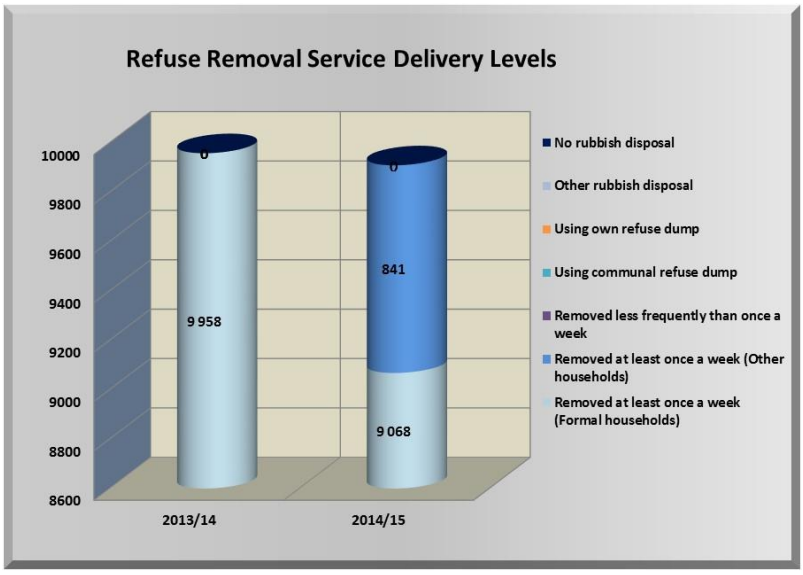
| Solid Waste Service Delivery Levels | | |
|---|---|---|
| **Households** | | |
| **Description** | **2013/14** | **2014/15** |
| | **Actual** | **Actual** |
| | **No.** | **No.** |
| ***Solid Waste Removal:*** **(Minimum level)** | | |
| Removed at least once a week (Formal households) | 9 958 | 9 068 |
| Removed at least once a week (Other areas) | 0 | 841 |
| ***Minimum Service Level and Above sub-total*** | **9 958*** | **9 909**** |
| ***Minimum Service Level and Above percentage*** | **100** | **100** |
| ***Solid Waste Removal:*** **(Below minimum level)** | | |
| Removed less frequently than once a week | 0 | 0 |
| Using communal refuse dump | 0 | 0 |
| Using own refuse dump | 0 | 0 |
| Other rubbish disposal | 0 | 0 |
| No rubbish disposal | 0 | 0 |
| ***Below Minimum Service Level sub-total*** | **0** | **0** |
| ***Below Minimum Service Level percentage*** | **0** | **0** |

| Solid Waste Service Delivery Levels | | |
|---|---|---|
| Households | | |
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| Total number of households | 9 958* | 9 909** |

** All inclusive – no distinction made between formal households and communal areas*

*** The Municipality has not reduced its service delivery. A lower figure has been reported due to a data cleansing exercise and an amendment of the calculation basis which was agreed upon in consultation with the Auditor-General*

***Table 93.: Solid Waste Service Delivery Levels***




***Graph 9.: Refuse Removal Service Delivery Levels***

| Employees: Solid Waste Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 1 | 1 | 1 | 0 | 0 |
| 4 – 6 | 3 | 1 | 1 | 0 | 0 |
| 7 – 9 | 9 | 5 | 5 | 0 | 0 |
| 10 – 12 | 0 | 0 | 0 | 0 | 0 |
| 13 – 15 | 22 | 24 | 23 | 1 | 4.17 |
| **Total** | **35** | **31** | **30** | **1** | **3.23** |
| *Employees and Posts numbers are as at 30 June* | | | | | |

***Table 94.: Employees: Solid Waste Services***

| Capital Expenditure 2014/15: Solid Waste Services R'000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Fence at Landfill Site, Bredasdorp | 100 | 100 | 76 | (24) | 76 |
| *Total project value represents the estimated cost of the project on approval by Council. Only the prioritized capital projects is detailed above* | | | | | |

***Table 95.: Capital Expenditure 2014/15: Solid Waste Services***

### 3.8.5 HOUSING

Shelter is a basic need and housing will provide shelter, but this alone is not enough. Settlements are a key element of the urban environment and they should function as a singular workable system of integrated networks and interconnecting nodes.

The Municipality supports this sentiment, and strives to ensure that livable habitats are created to contribute to the improvement of the living conditions of the poor.

The Government's primary objective is to undertake housing development, which Section 1 of the Housing Act, No. 107 defines as being:

"*the establishment and maintenance of habitable, stable and sustainable public and private residential environments. This is to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to housing. This includes permanent residential structures with secure tenure, ensuring internal and external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply*."

The existing national human settlements programmes are based on this objective and the principles embodied therein. Municipalities are required to take a leading role in identifying land for the location of housing supply, to facilitate spatial planning and transportation systems and the integration of housing into municipal IDP's.

The housing development process entails the following:

- Initiating, planning, facilitating and co-ordinating appropriate housing development.
- Promoting private sector development and playing the role of developer
- Preparing a housing delivery strategy and setting up housing development goals.
- Identifying and allocating land for housing development.
- Creating a financially and socially viable environment for housing delivery.
- Facilitating the resolution of conflicts arising from housing delivery initiatives
- Facilitating the provision of bulk services

- Administering national housing programmes.

The Municipality has adopted a Housing Plan which focuses on the implementation of the housing programme in accordance with the IDP of Council.

This plan is used to facilitate and assist the Municipality to fulfil the role assigned to it in terms of the National Housing Code. The Housing Plan addresses the following:

- Inclusion of housing planning as part of the integrated development planning process.
- Sustainable settlement development and asset creation. This will need a shift in policy from providing shelter to developing sustainable human settlements for our communities.
- A shift towards development that is demand-defined (by households according to their needs, and through local government processes such as the IDP). This will then ensure that people living in situations of poverty are better able to build social and physical assets, thus enhancing housing as an economic instrument once transferred.
- The institutional architecture of housing will have to be restructured through coordinated and integrated planning, funding and capacity building efforts at different spheres and sectors of government.
- Lastly the housing policy instruments and their implementation agencies need to be aligned to ensure better flow of funds and more effective achievement of desired outcomes. Housing planning as part of the IDP will form the basis for multi-year provincial housing plans, thereby improving planning.

This strategic plan focuses on the implementation of the housing programme in accordance with the IDP and to adjust the housing strategy and targets in line with new policy directives.

When developing the Housing Plan the extensive migration of people into the Cape Agulhas Municipal Area was taken into account. South Africa as a country has long been affected by patterns of migration which has now developed into an established pattern. In the recent years there has been a progressive intensification of mobility in the Western Cape Province. The underlying determinants of this trend include increased and new economic opportunities, quality of education and better health care service in the province.

The implications of migration into our Municipality for housing are as follows:

- There is a substantial increase in population in the informal areas
- A considerable number of people in the informal settlements are not South African citizens which is one of the qualifying criteria for a housing subsidy
- The majority of people travel by foot to school and work. This has an implication for delivery of future housing, which should be located in close proximity to existing work opportunities and education facilities.

In addressing the housing backlog in Cape Agulhas Municipality the following housing development projects have already been completed:

- A total of 250 low cost housing units were completed in Napier during the 2009/10 financial year.

- A total of 251 low cost housing sites were established in Bredasdorp (Africa Avenue) during 2010/11
- A total of 184 houses were also completed in Bredasdorp in 2011/12
- In the 2012/13 financial year a total of 168 houses and 47 serviced plots were completed in Zwelitsha using the Upgrading of Informal Settlements Programme (UISP)
- In Arniston a total of 67 houses were built but the GAP houses have not been built yet as Council is still exploring different options on how to dispose of existing plots and the type of development best suited in this area
- In Struisbaai 111 houses were completed in 2013/14
- In Bredasdorp the second phase of Zwelitsha (UISP) was completed with a total of 139 houses

In line with the low cost housing plan the following is still in the pipeline:

- Area F in Bredasdorp with approximately 900 sites to be developed in 2016/17 financial year
- Integrated Residential Development Programme (IRDP) housing project for Napier comprising of 250 houses for 2015/16.
- IRDP in Struisbaai of 250 houses
- Planning for Institutional Housing Project in Bredasdorp for rental units

The above projects need to be implemented but are dependent on the availability of funding from the Department of Human Settlements.

The biggest priority for Cape Agulhas Municipality is to reduce the number of households in the various informal settlements and to also create better living conditions for back yard dwellers. The Human Settlement Plan of Cape Agulhas Municipality illustrates this intention quite clearly. A major focus is now being placed on those who do not qualify for houses and are in the "GAP" market.

The following table indicates the number of households with access to basic housing:

| Households with access to basic housing | | | |
|---|---|---|---|
| **Total households (including in formal and informal settlements)** | **Households in formal settlements** | **Percentage of HHs in formal settlements** | **Households in informal settlements** |
| 10 161 | 9 562 | 94.1 | 599 |
| *Source: Statistics SA – Census 2011* | | | |

***Table 96.: Percentage of households with access to basic housing***

There are currently approximately 3 411 applicants or potential beneficiaries on the waiting list for Cape Agulhas Municipality. This is an increase from the previous year when the number of people on the waiting list was 3 319.

The table below shows a decrease in the number of people on the housing waiting list which is very encouraging and is a clear indication of the Municipality's commitment to eradicating the housing backlog

| Financial year | Housing applicants | % Housing waiting list increase/decrease |
|---|---|---|
| 2013/14 | 3 319 | (21.4) |
| 2014/15 | 3 411 | 2.8 |

***Table 97.: Housing waiting list***

A total amount of **R 24 436 256** was allocated by the Western Cape Provincial Government for the building of houses during the financial year under review. The total amount was spend at year-end. A summary of houses built, includes:

| Financial year | Allocation | Amount spent | % spent | Number of houses built | Number of sites serviced |
|---|---|---|---|---|---|
| | R'000 | | | | |
| 2013/14 | 19 944 | 16 083 | 80.6 | 279 | 47 |
| 2014/15 | 24 436 | 24 436 | 100 | 179 | 0 |

***Table 98.: Houses built in 2014/15***

| Employees: Housing Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employee | Vacancies (fulltime equivalents | Vacancies (as a % of total posts |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0 |
| 4 - 6 | 0 | 0 | 0 | 0 | 0 |
| 7 - 9 | 2 | 2 | 2 | 0 | 0 |
| 10 - 12 | 0 | 0 | 0 | 0 | 0 |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| 16 - 18 | 0 | 0 | 0 | 0 | 0 |
| 19 - 20 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **3** | **3** | **3** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 99.: Employees: Housing services***

The Municipality is on track with its housing roll out programme. 137 houses were built in Bredasdorp and 40 houses in Struisbaai were completed in the 2014/15 financial year. The process to relocate the Oukamp Informal Settlement in Struisbaai commenced and 50% of the informal settlements have been relocated and the remainder will be relocated in the 2015/16 financial year.

### 3.8.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The National Framework defines indigent as "lacking the necessities of life". Cape Agulhas Municipality is responsible for indigents with respect to the following services:

- Water supply
- Sanitation
- Refuse
- Basic energy

For each of these services there are a range of service levels which can be provided with the following categories typically being applied:

- Basic service level which is required in order to maintain basic health and safety
- Intermediate service level
- Full service, the highest level of service that is traditionally applied in South African municipalities

In accordance with the approved Indigent Policy of the Municipality, all households earning less than **R2 740** per month will receive the free basic services as prescribed by national policy. The table below indicates the total number of indigent households and other households that received free basic services in the past two financial years:

| Free Basic Services To Low Income Households | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Number of households | | | | | | | | |
| | Total HH's | Households earning less than R2 740 per month | | | | | | | |
| | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Access | % | Access | % | Access | % | Access | % |
| 2013/14 | 8 552 | 2692 | 31.40 | 2 692 | 31.40 | 3 400 | 39.70 | 2 692 | 31.40 |
| 2014/15 | 8 826 | 3 429 | 38.85 | 3 429 | 38.85 | 3 429 | 38.85 | 3 429 | 38.85 |

***Table 100.: Free basic services to low income households***

| Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|---|---|---|---|---|
| Services Delivered | 2013/14 | 2014/15 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Water | 1 185 | 1 453 | 1 453 | 1 682 | (229) |
| Waste Water (Sanitation) | 2 042 | 2 836 | 2 836 | 2 898 | (62) |
| Electricity | 933 | 250 | 250 | 241 | 9 |
| Waste Management (Solid Waste) | 2 306 | 3 395 | 3 295 | 3 273 | 22 |

| Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|---|---|---|---|---|
| Services Delivered | 2013/14 | 2014/15 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Total | 6 466 | 7 934 | 7 834 | 8 094 | (260) |

*Table 101.: Financial Performance 2014/15: Cost to the Municipality of Free Basic Services delivered*

Cape Agulhas Municipality support the indigents with the following services:

- 6kl free water
- 50kWh free electricity
- Full subsidy for water basic fee
- Rebate 40% or 80% for refuse removal depending on household income
- Rebate 40% or 80% for sanitation depending on household income

The building of low cost houses in Bredasdorp resulted in the increase of the indigents in the Municipality thereby placing increased pressure on the municipal budget to deliver free basic services to all its inhabitents.

Excluded in the table above is 152 indigents from Elim who were subsidised to the amount of R287 178 for the financial year. Elim provides their own services but, since they resort in the Cape Agulhas Municipal Area the Council decided that all the residents must be treated the same.

Also not included in the table above are inhabitants in the informal area which received free services for community sanitation, refuse and water.

## 3.9 COMPONENT B: ROAD TRANSPORT

This component includes: roads and waste water (stormwater drainage).

### 3.9.1 INTRODUCTION TO ROAD TRANSPORT

The Streets and Stormwater Department is tasked with the construction and maintenance of all roads and stormwater assets within the Cape Agulhas Municipal Area. Master plans for roads and stormwater for the whole area were put in place to assist in planning and budgeting. These master plans are upgraded every 4 years.

### 3.9.2 ROADS

The strategy of the Streets and Stormwater Department is to build no less than 1.5 km new roads annually in the municipal area. These projects aim address the backlog and alleviate poverty through labour intensive construction methods which enable us to employ local unemployed people through EPWP.

The Streets and Stormwater Department again established an outstanding EPWP record that complies with legislation which resulted in the Municipality winning the national KAMOSO award for the construction of Long Street.

In Napier, new engineering technology was used in upgrading gravel roads to labour based asphalt roads. This technology was a pilot project for labour based asphalting. This resulted in additional MIG funds being allocated to the Municipality.

| Gravel Road Infrastructure<br>Kilometers | | | | |
|---|---|---|---|---|
| Year | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2013/14 | 29.13 | 2.1 | 1.573 | 29.13 |
| 2014/15 | 30.33 | 1.3 | 2.5 | 30.33 |

*Table 102.: Gravel road infrastructure*

| Tarred Road Infrastructure<br>Kilometers | | | | | |
|---|---|---|---|---|---|
| Year | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2013/14 | 173.05 | 1.57 | 0.22 | 6.68 | 173.05 |
| 2014/15 | 174.62 | 2.5 | 0.5 | 1.2 | 174.62 |

*Table 103.: Tarred road infrastructure*

| Cost of Construction/Maintenance<br>R' 000 | | | | | | |
|---|---|---|---|---|---|---|
| Year | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| 2013/14 | 3 100 | 1 500 | 421 | 4 100 | 801 | 950 |
| 2014/15 | 3 370 | 1 900 | 500 | 4 500 | 910 | 1 070 |

*Table 104.: Cost of construction/Maintenance*

| Employees: Roads and Stormwater (one team for both Sections) | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) No. |
| 0 - 3 | 1 | 1 | 1 | 0 | 0 |
| 4 - 6 | 3 | 3 | 3 | 0 | 0 |

| Employees: Roads and Stormwater (one team for both Sections) | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) No. |
| 7 - 9 | 9 | 9 | 9 | 0 | 0 |
| 10 - 12 | 6 | 7 | 5 | 2 | 28.5 |
| 13 - 15 | 14 | 17 | 17 | 0 | 0 |
| **Total** | **33** | **37** | **35** | **2** | **5.4** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 105.:*** ***Employees: Roads and Stormwater***

| Capital Expenditure 2014/15: Roads R' 000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Bo-Dorp Street, Napier | 500 | 600 | 600 | 100 | 600 |
| Nuwerus Streets, Napier | 5 100 | 6 300 | 6 300 | 1 200 | 6 300 |
| Kassiesbaai Roads, Waenhuiskrans | 5 700 | 5 700 | 5 700 | 0 | 5 700 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. Only the priority projects are detailed above and does not include details of all the capital projects* | | | | | |

***Table 106.:*** ***Capital Expenditure 2014/15: Roads (includes stormwater)***

### 3.9.3 WASTE WATER (STORMWATER DRAINAGE)

Stormwater drainage is still a major challenge due to the existing backlog and inadequate stormwater systems. A master plan was drawn up to identify and prioritize the needs for capital budget purposes and focus areas.

All new roads are constructed with stormwater drainage and the Municipality aims to construct more than 500m of stormwater pipes annually to address the backlog. This is achievable with an adequate budget allowance and support from Council.

In the 2014/15 financial year further stormwater projects were undertaken to address backlogs, as well as alleviate poverty by job creation through utilisation of labour constructive methods as part of the EPWP.

After a flashflood in Napier during January 2014, the Municipality lost two bridges connecting Napier with Tamatiekloof. The bridges were repaired to such an extent that the Municipality received various compliments form the community, including the local newspaper. In the 2014/15 financial year gabions were constructed at bridges to alleviate future flooding.

The table below shows the total kilometers of stormwater maintained and upgraded as well as the kilometers of new stormwater pipes installed:

| Stormwater Infrastructure | | | | |
|---|---|---|---|---|
| Kilometers | | | | |
| Year | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| 2013/14 | 73.9 | 0.8 | 0.2 | 74.7 |
| 2014/15 | 74.9 | 1.6 | 0.4 | 76.5 |

*Table 107.: Stormwater infrastructure*

| Stormwater Infrastructure cost | | | |
|---|---|---|---|
| R'000 | | | |
| Year | Stormwater Measures | | |
| | New | Upgraded | Maintained |
| 2013/14 | 950 | 300 | 650 |
| 2014/15 | 1 400 | 690 | 650 |

*Table 108.: Stormwater infrastructure cost*

Stormwater upgrading and maintenance are essential for any municipality due to the fact that an "Act of God" (flashflood) can happen at any given time. Municipalities therefor have to ensure that the run-off of stormwater is acceptable.

## 3.10 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

### 3.10.1 INTRODUCTION TO PLANNING AND DEVELOPMENT

The Town Planning Department, which includes building control, fell under the Corporate Services Directorate for the financial year 2014/15.

#### a) Functions of the Town Planning Department

- Effective service delivery and networking with the public
- Receiving town planning applications
- Issuing zoning certificates, info, business licences
- Site inspections
- Dealing with complaints
- Application considerations
- Town planning and environmental workshops

#### b) Functions of the Building Control Section

- Effective service delivery and networking with the public
- Receiving building plans

- Building inspections
- Dealing with complaints
- Providing info to the public
- Issuing of occupancy certificates

### c) Opportunities in the department

- Green buildings and initiatives
- Training
- Electronic plan system – filing of plans electronically
- I-Pads/tablets to capture information in the field
- New planning legislation converting the integrated zoning scheme into By-Laws
- Electronic building plan register in place and working well

### d) Summary of challenges

- Back-yard Dwellers Policy
- Computers / Electronics plan system / building plan register
- Available data / illegal building work
- Funding
- CMA – Coastal Management Plan not in place
- Co-operation between departments
- Knowledge and skills amongst new employees
- New directorate – understanding of systems
- Law-enforcement policies
- LUPA (Land Use Planning Act)/SPLUMA (Spatial Land Use Management Planning Act)
- Air quality management
- Noise control
- Climate change
- Energy efficiency

### 3.10.2 PLANNING

The general objectives of strategic planning include clarifying which models, processes and policies are desired and working towards that goal, coordinating public and private efforts, channeling energy, adapting to new circumstances and improving the living conditions of the citizens affected.

#### a) Achievements

- System works
- Staff is knowledgeable
- Tasks are completed within time framework
- Good service delivery – complaints are dealt with immediately
- Legal requirements and processes are adhered to
- Municipality's Integrated Zoning Scheme approved
- Built Environment Support Programme (BESP) Spatial Development Plan approved

#### b) Service delivery priorities

| Service Delivery Priority | Impact During 2014/15 | Measures To Improve Performance |
|---|---|---|
| Training of staff | Improved quality service delivery | Illegal activities require peace and law enforcement offices to ensure quicker response time |
| Amendment of the Spatial Development Framework (SDF) | Alignment with the Human Settlement Plan and SPLUMA must be done | Ensure alignment with the Human Settlement Plan and National Legislation |
| Integrated Zoning Scheme to be amended | New Legislation to be made into by-laws as Annexure to the Planning By-Law | Integrated Zoning Scheme published as a by-law in terms of SPLUMA |

***Table 109.: Service delivery priorities: Planning***

#### c) Measures to improve performance

- Monthly meetings with staff.
- Workshops and training of staff in terms of new legislation and policies.
- Access to user-friendly data and equipment.
- Consider building plans within three weeks of submission.

#### d) Major efficiencies achieved

- Involved with the Overberg Planning Forum.
- Attending Regional Tourism Liaison Committee (RTLC) meetings.
- Representation on new XA regulations working group.

- Assisting public with building plans where they cannot afford architects.
- Assisting with completion of town planning application forms.
- Doing site visits and giving advice in terms of building work and land uses.
- Yearly bathroom projects – provide bathrooms for very sick and old people.
- Low cost housing projects.
- Overberg Air Quality Forum
- Park Forum with SANPARKS

| Detail | Applications for Land Use Development | | | | | |
|---|---|---|---|---|---|---|
| | Formalization of Townships | | Rezoning | | Built Environment | |
| | 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2014/15 |
| Planning application received | 3 | 1 | 17 | 22 | 397 | 380 |
| Determination made in year of receipt | 3 | 1 | 13 | 18 | 319 | 392 |
| Determination made in following year | 0 | 0 | 4* | 0 | 79 | 12 |
| Applications withdrawn | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications outstanding at year end | 0 | 0 | 0* | 2 | 0 | 12 |
| **Corrections of prior year statistics* | | | | | | |

***Table 110.:*** ***Applications for Land Use Development***

| Employees: Planning | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | 0 | 0 |
| 4 - 6 | 6 | 7 | 6 | 1 | 14.28 |
| 7 - 9 | 0 | 0 | 0 | 0 | 0 |
| 10 - 12 | 0 | 0 | 0 | 0 | 0 |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **8** | **9** | **8** | **1** | **11.11** |
| *Employees and Posts numbers are as at 30 June* | | | | | |

***Table 111.:*** ***Employees: Planning***

### 3.10.3 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### a) Introduction to Economic Development

The Cape Agulhas Municipality and other stakeholders place a high premium on Local Economic Development (LED) in this area. As one of its strategic objectives, Cape Agulhas Municipality has adopted the approach of ensuring financial viability through LED. That is why the municipality has established adequate institutional capacity to facilitate LED in its area of jurisdiction in partnership with the relevant stakeholders.

To assist municipalities to strengthen their abilities to develop bottom-up LED strategy, the Western Cape Department of Economic Development and Tourism provided support to learn how to apply and facilitate PACA (Participatory Appraisal of Competitive Advantage) processes. The process aims to identify medium and short-term catalytic projects or economic opportunities that will make a tangible contribution to economic growth, when implemented subsequently by motivated local stakeholders

The Western Cape Department of Economic Development and Tourism also provided support through the LED maturity assessment, which is a practical way to rapidly assess (in three hours) the state of maturity of the municipality in the field of LED. The assessment method relies on information gathered by interviewing the chief LED decision makers in the municipality as well as other stakeholders e.g. the Business Chamber, Local Tourism Organizations and Agricultural Organizations. The belief is that LED success depends ultimately on the way these leaders make decisions. Strategy and planning documents inform these subsequent decisions.

The Aggregated results of nine dimensions are mapped onto a radar pilot to visualize relative strengths, as well as variances of the Cape Agulhas Municipality LED as illustrated below:

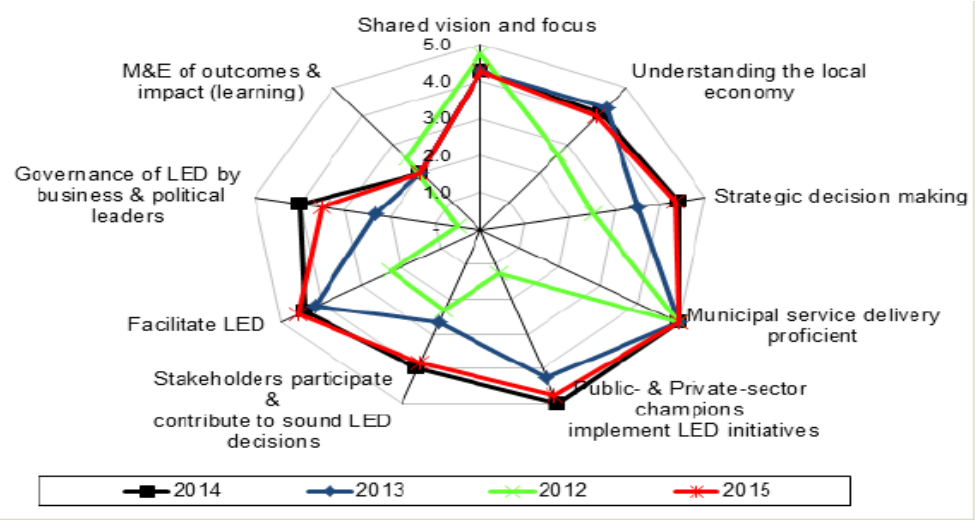



*Figure 4.: Cape Agulhas Area map*

## b) Focus Areas: LED

The following are some of our most significant LED focus areas:

| Highlights | Description |
|---|---|
| Agriculture | Agriculture is still a key economic sector within the economy of Cape Agulhas. The competitive nature of this industry on the export market, as well as the mechanization of the processing of the products, has already resulted in significant job losses. It is therefore important to diversify the economy of Cape Agulhas even more to further reduce the dependency on agriculture. Transformation was initiated by supporting emerging farmers with commonage to enter commercial farming, but a clear land reform strategy will have to be developed to access land for agricultural purposes at an affordable price. |
| Tourism | The tourism industry has demonstrated that it is a potential growing economic sector in the region. Situated in the unique position at the southern-most tip on the African Continent and harboring the meeting place of the two oceans, the region has a multitude of experiences to offer visitors. The key characteristics of the area that promote tourism are; natural resources and conservation areas, the coastline and beaches, and historical monuments and places of interest. |
| Rural Development | The Comprehensive Rural Development Program (CRDP), which is being implemented in ward 5 (Arniston & Struisbaai), is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. |
| Infrastructure | Development and maintenance of a good infrastructure, as well as the continuous availability of bulk basic services |

***Table 112.: LED Focus Areas***

## c) Strengths and Weaknesses: LED

The following strengths and weaknesses of the Cape Agulhas economy were identified during the PACA process:

| General | |
|---|---|
| **Competitive Advantages** | **Competitive Disadvantages** |
| A number of great events<br>A number of developed mentally minded business leaders – not fully utilised<br>Organised business are very functional and keen on development<br>Government declared a rural development node<br>A lifestyle which attracts some business people with their businesses | Far from cities, markets and specialised services<br>Little attraction for businesses to invest<br>No clear competitive advantages for sectors other than Agriculture and Tourism<br>Declining investment in the region / Little confidence to invest in property<br>Some destructive rivalries. Blocking others from succeeding. ”Them & us” groups division in society.<br>Some holiday home owners resist development<br>Municipal failure to cut public sector red tape<br>Limited availability of goods locally - many locals shop in Cape Town<br>Limited shops in Arniston & Struisbaai- Spaza shops owned by foreigners<br>Limited youth activities lead to drugs and other crime<br>Limited financing for entrepreneurs |

***Table 113.: Competitive Advantages and Disadvantages: General***

| Tourism | |
|---|---|
| **Competitive Advantage** | **Competitive Disadvantage** |
| Opposite of the busy city life, tranquil surroundings, safe environment, country style living and vibrant coastal destinations to visit<br>Nature largely unspoiled<br>Coastal lifestyle for the whole family<br>Outstanding fishing areas and potential for boat activities.<br>Lots of diverse tourism activities<br>Attractions unique to Cape Agulhas<br>Southern most point of Africa and the well-known Lighthouse. | Blessed with natural attractions but not so easy to enjoy. Tourism product not well developed<br>Market and locals uninformed about the amazing, diversified strengths<br>Brand message not clear<br>Marketing can improve<br>Public unable to experience whale breeding<br>Lack of infrastructure at main beaches<br>Events not designed to benefit the town optimally |

***Table 114.: Competitive Advantages and Disadvantages: Tourism***

| Agri-and Aquaculture | |
|---|---|
| **Competitive Advantages** | **Competitive Disadvantages** |
| Strong organized agri-sector<br>More agri – processing possible<br>Agri-Mega does amazing job in market development<br>Agricultural innovation/learning and market linkages<br>Proper training for emerging farmers | Far from market which lead to higher transport cost<br>Training facility at Elsenburg exist but not been used efficiently<br>Diminished fishing community due of declining stock and quotas |
| **Abalone:**<br>Natural advantage for world best abalone<br>Strong market demand for this<br>Relationship with DAFF for support | **Abalone:**<br>Red tape in approval processes<br>Capital intensive to operate<br>Locals not experienced / requisite skills, technical and business |

***Table 115.: Competitive Advantages and Disadvantages: Agri-and Aquaculture***

### d) LED Strategy

The LED strategy is in process of being reviewed, and this process will be concluded in 2014/15. The PACA outcomes are an important component of this strategy will be included in the strategy. The following economic development initiatives were prioritized:

| Initiative | Description |
|---|---|
| Establish an amazing Beach & Country club as an anchor attraction for visitors | Establish a Cape Agulhas "Beach- and Country club" with amazing things to do. More than 300 institutions benefits from offering free membership to the club. Therefore we will offer an amazing set of things to do for their visitors that are easy to use. They all market the use of the club activities, which will then generate economy of scale that makes more of these activities economically viable. |
| Grow Eco- Sea Based tourism activities | Grow eco-based tourism activities, which require boat licenses as alternatives to fishing (Rural Nodes). Policy of only one license should be reconsidered. The business environment will improve from the legal eco-tourism boating activities. The new anchor attraction will attract more visitors. Value will be added to the society because of more money circulating in the economy. This too will be a catalyst for rural economic revival. |
| Prioritize infrastructure critical to economic development | Municipality must prioritize provision of infrastructure critical to economic development e.g. tarring of roads, proper infrastructure at beaches, harbor activity, congestion and informal trading markets |
| New tourism facility at southernmost tip of Africa | The public sector must develop a new commercial tourism facility in character and complementary to the unspoiled and natural character of the lighthouse on the southernmost tip. This will improve the business environment by means of better customer experience, |

| Initiative | Description |
|---|---|
| | trading spaces and an increase in spending adding to the local economy. |
| Joint steering committee for events | A joint steering committee in the public and private sector to host more events will promote the sampling of tourism experience, which will attract non-peak season visitors which will lead to business benefiting here from. Customer expenditure will also increase. More money will be circulating in the economy to the benefit of local businesses. |
| Public Private Partnership to improve appearance of towns | Establishing of a public private partnership to improve appearance of towns will make it more attractive for visitors and will increase stays which will lead to tourism growth, increased local spending and more money circulating in the economy. |
| Improved/Revised marketing destination campaign | More focus on enhancing the brand message, which should emphasize a competitive advantage. The business environment will improve leading to more visitors due to better customer experience, improved awareness and affinity for competitive edge. Businesses will grow and there will be more customers, increase in spending, more employment and more money circulating in the economy. |
| Seek investor for livestock processing | Investment promotion and facilitation to lure a local or external investor to process livestock currently being sent away elsewhere. The business environment will be improved because of another big business that buys services inside Cape Agulhas Municipality. Business will benefit with lower transport costs for local farmers, increased purchases in local product and a spin-off for business opportunities. Value will be added through direct and indirect jobs and more money circulating in the economy. |
| Emerging farmer incubator | Agri-Mega to grow emerging farmer support by qualifying emerging farmers to become commercial farmers. Requirement will be to first gain qualification then qualify for incubation opportunity in partnership with Department of Agriculture and Cape Agulhas Municipality. The Elsenburg facility can be utilized, which will increase supply of agri-skills for more commercial Black Economic Empowerment successes. This will add value to the society to gain higher educational qualifications, better income and eventually enter into the commercial farming industry. |
| Feasibility study and best business model for abalone farming | Ensure the completion of the feasibility study for the best abalone business model, building a business case and securing investments into the industry. Value will be added to the society by job creation and more circulation of income in the economy once it is established. |

***Table 116.: LED Strategic Initiatives***

The following strategic areas will be addressed in the LED Strategy Review:

| Strategic areas | Description |
|---|---|
| Growing of the major economic sectors with comparative advantage | Unemployment and job creation presents key challenges to Government and the Cape Agulhas Municipality because it is only through equitable job creation that the problem of poverty and inequality can be addressed on a sustainable basis. |
| Natural resource economics | The biodiversity of the Agulhas plain is another unique feature of this region, which can be utilised as a catalyst to stimulate the economic growth of the region. If properly managed, eco-tourism holds great |

| Strategic areas | Description |
|---|---|
| | potential as an economic incentive for conservation, especially with regard to job creation. |
| Construction | The construction sector performed quite well. The skills shortages were addressed with the R10 million projects from Construction, SETA. The Anene Booysen Skills Centre, which is currently being built, which will be operated in conjunction with Boland College, will open its doors in the near future. |
| Trade promotion | Although the Cape Agulhas manufacturing sector plays a relatively large role on a district level, the sector is not really export focused. The manufactured products that are exported include ceramics, candles, wine and beer. |
| Enterprise development | Cape Agulhas already has a vibrant SMME sector, which is an important component of any regional economy because it employs local labor and increases the local buying power. Around the world, small businesses are a big part of the global economy. |
| Increased economic participation | A major portion of entrepreneurs in Cape Agulhas still find it extremely difficult to enter the mainstream economy and the issue of Black Economic Empowerment is barely visible. The lack of business knowledge related to product development, marketing and management is still a huge limitation for communities and individuals to participate in the local economy. |
| Youth Economic Empowerment | The Human Development Department strives to address all youth related matters with the Cape Agulhas Youth Council and will create a platform where youth related matters are discussed. The focus areas such as education, economic empowerment and gender-based violence will be standing items on the youth council's agenda and will be supported by the departments of the Cape Agulhas Municipality. |
| EPWP job creation portal | When the second phase of EPWP was rolled out by the Department of Transport and Public Works, the strategic objective was to create approximately two million fulltime equivalent (FTE) job opportunities countrywide. The target that was set for Cape Agulhas Municipality has been exceeded. |
| Safety and security | The lifeblood of a vibrant local economy is investment and if Cape Agulhas endeavors to be a haven for potential investors, a collective effort needs to be exercised to ensure a safe and secure environment. |
| Sustainable development | Cape Agulhas Municipality has already pledged its support to the principles of sustainable development and illustrated its sensitivity towards the conservation of the environment. |
| Institutional capacity | The Council and management of Cape Agulhas Municipality are fully supportive of development and are determined to increase capacity for economic development and other developmental objectives. The LED unit provides adequate capacity to implement a LED strategy and give effect to the strategic objectives of the Municipality in terms of LED. |
| Skills development programs | The increasing number of unemployed people in the area are either very low skilled or do not have the required qualifications. These individuals are now forced to find alternative work but do not have the educational background or skills to find permanent employment. The Anene Booysen Skills Development Centre, funded by Construction SETA, will open its doors in the near future and will provide educational training and skills development, in cooperation with Boland College. |

| Strategic areas | Description |
|---|---|
| Emerging farmers programs | Cooperative development and empowerment programs had been successfully facilitated and implemented through interviews from strategic partners. |

*Table 117.: LED Strategic Areas*

The LED strategy identifies various objectives and strategies for intervention such as:

| Objectives | Strategies |
|---|---|
| To ensure that positive growth takes place in the local economy and create a conducive environment for business to sustain itself in a competitive arena | Agriculture: Improve its comparative advantage by applying more innovative farming methods and marketing strategies to improve its competitive edge. Develop a strategic plan for Cape Agulhas Municipality emerging farming industry. |
| Grow major economic sectors with comparative advantage | Tourism: Drafting of a comprehensive integrated Tourism Marketing Strategy for Cape Agulhas Municipality |
| Job creation and skills development | Roll out of projects in line with EPWP principles. Development in support of SMME's and cooperative development |
| Create a conducive environment for business | A Business Summit for SMME's and cooperatives was organized in collaboration with National Government. Business Retention, Expansion Strategy and Red Tape reduction issues were addressed. |

*Table 118.: LED Strategic Objectives and Strategy*

The table below identifies the economic activity within the different sectors:

| Economic Activity by Sector<br>R '000 | | |
|---|---|---|
| **Sector** | **2013/14 (projected)** | **2014/15 (projected)*** |
| Agriculture, forestry and fishing | 199 683 | 203 477 |
| Mining and quarrying | 56 | 57 |
| Manufacturing | 85 376 | 86 913 |
| Electricity | 40 234 | 40 677 |
| Construction | 61 376 | 63 463 |
| Trade | 170 331 | 172 034 |
| Transport | 81 885 | 84 096 |
| Finance | 356 485 | 363 258 |
| Community and social services | 176 004 | 178 820 |
| *2014/15 projection based on growth statistics per the Municipal Economic Review and Outlook report for 2013* | | |

*Table 119.: Economic Activity by Sector*

The outlook for local job opportunities in the Cape Agulhas remains the same as in the past. This can be attributed to the fact that the area is off the normal tourist routes e.g. the N2, as well as the limited opportunities for the establishment of industries. There is also a limited inflow of people further limiting availability of skilled labour.

With a limited budget for LED projects the table below identifies the detail of the various LED initiatives in the municipal area:

| Description of project | No of man-days created | Total Investment | Amount spent to date | Performance Highlights |
|---|---|---|---|---|
| | | R | | |
| Health Gro emerging farming project | 1 400 | 0 | 0 | Empowering of local women as emerging farmers, on commonage, to enter the mainstream agricultural economy |
| Agri Vennote | 1 300 | 0 | 0 | Empowerment of emerging farmers on commonage through a partnership and mentorship agreement |
| Agri Dwala | 5 460 | 0 | 0 | The project was registered as a land reform project on commonage. The business is profitable from year one. They increased their herd of cattle from scratch to a strong herd and also bought two farms |
| Umhlaba Wobiso | 826 | 0 | 0 | An agricultural empowerment initiative on commonage of Cape Agulhas Municipality |
| Sizabanthu Vegetables | 350 | 0 | 0 | Food security provided to people residing in the informal settlement of Zwelitsha. Empowering the beneficiaries as agricultural entrepreneurs |
| Agri Mega | 1 145 | 0 | 0 | One of the strategic goals to accomplish economic growth is the transformation of the agricultural sector by means of development and supporting of the PDI's. Agri-Mega is renting the commonage to promote transformation, land reform and local economic development by establishing agricultural projects on the commonage |
| Southern Whales | 260 | 0 | 0 | Provides alternative economic opportunities for women entrepreneurs from the fishing village of Kassiesbaai. Establish a sustainable economic empowerment initiative in the Arniston tourism industry with a self-catering guesthouse. The property is rent from Cape Agulhas Municipality |
| Hotagterklip B & B / Coffee shop | 0 | 0 | 0 | Due to difficulty of obtaining entrepreneurs to manage the project, it became dormant. Langezandt Estates took over the lease of the premises recently and will start to renovate the infrastructure to revive the community project |
| **Total** | **10 741** | **0** | **0** | |

***Table 120.: Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)***

| Job creation through EPWP projects | | | |
|---|---|---|---|
| Year | EPWP Projects | Jobs created through EPWP projects | Full time equivalents (FTE's) |
| | No. | No. | No. |
| 2013/14 | 170 | 1 028 | 51 |
| 2014/15 | 133 | 982 | 147 |

*Table 121.: Job creation through EPWP projects*

| Employees: Local Economic Development | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 1 | 1 | 0 | 0 |
| 4 - 6 | 2 | 2 | 2 | 0 | 0 |
| 7 - 9 | 0 | 0 | 0 | 0 | 0 |
| 10 - 12 | 0 | 0 | 0 | 0 | 0 |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **2** | **3** | **3** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

*Table 122.: Employees: Local Economic Development*

## 3.11 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 3.11.1 LIBRARIES

The municipal library service consist of eight libraries with the main library situated in Bredasdorp. In addition there are also library facilities at Welverdiend (Bredasdorp) Struisbaai, Waenhuiskrans, Napier, Klipdale and Protem.

We deliver a very important service to our community members, because in towns where recreational facilities are limited, the library forms an essential part of people's daily or weekly schedule. The library is used extensively by school learners.

We also provide services to old age homes and service centres for the elderly, as well as assisting school libraries with their limited collections. The internet that is now available in seven of these libraries, is a highly efficient tool especially for those people who do not have the ability to afford their own personal computers and internet service. The usage of such facilities is free and costs are covered by the Provincial Library Services.

#### a) Highlights: Libraries

| Highlights | Description |
|---|---|
| Welverdiend Library | Welverdiend Library was totally revamped and upgraded due to structural problems. It was closed for nearly 6 months from April- |

| Highlights | Description |
|---|---|
| | August 2014. The focus for this initiative is for improving working relations between schools and libraries |

*Table 123.: Libraries Highlights*

## b) Challenges: Libraries

| Challenges | Description |
|---|---|
| Shortage of staff | There is not enough staff in schools who can actually work with librarians due to the teachers that do not have time to assist in this regard |

*Table 124.: Libraries: Challenges*

## c) Service statistics for Libraries

The table below highlights service statistics for libraries:

| Type of service | 2013/14 | 2014/15 |
|---|---|---|
| Library members | 7 982 | 8631 |
| Books circulated | 190 994 | 103 837 - Due to Welverdiend upgrading closure for a couple of months, only now picking up slowly |
| Exhibitions held | 97 | 217 |
| Internet users | 4 712 (No internet access at Welverdiend library due to renovations taking place) | 4885 (Welverdiend only started in January 2015 installed new PC's) |
| Children programmes | 98 | 137 |
| Visits by school groups | 18 | 41 group visits |
| Book group meetings for adults | 10 | 22 – only provide materials to reader circles |
| Primary and Secondary book education sessions | 18 | 18 |

*Table 125.: Service statistics for libraries*

## d) Employees: Libraries

| Employees: Libraries | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 0 | 0 | 0 | 0 |
| 4 - 6 | 2 | 3 | 3 | 0 | 0 |

| Employees: Libraries | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 7 - 9 | 8 | 10 | 10 | 0 | 0 |
| 10 - 12 | 0 | 0 | 0 | 0 | 0 |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **11** | **13** | **13** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 126.: Employees: Libraries***

### 3.11.2 CEMETERIES

The Municipality currently has 7 cemeteries within its municipal area.

#### a) Highlights: Cemeteries

| Highlights | Description |
|---|---|
| Expansion of cemeteries | Expansion of Napier and Bredasdorp cemeteries completed and registered at the Surveyor-General's Office |

***Table 127.: Cemeteries: Highlights***

#### b) Challenges: Cemeteries

| Challenges | Description |
|---|---|
| Vandalism | The following items were stolen through the 2014/15 financial year and replaced several times:<br>• Copper pipes<br>• Fittings<br>• Wires<br>• Taps<br>• Gutters were broken<br>• The ablution facility were broken into and vandalized |

***Table 128.: Cemeteries: Challenges***

#### c) Service statistics for Cemeteries

| Type of service | 2013/14 | 2014/15 |
|---|---|---|
| | No | No |
| Pauper burials | 15 | 14 |

***Table 129.: Service stats for Cemeteries***

| Employees: Cemeteries | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts |
| *There is one team that does various functions and this information is included under paragraph 3.15 – Sports and Recreation* | | | | | |

***Table 130.:*** ***Employees: Cemeteries***

### 3.11.3 HUMAN DEVELOPMENT

The vision of the Human Development Strategy is to develop a self-reliant society through a comprehensive network of human development partners that will enable and empower the poor, the vulnerable and those with special needs. Human Development is an important component in each and every individual and is regarded as a planned change process, designed to promote the human well-being of the population (community) together with economic development.

It is a pro-poor strategy that is based on a people centered approach to enhance development and it promotes citizen participation in development. It also aims to promote the voice of the lesser fortunate in decision-making and in building democratic and accountable institutions to achieve social and economic justice, human rights, social solidarity and active citizenship.

#### a) Highlights: Human Development

| Highlights | Description |
|---|---|
| Permanent appointment of two additional staff members | Youth Coordinator for Arts and Culture and Sports and Recreation |
| Facilitation of sport development opportunities | The department facilitated opportunities for the sporting community to compete at Provincial and National level |
| Implementation of youth development leadership programs | The leadership programs enabled the youth to appear confidently in public. |
| Establishment of the Cape Agulhas Safehouse | The Safehouse for victims of domestic violence was completed in the 2014/15 financial year. |
| Cultural movement | Establishment of an autonomous youth group to organize themselves and run program |
| | Flash mob against xenophobia |
| | Five personal development workshop |
| | Script writing workshop |
| | Performances at concert |
| 50/50 Leadership camp | One 50/50 leadership Camp |
| | Painting a park project |
| | Math's Classes |
| Elim youth | Executive training workshop and team building training |
| Treasure tracks | History Project – untold stories |
| Motivational talks / bursary opportunities | Grade 12 learners support at AMSSS |
| San Parks | Personal development program for peer educators |

| Highlights | Description |
|---|---|
| Youth Council | Youth Day Program |
| School holiday program | School holiday program in partnership with the Anglican Church |

*Table 131.: Highlights: Human Development*

## b) Challenges: Human Development

| Description | Actions to address |
|---|---|
| A lack of volunteers to facilitate programs in the neighboring towns | • Employ a total of four skilled youths in the different towns where the EPWP operates, to facilitate youth and sports programs.<br>• Utilize the National Rural Youth Service Corps (NARYSEC) and Chrysalis Academy students to facilitate youth and sport development programs in conjunction with the Human Development Department |
| Equipment to run program | The department should have a separate budget for purchasing equipment |

*Table 132.: Human Development Challenges*

## c) Service Statistics for Human Development

| Human Development programmes | | |
|---|---|---|
| **Detail** | **2013/14** | **2014/15** |
| Soup kitchens established or supported | 4 | 4 |
| Youngsters educated and empowered | Functional Youth Council<br>Leadership Workshop for Youth<br>The 50/50 Youth Leadership Project | Functional Youth Council<br>Leadership Workshop for Youth<br>The 50/50 Youth Leadership Project |
| Initiatives to increase awareness on disability | Functional Disability Forum<br>Disabled awareness programme | Supported events for the disabled community |
| Initiatives to increase awareness on women | My story telling session for abused women in conjunction with Gender Links<br>Economic empowerment programme for abused women<br>16 days of activism | Conducted two women empowerment camps<br>16 days of activism |
| Initiatives to increase awareness on HIV/AIDS | 1 World Aids Day event | 1 World Aids Day event |
| Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes | Drug awareness campaign with stakeholders | Conducted a drug and safety summit |
| Special events hosted (World's Aids Day, World Arbor day, World Disability Day, Youth Day, 16 Days of activism against women abuse) | The following events were hosted:<br>• National Day for the Aged<br>• Youth Day | The following events were hosted:<br>• National Day for the Aged<br>• Youth Day |

| Human Development programmes | | |
|---|---|---|
| **Detail** | **2013/14** | **2014/15** |
| | • World AIDS Day<br>• 16 days of activism against women | • World AIDS Day<br>• 16 days of activism against women |

***Table 133.: Service statistics for Human Development programmes***

### d) Employees: Human Development

| Employees: Human Development | | | | | |
|---|---|---|---|---|---|
| **Job Level** | **2013/14** | **2014/15** | | | |
| | **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| | **No.** | **No.** | **No.** | **No.** | **%** |
| 0 - 3 | 1 | 1 | 1 | 0 | 0 |
| **Total** | **1** | **1** | **1** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 134.: Employees: Human Development***

## 3.12 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: air quality control; biodiversity and landscape; coastal protection.

Environmental protection and management entails, *inter alia,* environmental impact management, ecosystems, sustainable development, environmental research, state of the environment, environmental education, environmental resource economics, and coastal zone management.

There is a need for mainstreaming climate change, specifically green economy and low carbon transition. You may ask why the green economy is so critical.

The green economy has potential benefits for job creation and reducing poverty through projects aimed at reducing carbon emissions, such as energy efficiency and the Kyoto Protocol's Clean Development Mechanism, while still fulfilling our responsibilities on environmental stewardship and climate change.

The process can be summarised as an attempt by the South African government, and specifically the Cape Agulhas Municipality, to support and facilitate the establishment of a renewable-energy sector, resulting in an expected initial generation of some 3 750 MW from wind, solar and biomass fuel sources. Cape Agulhas Municipality's own proposed waste-to-energy project will eventually also feed energy into the electricity grid.

Never let it be said that anyone can tell the future, but this sector seems to be a possible rising star for the country, and is viewed by many participants as vital to our attempts to employ people. It is also positive for economic development.

The high initial capital costs attract those companies that have well-established records in the renewable space, and the financial institutions have developed innovative financing solutions to help with these costs. It can technically be argued that renewable energy is often at an economic, regulatory or institutional disadvantage relative to other forms of energy supply. It is our vision to overcome these barriers by the strength and alignment of the government, the financial institutions and the developers, who are showing commitment to working together.

The argument can be made that this sector will potentially carry the growth aspirations of South Africa on its shoulders. The green economy has real potential to bring a new growth impetus.

Developers are required to have established what the specific risks to their project are, and have a detailed mitigation plan in place. They also need sufficient expertise for commercial operation and to sustain the plant for the given contract period. The high initial capital costs require a well-established company and innovative financing solutions build on co-operation and a shared commitment to reduce the carbon footprint and combat climate change.

In Cape Agulhas we believe that the proposed waste-to-energy project will do just that.

### 3.12.2 AIR QUALITY CONTROL

The National Environment Management: Air Quality Act, 2004 (Act no. 30 of 2004) was promulgated in 2004. Municipalities have a number of duties in terms of this legislation. Local municipalities must:

- Designate a Municipal Air Quality Officer;
- Develop an Air Quality Management Plan (AQMP) for inclusion in the Municipality's IDP; and
- Prepare an annual and progress report regarding the implementation of the AQMP and compliance with the plan.

The Municipality has appointed an Air Quality Officer, as well as an assistant. Training in this regard took place during the 2014/15 financial year. A draft Air Quality Management Plan and by-law has since been developed and approved by Council.

The Air Quality Officer attends the Provincial and District Air Quality Forums as required.

### 3.12.3 BIO-DIVERSITY AND LANDSCAPE

Biodiversity refers to genes, species (animals and plants), ecosystems, and landscape and the ecological and evolutionary processes that allow these elements of biodiversity to exist.

The Department of Environmental Affairs and Tourism prepared the National Biodiversity Strategy and Action Plan (NBSAP) "…to develop a plan of action for the conservation and sustainable use of the country biological diversity". During the NBSAP preparation the National Biodiversity Implementation Plan identified objectives, outcomes, and activities required for the NBSAP to achieve its goals.

A major part of the Municipality is covered by sensitive biodiversity and there is a need to have sensitive biodiversity areas mapped as well as clear and appropriate guidelines to guide their conservation.

The Critical Biodiversity Areas (CBA) of the Overberg District Municipality report was prepared in April 2010, and indicates the CBA's for the district. These include protected areas, critical biodiversity areas and ecological support areas. The report indicated that the southern part of the municipal area contains an important mosaic of CBA's, and the northern part, the Runes agricultural area, contains some Renosterveld remnants identified as CBA's.

Bioregional planning has gained increasing importance in recent years as a methodology for simply and effectively addressing the issue of land use management in regional planning and the Municipality has developed a full SDF report in this regard and which was amended and updated in June 2014. The purpose of this report is to describe the *status quo* analysis and conclusions of the SDF for the Cape Agulhas and Overberg District Management Area and will guide the Municipality in its future development to ensure the conservation of biodiversity areas.

### 3.12.4 COASTAL PROTECTION

The Cape Agulhas coast has several large bays of which 43% are sandy beaches, 39% rocky and 18% wave cut rocky platform. A few of these beaches have been identified as susceptible to sea level rise due to climate change. The De Hoop Nature Reserve has about 50 km of protected coastline.

The Integrated Coastal Management Programme (CMP) for the Western Cape in 2003 was prepared in terms of the Coastal Zone Management Bill and the Coastal Zone Policy. The objectives of the CMP are to "…facilitate improved planning of coastal resources as well as allow for better targeted investment from government and non-government organisations to support sustainable coastal development".

Many parts of the Agulhas coastline are currently being eroded and poses a problem in already developed areas such as Struisbaai, especially around the Nostra beach area, and Struisbaai campsite (where storm action has already eroded the foundations of a building which had to be demolished), and the Arniston swimming beaches. Substantial funds will have to be invested to stop or slow down this erosion and the Municipality is also in constant discussions with Cape Nature as many of the problems are below the high water mark which falls outside the jurisdiction of the Municipality.

Overberg Municipality is in a process of compiling a CMP for the Overberg area.

## 3.13 COMPONENT F: SECURITY AND SAFETY

This component includes: traffic and law enforcement; fire; and disaster management.

### 3.13.1 INTRODUCTION TO SECURITY & SAFETY

The Protection Sevices Division is committed to provide a high quality community-oriented service to meet the needs of a diverse community. The Division strives to constantly improve its standing within both the communities we serve and the profession.

#### a) Strategic focus areas

The vision, mission, objectives and functions of the Protection Services Division embrace the following strategic focus ares:

- Rendering of traffic administration service

- Maintaining public order
- Protecting and securing the inhabitants of Cape Agulhas Municipality and their property
- Combating specific crime generators
- Alleviation of traffic flow
- Facilitating the provision of affordable, safe and sustainable transport system
- Taking action to reduce the effects of a disaster
- Taking measures to reduce long-term risks associated with human activity or natural events

### b) Core functions

#### *i) Traffic Control*

- Escorting of VIP's, funerals and other dignitaries
- Visible traffic policing
- Ensure road safety during events in area
- Attending accidents and traffic complains
- Daily point duties at crossings and scholar patrols points
- Traffic safety education to community

#### *ii) Revenue collection*

Render a service regarding drivers licensing, vehicle fitness, motor registration/licensing and fine processing

#### *iii) Law Enforcement*

- Attend to complaints regarding animals, hawkers, overgrown erven and general by-law offences
- Educate the community about safe keeping and caring for their animals
- Protection of municipalities councillor's, properties and its employees
- Ensure crime prevention by detecting and combating crime generators
- Do announcements and promote law and order in municipal area

#### *iv) Road markings*

Painting of road markings and erection of road signs

### 3.13.2 TRAFFIC SERVICES AND LAW ENFORCEMENT

The purpose of the Traffic and Law Enforcement Service is to ensure the safety and security of everyone in the Cape Agulhas Municipal area through the provision of efficient basic services and infrastructure in respect of licensing, testing, traffic and municipal by-law enforcement. By promoting safer roads, vehicles and road users who uphold law and order to minimize accidents and crime in the area.

#### a) Highlights: Traffic Services and Law Enforcement

| Highlights | Description |
|---|---|
| Appointment of temporary staff in permanent positions | The appointments include:<br>• A Road Marker<br>• Two Assistant Road Markers<br>• Two Law Enforcement Officers<br>• A Senior Clerk: Fines<br>• A Process Clerk: Fines<br>• A Cleaner: Protection Services<br>• A Enquiry/Reception Clerk |
| Promotions | The following job promotions were invested in to enhance the services within the Traffic Services and Law Enforcement Section:<br>• Senior Traffic Officer<br>• Senior Law Enforcement Officer |
| Appointment of a Traffic Management Technician for speed control and fines with three year tender agreement | Provisioning of traffic law enforcement equipment, back office systems and related services |
| Training | Life Scanning Unit Officer successfully completed the exam for Drivers License Grade A Course |

*Table 135.: Traffic Services and Law Enforcement: Highlights*

#### b) Challenges: Traffic Services and Law Enforcement

| Description | Actions to address |
|---|---|
| Uniforms Budget | Budget must be adjusted to accommodate all staff that requires uniforms- Currently there is not enough budgeted for uniform staff. |
| Equipment | Budget must accommodate equipment – Health and Safety officers' lives are at risk, as they do not have the necessary protective gear. |
| Staff Shortage | Appoint more Traffic Officers and Law Enforcement Officers to ensure a safer environment. |
| Outdated skills and knowledge of top fleet law enforcement | Budget for training to ensure uniformity on the implementing of the Act |
| Slow accident and incident assistance times. | Budget for more vehicle to ensure action times are met for complaints and accidents. |
| Weak Radio Communication | Budget for better radio's mounted in vehicles to cover the distance between the officers in our area. |

*Table 136.: Traffic Services and Law Enforcement: Challenges*

Service statistics for Traffic Services and Law Enforcement are highlighted in the tables below:

| Detail | | 2013/14 | 2014/15 |
|---|---|---|---|
| | | Actual No. | Actual No. |
| 1 | Number of road traffic accidents during the year | 368 | 330 |
| 2 | Number of by-law infringements attended | 416 | 506 |
| 3 | Number of Traffic and Law Enforcement Officers in the field on an average day | 7 | 9 |
| 4 | Number of Traffic and Law Enforcement Officers on duty on an average day | 6 | 9 |

***Table 137.: Traffic Services and Law Enforcement Data***

| Type of service | 2013/14 | 2014/15 |
|---|---|---|
| Animals impounded | 181 | 107 |
| Motor vehicle licenses processed | 17 345 | 19 263 |
| Learner driver licenses processed and issued | 1 536 | 1 028 |
| Driver licenses processed | 4 746 | 6 564 |
| Driver licenses issued | 2 297 | 2 408 |
| Fines issued for traffic offenses | 4 236 | 7 476 |
| R-value of fines collected | 1 139 130 | 550 680 |
| Roadblocks held | 77 | 65 |
| Special Functions – Escorts | 56 | 49 |
| Awareness initiatives on public safety | 11 | 8 |

***Table 138.: Additional performance information for Traffic Services and Law Enforcement***

| Employees: Traffic Services and Law Enforcement (Protection services) | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0 |
| 4 - 6 | 10 | 13 | 12 | 1 | 7.69 |
| 7 - 9 | 9 | 13 | 11 | 2 | 15.38 |
| 10 - 12 | 0 | 4 | 4 | 0 | 0 |
| 13 - 15 | 2 | 4 | 4 | 0 | 0 |
| **Total** | **22** | **35** | **32** | **3** | **8.57** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 139.: Employees: Traffic Services and Law Enforcement***

### 3.13.3 FIRE

Cape Agulhas Municipality renders a fire service by agreement with ODM on a shared service basis for the following:

- Preventing the outbreak or spread of a fire
- Fighting or extinguishing a fire
- The protection of life or property against a fire or other threatening danger
- The rescue of life or property from a fire or other danger

### 3.13.4 DISASTER MANAGEMENT

The Cape Agulhas Municipal, Disaster Management Plan serves as a situational analysis of operational arrangements within the area. This provide officials and other role players in disaster management, as well as communities, with effective prevention of disasters from occurring and to minimize the impact of hazards which cannot be avoided. The plan was reviewed during the 2014/15 financial year and is currently still in draft form.

Disaster management is a continuous integrated, multi-sectored and disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation (Disaster Management Act. No. 57 of 2002).

When damage or losses occur during a disaster/incident the following social assistance are issued by the Municipality:

- R1 000 voucher to buy food and clothing per household
- Each victim is issued with a blanket
- Used clothing is also provided where sizes is in stock
- Short term accommodation is available when needed
- Food is provided for the victims during the emergency period and thereafter they are issued with the voucher
- Informal settlement material as a starting kit is provided to rebuild a structure
- Black plastic sail available for hand-out to cover leaking structures

This assistance is available to anyone who qualifies based on their need of assistance during an incident or the extent of damage to their property.

| Employees: Disaster Management | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 15 | *Employees form part of the Protection Services Department and is included in Traffic Services Employees statistics* | | | | |

***Table 140.: Employees: Disaster Management***

## 3.14 COMPONENT G: SPORT AND RECREATION

The municipal area currently has 16 parks with playground equipment, as well as a community park in every ward. There are also sports fields and halls in every ward, as well as camp sites at Bredasdorp, Arniston, Struisbaai and L'Agulhas. Provision for maintenance, upgrading and expansions are budgeted for annually in terms of maintenance plans, but is limited to available funds.

### a) Highlights: Sport and Recreation

| Highlights | Description |
|---|---|
| Zwelitsha Soccer Field | New soccer field at Zwelitsha – Project is not completed yet |
| Upgrade of Napier Sport Grounds | New Netball Field (Tarred & Mark)<br>Underground water pipes to wet the field<br>Planting of grass for the rugby field |
| Struisbaai Sport Grounds | Combined soccer/rugby goal posts |
| Waenhuiskrans Sport Grounds | Combined soccer/rugby goal posts |
| New play park | Construction of new play park in Sealy Street, Bredasdorp |

***Table 141.: Sport and Recreation Highlights***

### b) Challenges: Sport and Recreation

| Description | Actions to address |
|---|---|
| Shortage of soccer fields | Possible utilization of MIG funds to create additional sports facilities |

***Table 142.: Sport and Recreation Challenges***

## c) Additional performance information for Sport and Recreation

| Type of service | 2013/14 | 2014/15 |
|---|---|---|
| **Community parks** | | |
| Number of parks with play park equipment | 19 | 20 |
| Number of wards with community parks | 5 | 5 |
| **Camp sites/Resorts** | | |
| Number of visitors per annum | 87 245 | 90 500 |
| R-value collected from visitation and/or accommodation fees | 4 191 070 | 4 989 623 |
| **Sport fields** | | |
| Number of wards with sport fields | 5 | 5 |
| Number of sport associations utilizing sport fields | 12 | 18 |
| **Community halls** | | |
| Number of wards with community halls | 5 | 5 |
| Number of sport associations utilizing community halls | 123 | 11 |
| R-value collected from rental of sport halls | 78 342 | 346 139 |

***Table 143.: Additional performance information for Sport and Recreation***

| Employees: Sport and Recreation | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0 |
| 4 - 6 | 5 | 4 | 4 | 0 | 0 |
| 7 - 9 | 9 | 5 | 5 | 0 | 0 |
| 10 - 12 | 15 | 8 | 8 | 0 | 0 |
| 13 - 15 | 19 | 35 | 34 | 1 | 2.86 |
| **Total** | **49** | **53** | **52** | **1** | **1.89** |
| *Employees and Posts numbers are as at 30 June 2015.* | | | | | |

***Table 144.: Employees: Sport and Recreation***

| Capital Expenditure 2014/15: Sport and Recreation | | | | | |
|---|---|---|---|---|---|
| R' 000 | | | | | |
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance From Original budget | Total Project Value |
| Expansion of the resorts, including electricity | 100 | 100 | 101 | 1 | 100 |
| New Soccer Field at Zwelitsha | 877 | 1 225 | 472 | (405) | 1 225 |
| Upgrading of the sport field at Napier | 702 | 800 | 800 | 0 | 800 |
| *Total project value represents the estimated cost of the project on approval by Council* | | | | | |

***Table 145.: Capital Expenditure 2014/15: Sport and Recreation***

Detail of the above projects are as follows:

- Expansion of resorts – The resort at Arniston was expanded with additional stands, including water and electricity to accommodate people who usually made use of Camp B
- New Soccer Field at Zwelitsha: Vibrate wall – 95% completed, roll-on lawn – 50% completed, construction of rising main was completed. ±R500 000 of 2014/15 budget was transferred to 2015/16 budget to complete the project
- Upgrade of the sport field at Napier – Tender was advertised for a second time and was awarded to Bobby de Groot – Project is complete

## 3.15 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council, financial services, human resource services, ICT services, property services.

### 3.15.1 EXECUTIVE AND COUNCIL

#### a) Highlights: Executive and Council

| Highlights | Description |
|---|---|
| Behavior | Ethical behavior of councilors is generally good. No disciplinary procedures against any councilor was instituted during this term |
| Targets | Legislative targets are always met (budget timeframes etc.) |
| Service delivery | The stability of Council ensures a more effective and productive service delivery. Hands-on approach of councilors in terms of their oversight responsibility makes it easy for managers to understand and fulfill their responsibility |

***Table 146.: Executive and Council: Highlights***

### b) Challenges: Executive and Council

| Description | Actions to address |
|---|---|
| Communication | Internal as well as external communication can be improved. The function of ward committees and their responsibilities needs more attention |
| Budgeting | The budgeting process need to be more transparent and better communication with all councilors and the public needs to be enhanced |

*Table 147.: Executive and Council: Challenges*

| Employees: Executive and Council | | | | | |
|---|---|---|---|---|---|
| Job Level | Job Level | Job Level | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 9 | 9 | 9 | 0 | 0 |
| **Total** | **9** | **9** | **9** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

*Table 148.: Employees: Executive and Council*

## 3.15.2 FINANCIAL SERVICES

### a) Highlights: Financial Services

| Highlights | Description |
|---|---|
| Debt collection | The Municipality maintained a good debt collection rate |
| Liquidity ratio | Although less than the previous financial year, the Municipality's liquidity ratio still reflects a sound financial position |
| Creditor payments | Creditors are being paid within the 30 day limit |
| Long term financial viability | A Long Term Financial Plan with recommendations was approved by Council in June 2015 |
| Establishment of a Supply Chain Department | A Supply Chain Department was established under the control of a Supply Chain Manager who was appointed in April 2015 (Previously Supply Chain resorted under the Manager: Expenditure) |

*Table 149.: Financial Services: Highlights*

### b) Challenges: Financial Services

| Description | Actions to address |
|---|---|
| Increase in employee related costs | Filling of critical and legislative required posts only |
| Decline in reserves | Investigate other sources of capital funding e.g. borrowing |
| Implementation of the Long Term Financial Viability Plan | Development of an implementation plan |
| Increasing costs of bulk purchases of electricity from ESKOM coupled with an inability of the Municipality to escalate these cost increases to consumers as a result of NERSA regulations and benchmark guidelines | Ongoing review and update of the current tariff structure for the various services to be more transparent, fair and equitable |

*Table 150.: Financial Services: Challenges*

### c) Employees: Financial Services

| Employees: Financial Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 5 | 4 | 1 | 20 |
| 4 - 6 | 14 | 16 | 15 | 1 | 6.25 |
| 7 - 9 | 13 | 10 | 8 | 2 | 20 |
| 10 – 12 | 0 | 4 | 4 | 0 | 0 |
| 13 – 15 | 2 | 2 | 2 | 0 | 0 |
| **Total** | **31** | **37** | **33** | **4** | **10.81** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

*Table 151.: Employees: Financial Services*

## 3.15.3 HUMAN RESOURCE SERVICES

Human Resource Management Services were identified as one of the six critical services in any municipality. The functions within Human Resource (HR) involves recruitment and selection, labour relations, training and development, performance management, health and safety and all personnel administration with regard to all staff related matters. With limited staff capacity HR has provided critical information on time every time in order for the correct salaries to be paid. The HR staff is a skilled team with all of them having a post matric tertiary qualification.

### a) Highlights: Human Resources

| Highlights | Description |
|---|---|
| Reduction in vacancy rates | The vacancy rate decreased from 28.7% to 12.7% when compared to previous financial year |
| Review of HR Policies | The following policies were reviewed:<br>• Fleet Management Policy<br>• Induction and Orientation Policy<br>• Outside Work Policy<br>• Probationary Period Policy<br>• Leave Policy<br>• Reward and Recognition Policy |

*Table 152.: Human Resources: Highlights*

### b) Challenges: Human Resources

| Description | Actions to address |
|---|---|
| Achievement of employment equity targets | In future we will develop from within as per our training and development target groups, i.e MMC & Public Management Boland College to create a pool of prospective candidates |
| Increasing sick leave | Implementation of an electronic leave system to better manage leave |

***Table 153.: Human Resources: Challenges***

| Employees: Human Resource Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 4 | 4 | 4 | 0 | 0 |
| 4 – 6 | 3 | 3 | 2 | 1 | 33.33 |
| 7 - 9 | 0 | 0 | 0 | 0 | 0 |
| 10 - 12 | 0 | 3 | 1 | 2 | 66.67 |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **7** | **10** | **7** | **3** | **30** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

***Table 154.: Employees: Human Resource services***

### 3.15.4 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Challenges are present with all aspects of a municipality and Cape Agulhas Municipality faced quite a few relating to ICT and the management thereof during the year.

In the past four years, the main focus was getting ICT infrastructure in place and functioning in such a manner that it can support ICT Services to officials in the current and ever changing environment.

We faced new challenges in the past year but ensured the continuity of ICT Services for the Municipality as a whole.

The normal infrastructure upgrades and expansions such as hardware, inclusive of networks and computers were done in the past year, but new challenges relating to load shedding/power outages were also faced in the past year and are expected to be present for a few years to come. Some solutions were put in place and the loss of our main 15 kVa UPS (uninterrupted power supply) at the main site where the data centre is located, was one of the biggest challenges we faced in the middle of the financial year.

Planning has been done to systematically address the power issue and will be partially resolved with the utilisation of the 2015/16 budget.

The past financial year saw the beginning of actual legislation and policies relating to ICT with the promulgation of the Protection of Personal Information Act and the Municipal Corporate Governance of Information and Communication Technology Policy.

Most of management's time and resources were allocated to preparations for the implementation of these legislative requirements in the past year and full implementation will start in the 2015/16 financial year.

Tenders were awarded with the main focus being on network printers to ensure all sites in the Municipality have adequate resources to service the community.

In conclusion, the ICT Division strive to provide the best available services to officials and the community in supporting services that are utilised by all stakeholders.

## a) Highlights: ICT Services

| Highlights | Description |
|---|---|
| Network printers | Rolling out network printers to all sites within the Municipality in order to increase availability of printing services and reduce expenditure |

*Table 155.: ICT Service: Highlights*

## b) Challenges: ICT Services

| Description | Actions to address |
|---|---|
| Growth | An increase of 25% of users has put a strain on the ICT infrastructure and services |
| Municipal Corporate Governance of Information and Communication Technology Policy | Preparing for the approved policy – the policy, although due for implementation by 30 June 2016, had to be workshopped in order to start implementation at the beginning of the new financial year |
| MSCOA | Planning and meeting with the relevant stakeholders to ensure that the change process can be done in a manageable manner relating to ICT infrastructure and services |
| Electricity | Due to the current state of our electricity provisions, providing electricity is a big challenge in ensuring the availability of services |

*Table 156.: ICT Service: Challenges*

## c) Employees: ICT Services

| Employees: ICT Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4 - 6 | 1 | 2 | 2 | 0 | 0 |
| **Total** | **1** | **2** | **2** | **0** | **0** |
| *Employees and Posts numbers are as at 30 June.* | | | | | |

*Table 157.: Employees: ICT Services*

### d) Capital Expenditure 2014/15: ICT Services

| Capital Expenditure 2014/15: ICT Services<br>R' 000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Computer equipment – Nedbank Building | 0 | 160 | 160 | 160 | 160 |
| Replacement of computer equipment | 150 | 55 | 52 | (98) | 52 |
| UPS (20 kVa insurance) | 0 | 89 | 89 | 89 | 89 |
| *Only the priority or high cost capital projects are detailed above* | | | | | |

*Table 158.: Capital Expenditure 2014/15: ICT Services*

## 3.16 COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2015/16

The main development and service delivery priorities for 2015/16 forms part of the Municipality's Top Layer SDBIP for 2015/16 and are indicated in the tables below:

### 3.16.1 DEVELOPMENT AND REGULAR MAINTENANCE OF BULK INFRASTRUCTURE SUCH AS ROADS, STORMWATER NETWORKS, POTABLE WATER NETWORKS, WASTE WATER TREATMENT PLANTS, LAND AND INTEGRATED HUMAN SETTLEMENTS

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL23 | Reseal of roads within the municipal area as per the maintenance plan by 30 June 2016 | Number of square meters resealed by 30 June 2016 | All | 36 000 |
| TL24 | 95% of the roads and stormwater maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of roads and stormwater maintenance budget spent {(Actual expenditure divided by the total approved maintenance budget) x 100} | All | 95% |
| TL25 | 95% of the roads and stormwater capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | % of roads and stormwater capital budget spent {(Actual expenditure divided by the total approved capital budget) x 100} | All | 95% |
| TL26 | Tar streets in Nuwerus by the 30 June 2016 {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | All | 95% |
| TL27 | Tar RDP streets in Arniston {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | 5 | 95% |
| TL28 | Tar RDP streets in Bredasdorp {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | 2 | 95% |

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL29 | Tar Smartie Town streets in Napier | Project completed by 30 June 2016 | 2 | 1 |
| TL30 | 95% of the refuse removal maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of refuse removal maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100} | All | 95% |
| TL31 | 95% of the approved refuse removal capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | % of refuse removal capital budget spent by 30 June 2016 (Actual expenditure divided by the total approved capital budget) x 100} | All | 95% |
| TL32 | 95% of the approved water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of water assets)x100} | % of water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of water assets)x100} | All | 95% |
| TL33 | 95% of the approved water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | % of water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | All | 95% |
| TL34 | 95% of the waste water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | % of water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} | All | 95% |
| TL35 | 95% of the approved waste water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of waste water)x100} | % of waste water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of waste water)x100} | All | 95% |
| TL37 | Upgrade of Ou Meule sewerage pump station by end of June 2016 | Project completed by 30 June 2016 | 2 | 1 |
| TL38 | Complete the Struisbaai-Noord sewerage pump station by 30 June 2016 | Project completed by 30 June 2016 | 5 | 1 |
| TL39 | Complete the Struisbaai-Noord stormwater system by 30 June 2016 | Project completed by 30 June 2016 | 5 | 1 |
| TL42 | Fence the dumping site in Bredasdorp {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | All | 100% |
| TL43 | Purchase a sewer truck by 31 March 2016 | Sewer truck purchased by 31 March 2016 | All | 1 |
| TL47 | Review the Human Settlement Plan and submit to Council by 30 May 2016 | Human Settlement Plan reviewed and submitted to Council by 30 May 2016 | All | 1 |
| TL52 | Construct bathrooms for scheme housing by 30 March 2016 {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | All | 90% |

***Table 159.:*** ***Service delivery priorities for 2015/16: Development and regular maintenance of bulk infrastructure such as roads, stormwater networks, potable water networks, waste water treatment plants, land and integrated human settlements***

### 3.16.2 ESTABLISHING A FUNCTIONAL MUNICIPALITY THAT CAN DELIVER ON THE IDP PRIORITIES, IMPLEMENT POLICIES THAT WILL FACILITATE TRANSFORMATION, EFFECTIVE STAFF STRUCTURE, GENERAL MANAGEMENT PRACTICES AND TRAINING

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL10 | Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Number of people employed in the three highest levels of management | All | 1 |
| TL11 | The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan by 30 June 2016 {(Actual amount spent on training/total operational budget)x100} | (Actual amount spent on training/total operational budget)x100 | All | 0.50% |
| TL46 | Implement a biometric access control system in the municipal buildings by 30 June 2016 {(Actual expenditure divided by the total approved budget) x 100} | % of approved budget spent {(Actual expenditure divided by the total approved budget) x 100} | All | 90% |
| TL53 | Limit vacancy rate to less than 10% of budgeted post by 30 June 2016 {(Number of funded posts vacant / total number of funded posts)x100} | % Vacancy rate by 30 June 2016 {(Number of funded posts vacant / total number of funded posts)x100} | All | 10% |
| TL54 | Review the individual performance and Incentive policy and submit to Council by 30 September 2015 | Individual PMS and Incentive policy reviewed and submitted to Council by 30 September 2015 | All | 1 |
| TL55 | Compile ICT governance policies according to phase 1 of the Municipal Corporate Governance of ICT Policy and submit to Council by 30 June 2016 | Number of policies submitted to Council by 30 June 2016 | All | 5 |

***Table 160.:*** ***Service delivery priorities for 2015/16: Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training***

### 3.16.3 PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL19 | Implement the RBAP for 2015/16 by 30 June 2016 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100} | % of audits and tasks completed in terms of the RBAP {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100} | All | 80% |
| TL20 | Develop a Communication Strategy with an implementation plan and submit to Council by 31 March 2016 | Communication Strategy with implementation plan developed and submitted to Council by 31 March 2016 | All | 1 |

***Table 161.:*** ***Service delivery priorities for 2015/16: Promote service excellence and a corruption free environment***

### 3.16.4 PROVISION OF QUALITY BASIC SERVICES SUCH AS WATER, ELECTRICITY, REFUSE REMOVAL AND SANITATION

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL15 | Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) × 100} | % unaccounted electricity by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) × 100} | All | 12% |
| TL16 | 95% of the electricity maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100} | % of electricity maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100} | All | 95% |
| TL17 | 95% of the electricity capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans | % of electricity capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans | All | 95% |
| TL18 | Upgrade the MV electricity over headlines from P&B Limeworks substation to substation 5 by 30 June 2016 to supply 900 houses behind Liefdesnessie with electricity | Project completed by 30 June 2016 | 1 | 1 |
| TL36 | 60% waste water discharge quality obtained as per SANS 242 parameters | % water quality of waste water discharge obtained | All | 60% |
| TL40 | Limit unaccounted for water to less than 22% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified × 100} | % unaccounted water by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified × 100} | All | 22% |
| TL41 | 95% water quality level obtained as per SANS 241 physical and micro parameters | % water quality level obtained | All | 95% |

***Table 162.: Service delivery priorities for 2015/16: Provision of quality basic services such as water, electricity, refuse removal and sanitation***

### 3.16.5 TO FACILITATE ECONOMIC DEVELOPMENT BY CREATING A CONDUCIVE ENVIRONMENT FOR BUSINESS DEVELOPMENT AND UNLOCK OPPORTUNITIES TO INCREASE PARTICIPATION AMONGST ALL SECTORS OF SOCIETY IN THE MAINSTREAM ECONOMY TO ULTIMATELY CREATE DECENT JOB OPPORTUNITIES

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL9 | Create FTE's through government expenditure with the EPWP by 30 June 2016 | Number of FTE's created by 30 June 2016 | All | 50 |
| TL22 | Review the LED strategy with an implementation plan and submit to Council by 30 September 2015 | LED strategy reviewed with an implementation plan and submitted to Council by 30 September 2015 | All | 1 |

***Table 163.: Service delivery priorities for 2015/16: To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities***

### 3.16.6 TO FACILITATE THE HOLISTIC DEVELOPMENT OF PEOPLE, EXPAND THE SAFETY NET FOR VULNERABLE GROUPS AND IMPLEMENT SUSTAINABLE PROGRAMMES TO IMPROVE THEIR LIVELIHOODS

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL1 | Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network as at 30 June 2016 | Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2016 | All | 8 813 |
| TL2 | Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) at 30 June 2016 | Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) at 30 June 2016 | All | 8 349 |
| TL3 | Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) at 30 June 2016 | Number of residential properties which are billed for sewerage at 30 June 2016 | All | 5 884 |
| TL4 | Number of formal residential properties for which refuse is removed once per week at 30 June 2016 | Number of residential properties which are billed for refuse removal at 30 June 2016 | All | 8 813 |
| TL5 | Provide 6kl free basic water per month to all households | Number of HH receiving free basic water | All | 8 813 |
| TL6 | Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements | Number of HH receiving free basic electricity | All | 3 393 |
| TL7 | Provide free basic sanitation, refuse and availability fee for water to indigent households in terms of the equitable share requirements | Number of HH receiving free basic sanitation | All | 3 393 |
| TL48 | Construct the Thusong Centre (phase 2) by 30 June 2016 | Thusong Centre (phase 2) completed by 30 June 2016 | 2 | 1 |
| TL49 | Construct Phase 2of the establishment of the Zwelitsha soccer grounds by 30 June 2016 | Phase 2 of the establishment of the Zwelitsha soccer grounds completed by 30 June 2016 | 2 | 1 |
| TL50 | Upgrade ablution facilities at old Nostra site as per phase 1 by 30 March 2016 | Phase 1 of the ablution facilities at old Nostra completed by 30 March 2016 | 3 | 1 |
| TL51 | Compile a community profile of the Cape Agulhas area and submit to council by 30 June 2016 | Community profile of the Cape Agulhas area compiled and submitted to council by 30 June 2016 | All | 1 |

***Table 164.: Service delivery priorities for 2015/16: To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods***

### 3.16.7 TO IMPLEMENT SOUND FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES THAT WILL ENSURE THE FINANCIAL VIABILITY OF CAPE AGULHAS MUNICIPALITY

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|---|---|---|---|---|
| TL8 | The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2016 | % of the municipal capital budget spent by 30 June 2016 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100} | All | 95% |
| TL12 | Financial viability measured in terms of the municipality's ability to meet it's service debt obligations at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) | Debt to Revenue at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) | All | 70% |
| TL13 | Financial viability measured in terms of the outstanding service debtors at 30 June 2016 (Total outstanding service debtors/ revenue received for services) | Service debtors to revenue at 30 June 2016 – (Total outstanding service debtors/ revenue received for services) | All | 10% |
| TL14 | Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | Cost coverage at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | All | 1.5 |
| TL21 | Finalise the Long-term viability strategy and submit Council by 30 September 2016 | Long-term viability strategy completed and submitted to Council by 30 September 2016 | All | 1 |
| TL44 | Achieve a debtors payment percentage of at least 98% by 30 June 2016 | % debtors payment ratio achieved {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100} | All | 98% |
| TL45 | Compile the Revenue enhancement project plan (phase 1) and submit to council by 30 June 2016 | Revenue enhancement project plan (phase 1) completed and submitted to council by 30 June 2016 | All | 1 |

***Table 165.: Service delivery priorities for 2015/16: To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality***

# Chapter 4

# CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

## 4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

| KPA & INDICATORS | Municipal Achievement | |
|---|---|---|
| | 2013/14 | 2014/15 |
| The number of people from **employment equity** target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 13 of 19 | 13 of 36 |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.74 | 0.81 |

***Table 166.: National KPIs– Municipal Transformation and Organisational Development***

### 4.1.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

| Highlight | Description |
|---|---|
| Full-time appointment of non-permanent contract workers | Contract workers have been permanently appointed in accordance with legislation and to address poverty and unemployment |
| Employment equity targets and goals achieved | Continuous effort to achieve the government targets and goals in accordance with the Employment Equity Policy of Cape Agulhas Municipality |

***Table 167.: Municipal Transformation and Organisational Development Highlights***

### 4.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

| Challenge | Action to address |
|---|---|
| Re-structionering of the Organisational Design | Due to budget constraints, we are not able to fully implement the proposed Organisational Design |

***Table 168.: Municipal Transformation and Organisational Development Challenges***

# CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

## 4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Cape Agulhas Municipality currently employs **316** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both human resource development and an administrative function.

### 4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

#### a) Employment Equity Targets/Actual

| African | | | Coloured | | | Indian | | | White | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 31 | 8 | 25.80% | 0 | 0 | 0% | 1 | 0 | 0% | 2 | 2 | 100% |

*Table 169.: 2014/15 EE targets/Actual by racial classification*

| Male | | | Female | | | Disability | | |
|---|---|---|---|---|---|---|---|---|
| Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 13 | 6 | 46.15% | 18 | 2 | 11.11% | 1 | 1 | 100% |

*Table 170.: 2013/14 EE targets/actual by gender classification*

#### b) Employment Equity vs. Population

The determination of employment equity targets and the appointment of staff in terms of those targets as set out in the table below, is based on the population composition of the Western Cape Province. The local population demographics are no longer applied.

| Description | African | Coloured | Indian | White | Total |
|---|---|---|---|---|---|
| Population numbers | 1 912 547 | 2 840 404 | 60 761 | 915 053 | 5 728 765 |
| **% Population** | 33.70 | 49.60 | 1.06 | 15.97 | 100 |
| Number for positions filled | 15 | 29 | 0 | 3 | 47 |
| **Total workforce** | 43 | 232 | 0 | 41 | 316 |
| **% for Positions filled** | 34.88 | 12.50 | 0 | 7.32 | 14.87 |

*Table 171.: EE population 2014/15*

#### c) Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels (including councillors):

| Occupational | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| Levels | A | C | I | W | A | C | I | W | |
| Top Management | 1 | 3 | 0 | 3 | 1 | 1 | 0 | 0 | 9 |
| Senior management | 2 | 6 | 0 | 10 | 2 | 2 | 0 | 2 | 24 |
| Professionally qualified and experienced specialists and mid- management | 1 | 4 | 0 | 4 | 1 | 3 | 0 | 0 | 13 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 9 | 52 | 0 | 10 | 5 | 45 | 0 | 15 | 136 |
| Semi-skilled and discretionary decision making | 3 | 36 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| Unskilled and defined decision making | 15 | 57 | 0 | 0 | 5 | 27 | 0 | 0 | 104 |
| **Total permanent** | 31 | **158** | **0** | **27** | **14** | **78** | **0** | **17** | **325** |
| Non- permanent employees | 0 | 3 | 0 | 0 | 1 | 7 | 0 | 0 | 11 |
| **Grand total** | **31** | **161** | **0** | **27** | **15** | **85** | **0** | **17** | **336** |

***Table 172.:*** ***Occupational Levels (includes councillors)***

### d) Departments - Race

The following table categories the number of employees by race within the different departments (excluding Councilors):

| Department | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | |
| Office of the Municipal Manager | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 3 | 8 |
| Corporate Services | 3 | 7 | 0 | 4 | 4 | 15 | 0 | 3 | 36 |
| Financial Services | 1 | 12 | 0 | 3 | 1 | 9 | 0 | 7 | 33 |
| Community Services | 9 | 41 | 0 | 7 | 8 | 38 | 0 | 3 | 106 |
| Technical Services | 16 | 81 | 0 | 3 | 0 | 14 | 0 | 1 | 115 |
| Electro-Mechanical Services | 1 | 11 | 0 | 6 | 0 | 0 | 0 | 0 | 18 |
| **Total permanent** | 30 | **155** | 0 | **24** | **13** | **77** | 0 | **17** | **316** |
| Non- permanent | 0 | 3 | 0 | 0 | 1 | 7 | 0 | 0 | 11 |
| **Grand total** | **30** | **158** | 0 | **24** | **14** | **84** | 0 | **17** | **327** |

***Table 173.:*** ***Department – Race (excludes councillors)***

## 4.2.2 VACANCY RATE

The approved organogram for the Municipality had 392 posts for the 2014/15 financial year of which 362 were funded. The vacancy rate at the end of 2014/15 was 19.39% including unfunded posts but only 12.7%, excluding unfunded posts. These are substantially lower than the 28% for the previous financial year. A moratorium was placed on the filling of posts which led to a high vacancy rate of 14.9% of funded posts at the beginning of the financial year. This was systematically reduced to 12.7% by June 2015.

Below is a table that indicates the vacancies within the Municipality:

| PER POST LEVEL | | |
|---|---|---|
| **Post level** | **Filled** | **Vacant** |
| MM & MSA section 57 & 56 (Top Management) | 5 | 0 |
| Senior Management | 19 | 2 |
| Professionally qualified and experienced specialists and middle management | 13 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 136 | 24 |
| Semi-skilled and discretionary decision making | 39 | 5 |
| Unskilled and defined decision making | 104 | 15 |
| **Total** | **316** | **46** |
| **PER FUNCTIONAL LEVEL** | | |
| **Functional area** | **Filled** | **Vacant** |
| Office of the Municipal Manager | 8 | 5 |
| Corporate Services | 36 | 7 |
| Financial Services | 33 | 8 |
| Community Services | 106 | 9 |
| Technical Services | 115 | 15 |
| Electro-Mechanical Services | 18 | 2 |
| **Total** | **316** | **46** |
| **Excluding CDW posts* | | |

***Table 174.:*** ***Vacancy rate per post and functional level***

The table below indicates the vacancy rate during the financial year:

| Month | Total funded posts | Filled posts | Vacancies | % Vacancy rate |
|---|---|---|---|---|
| July 2014 | 362 | 308 | 54 | 14.9 |
| August 2014 | 362 | 318 | 44 | 12.2 |
| September 2014 | 362 | 318 | 44 | 12.2 |
| October 2014 | 362 | 317 | 45 | 12.4 |
| November 2014 | 362 | 316 | 46 | 12.7 |
| December 2014 | 362 | 316 | 46 | 12.7 |
| January 2015 | 362 | 314 | 48 | 13.3 |
| February 2015 | 362 | 314 | 48 | 13.3 |
| March 2015 | 362 | 314 | 48 | 13.3 |
| April 2015 | 362 | 322 | 40 | 11 |
| May 2015 | 362 | 319 | 43 | 11.9 |
| June 2015 | 362 | 316 | 46 | 12.7 |

***Table 175.:*** ***Vacancy rate during the financial year***

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalents:

| Salary Level | Number of current critical vacancies | Number total posts as per organogram | Vacancy job title | % Vacancies (as a proportion of total posts per category) |
|---|---|---|---|---|
| Municipal Manager | 1 | 13 | Senior Clerk Internal Auditor | 7.69 |
| Chief Financial Officer | 0 | 1 | n/a | n/a |
| Other Section 57 Managers | 0 | 5 | n/a | n/a |
| Senior management | 1 | 20 | Manager Budget and Treasury | 5 |
| Highly skilled supervision | 3 | 9 | 3 Process Controllers | 33.33 |
| **Total** | **5** | **48** | **n/a** | **10.42** |

***Table 176.: Vacancy rate per salary level***

### 4.2.3 STAFF TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows a noticeable decrease from 1.0% in 2013/14 to 0.74% in 2014/15 which is indicative of a stable employment environment.

The table below indicates the staff turnover rate over the last two years:

| Financial year | Total number of appointments at the end of each Financial Year | New appointments | Number of terminations during the year | Staff Turnover Rate |
|---|---|---|---|---|
| 2013/14 | 293 | 10 | 3 | 1.0% |
| 2014/15 | 316 | 47 | 2 | 0.74% |

***Table 177.: Turnover Rate***

## 4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behavior.

### 4.3.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease of 42% in injuries for the 2014/15 financial year compared to the 2013/14 financial year. The two departments with the biggest number of injuries have workers in the field, namely Community Services and Technical Services.

The table below indicates the total number of injuries within the different directorates:

| Directorates | 2013/14 | 2014/15 |
|---|---|---|
| Office of the Municipal Manager | 0 | 0 |
| Corporate Services | 0 | 1 |
| Financial Services | 3 | 3 |
| Community Services | 22 | 11 |
| Technical Services | 38 | 21 |
| Electro-Mechanical Services | 6 | 4 |
| **Total** | **69** | **40** |

***Table 178.: Injuries***

### 4.3.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days taken during the 2014/15 financial year shows an increase when compared with the previous financial year. Provision will be made for the implementation of an electronic leave management system in the new financial year which will enable us to improve leave management and identify trends.

| Department | 2013/14 | 2014/15 |
|---|---|---|
| Office of the Municipal Manager | 43 | 30 |
| Corporate Services | 265 | 338 |
| Financial Services | 204 | 350 |
| Community Services | 830 | 867 |
| Technical Services | 792 | 1 480 |
| Electro-Mechanical Services | 59 | 112 |
| **Total** | **2 193** | **3 177** |

***Table 179.: Sick Leave***

### 4.3.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved.

| Approved policies | | |
|---|---|---|
| **Name of policy** | **Date approved** | **Revised** |
| Health, Safety and Environment | 28 August 2012 | 30 September 2014 |
| Overtime and Standard Operating Procedures (SOP) | 30 September 2014 | n/a |
| Safety Equipment and Protected Clothes | 29 January 2013 | 30 September 2014 |

| Approved policies | | |
|---|---|---|
| **Name of policy** | **Date approved** | **Revised** |
| Fleet Management | 26 May 2015 | n/a |
| Induction and Orientation | 26 May 2015 | n/a |
| Outside / Private Work | 26 May 2015 | n/a |
| Probationary Period | 26 May 2015 | n/a |
| Leave Policy | 30 September 2014 | 26 May 2015 |
| Reward and Recognition | 26 May 2015 | n/a |

***Table 180.: HR policies and plans***

The following is a summary of the new human resources policies that were approved during the year.

| Policy | Purpose |
|---|---|
| Fleet Management Policy | This policy regulates the management and use of the Municipality's vehicle fleet as well as machinery and equipment. |
| Induction and Orientation Policy | Induction ensures that new employees and existing employees who have been appointed into new positions become familiarised with the Municipality, meet the people working for the Municipality, understand their terms and conditions of employment as well as the municipalities' policies and procedures. Orientation familiarises the employee with his or her own work environment and job requirements. |
| Outside Work Policy | The Code of Conduct for municipal staff members prohibits municipal officials from engaging in any business, trade or profession other than the work of the Municipality without any prior permission. This policy sets out the procedure to be followed by employees wishing to apply for permission to undertake paid work outside of the Municipality's service. Paid work is defined as: "any work performed by the employee in his / her private capacity and time and for which the employee receives any benefit or payment whether monetary in kind" |
| Probationary Period Policy | When an employee is appointed, his / her appointment is subject to a probationary period of six months. During this period of the employee's performance is tested to ensure that he / she meets the job requirements. This policy sets out guidelines for determining if the employee will be granted permanent employment at the Municipality following the probationary period. |
| Leave Policy | This policy regulates the leave of employees which includes; annual leave, sick leave, maternity leave and family responsibility leave. |
| Reward and Recognition Policy | Council believes strongly that excellent performance and achievements should be recognised and rewarded. This policy regulates how recognition and rewarding will be implemented. The policy distinguishes between excellent performance over and above the call of duty which will be evaluated through performance assessments and innovative ideas to improve service delivery. |

***Table 181.: New HR Policies Approved***

### 4.3.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 805, a performance bonus, based on affordability, may be paid to an employee, after -

- the annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

Section 57 managers are those individuals that are appointed by the municipality on a performance contract basis and whom reports directly to the Municipal Manager of the municipality.

The table below shows the total number of S57 managers that received performance rewards during the financial year in respect of the previous year performance after all performance evaluations were dealt with:

| Race | Gender | Number of beneficiaries | Total number of employees received performance rewards | % Employees received performance rewards |
|---|---|---|---|---|
| African | Female | 0 | 0 | 0 |
| | Male | 2 | 2 | 40 |
| Asian | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| Coloured | Female | 0 | 0 | 0 |
| | Male | 2 | 2 | 40 |
| White | Female | 0 | 0 | 0 |
| | Male | 1 | 1 | 20 |
| Disability | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| **Total** | | **5** | **5** | **100** |

***Table 182.: Performance Rewards***

## 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### 4.4.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

| Management level | Gender | Number of employees identified for training at start of the year | Number of Employees that received training |
|---|---|---|---|
| MM and S57 | Female | 0 | 0 |
| | Male | 0 | 0 |
| Legislators, senior officials and managers | Female | 4 | 6 |
| | Male | 8 | 4 |
| Associate professionals and Technicians | Female | 0 | 0 |
| | Male | 5 | 0 |
| Professionals | Female | 2 | 4 |
| | Male | 3 | 6 |
| Clerks | Female | 18 | 8 |
| | Male | 1 | 5 |
| Service and sales workers | Female | 2 | 2 |
| | Male | 4 | 0 |
| Craft and related trade workers | Female | 0 | 0 |
| | Male | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 |
| | Male | 15 | 5 |
| Elementary occupations | Female | 5 | 5 |
| | Male | 60 | 47 |
| ***Sub total*** | ***Female*** | ***31*** | ***25*** |
| | ***Male*** | ***96*** | ***67*** |
| **Total** | | **127** | **92** |

***Table 183.: Skills Matrix***

### 4.4.2 SKILLS DEVELOPMENT - TRAINING

The Skills Development Act (1998) and the MSA require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that, as Head of Administration, the Municipal Manager is responsible for the management, utilization and training of staff.

| Occupational categories | Gender | Training provided within the reporting period | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Learnerships | | Skills programmes & other short courses | | Total | | |
| | | Actual | Target | Actual | Target | Actual | Target | % achieved |
| MM and S57 | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legislators, senior officials and managers | Female | 0 | 0 | 6 | 4 | 6 | 4 | 150 |
| | Male | 0 | 0 | 4 | 8 | 4 | 8 | 50 |
| Professionals | Female | 0 | 0 | 4 | 2 | 4 | 2 | 200 |
| | Male | 0 | 0 | 6 | 3 | 6 | 3 | 200 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 5 | 0 | 5 | 0 |
| Clerks | Female | 0 | 0 | 8 | 18 | 8 | 18 | 44.44 |
| | Male | 0 | 0 | 5 | 1 | 5 | 1 | 500 |
| Service and sales workers | Female | 0 | 0 | 2 | 2 | 2 | 2 | 100 |
| | Male | 0 | 0 | 0 | 4 | 0 | 4 | 0 |
| Craft and related trade workers | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 5 | 15 | 5 | 15 | 33.33 |
| Elementary occupations | Female | 0 | 0 | 5 | 5 | 5 | 5 | 100 |
| | Male | 23 | 23 | 24 | 37 | 47 | 60 | 78.33 |
| ***Sub total*** | ***Female*** | ***0*** | ***0*** | ***25*** | ***31*** | ***25*** | ***31*** | ***80.65*** |
| | ***Male*** | ***23*** | ***23*** | ***44*** | ***73*** | ***67*** | ***96*** | ***69.79*** |
| **Total** | | **23** | **23** | **69** | **104** | **92** | **127** | **72.44** |

***Table 184.: Skills Development***

### 4.4.3 SKILLS DEVELOPMENT – BUDGET ALLOCATION

A total amount of R1 951 577.46 was spent on staff training, which comprises of R1 317 110.50 for staff training and R634 446.96 from the Sector Education and Training Authority (SETA). The total adjusted operating budget for the year was R238 304 082.

| Total Operational Budget | Total Allocated | % Spend |
|---|---|---|
| R238 304 082 | R1 951 577 | 0.81 |

***Table 185.: Budget allocated and spent for skills development***

## 4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.5.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well within the national norm of between 35 to 40%:

| Financial year | Total Expenditure salary and allowances | Total Operating Expenditure | Percentage |
|---|---|---|---|
| | R'000 | R'000 | % |
| 2013/14* | 70 755 | 208 996 | 33.9 |
| 2014/15 | 79 648 | 232 596 | 34.2 |
| ** Restated figures for 2013/14* | | | |

***Table 186.: Total Personnel Expenditure***

Below is a summary of Councilor and staff benefits for the year under review. The increase in salary expenditure year-on-year is due to the filling of vacant positions, as well as the effort made during the year to reduce the vacancy rate from 28.70% to 12.70%.

| Financial year | 2013/14 | 2014/15 | | |
|---|---|---|---|---|
| Description | Actual | Original Budget | Adjusted Budget | Actual |
| | R'000 | R'000 | R'000 | R'000 |
| Councilors (Political Office Bearers plus Other) | | | | |
| Salary | 2 000 | 2 136 | 2 136 | 2 119 |
| Pension contributions | 314 | 335 | 335 | 333 |
| Medical aid contributions | 0 | 0 | 0 | 0 |
| Motor vehicle allowance | 765 | 816 | 816 | 812 |
| Cell phone allowance | 209 | 223 | 223 | 188 |
| **Sub Total** | **3 288** | **3 510** | **3 510** | **3 452** |

| Financial year | 2013/14 | 2014/15 | | |
|---|---|---|---|---|
| Description | Actual | Original Budget | Adjusted Budget | Actual |
| | R'000 | R'000 | R'000 | R'000 |
| **% increase/ (decrease)** | **6.6** | **0** | **0** | **4.98** |
| **Senior Managers of the Municipality** | | | | |
| Basic salaries and wages | 3 123 | 3 753 | 3 753 | 3 838 |
| Pension and medical aid and UIF contributions | 728 | 746 | 746 | 881 |
| Motor vehicle allowance | 481 | 479 | 479 | 503 |
| Cell phone allowance | 0 | 0 | 0 | 0 |
| Housing allowance | 0 | 0 | 0 | 0 |
| Performance bonus | 428 | 484 | 484 | 513 |
| Other benefits or allowances | 114 | 76 | 76 | 125 |
| **Sub Total** | **4 874** | **5 538** | **5 538** | **5 860** |
| **% increase/ (decrease)** | **20.4** | **0** | **0** | **20.2** |
| **Other Municipal Staff** | | | | |
| Basic salaries and wages | 46 000 | 48 135 | 48 374 | 48 358 |
| Pension and UIF contributions | 6 605 | 7 408 | 7 372 | 7 770 |
| Medical aid contributions | 2 278 | 2 591 | 2 591 | 2 543 |
| Motor vehicle allowance | 3 799 | 4 174 | 4 087 | 4 006 |
| Cell phone allowance | 0 | 0 | 0 | 0 |
| Housing allowance | 386 | 437 | 437 | 428 |
| Overtime | 2 978 | 2 627 | 2 634 | 3 093 |
| Performance bonus | 0 | 0 | 0 | 0 |
| Other benefits or allowances | 4 034* | 7 959 | 4 964 | 5 472 |
| **Sub Total** | **66 082** | **73 332** | **70 459** | **71 670** |
| **% increase/(decrease)** | **15** | **0** | **0** | **8.45%** |
| **Total Municipality** | **74 242** | **82 381** | **82 381** | **80 982** |
| **Total managers and staff** | **70 959**** | **78 871** | **78 871** | **77 531** |
| **% increase/(decrease)** | **2** | **0** | **0** | **9** |
| *2013/14 Excludes provisions*<br>***2013/14 Correction from previous report* | | | | |

***Table 187.:*** ***Detail of Personnel Expenditure***

# CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

## 4.6 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The plan of action dated 29 August 2012 sent to Treasury (special merit cases), has been achieved over and above the requirement. Our first group of 26 completed their training in January 2013 and the second group of 21 completed their training in July 2014. A third group started in September 2014 that is not part of special merit case, which consists of newly appointed officials, interns and non-financial officers.

The table below provides details of the financial competency development progress as required by the notice:

| Financial Competency Development: Progress Report | | | | |
|---|---|---|---|---|
| **Description** | **Total number of officials employed by municipality (Regulation 14(4)(a) and (c))** | **Competency assessments completed (Regulation 14(4)(b) and (d))** | **Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))** | **Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))** |
| **Financial Officials** | | | | |
| Accounting Officer | 1 | 1 | n/a | 1 |
| Chief Financial Officer | 1 | 1 | n/a | 1 |
| Senior managers | 3 | 3 | n/a | 3 |
| Any other financial officials | 16 | 1 | n/a | 1 |
| **Supply Chain Management Officials** | | | | |
| Heads of supply chain management units | 1 | 1 | n/a | 1 |
| Supply chain management senior managers | n/a | n/a | n/a | n/a |
| **TOTAL** | **17** | **7** | **0** | **7** |

***Table 188.: Financial Competency Development: Progress Report***

# Chapter 5

# CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the Municipality for the 2014/15 financial year.

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

### 5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2014/15 financial year:

| Financial Summary<br>R' 000 | | | | | | |
|---|---|---|---|---|---|---|
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Financial Performance | | | | | | |
| Property rates | 39 325 | 42 304 | 42 783 | 42 895 | 1.38 | 0.26 |
| Service charges | 98 826 | 115 731 | 111 542 | 110 248 | (4.97) | (1.17) |
| Investment revenue | 1 889 | 1 666 | 1 741 | 1 849 | 9.88 | 5.81 |
| Transfers recognised - operational | 46 783 | 47 665 | 52 594 | 50 234 | 5.11 | (4.70) |
| Other own revenue | 13 634 | 11 479 | 14 059 | 15 677 | 26.78 | 10.32 |
| **Total Revenue (excluding capital transfers and contributions)** | **200 457** | **218 845** | **222 719** | **220 904** | **0.93** | **(0.82)** |
| Employee costs | 70 755 | 78 871 | 75 997 | 79 648 | 0.98 | 4.58 |
| Remuneration of councillors | 3 288 | 3 511 | 3 511 | 3 452 | (1.70) | (1.70) |
| Depreciation & asset impairment | 10 724 | 6 945 | 8 427 | 10 088 | 31.15 | 16.46 |
| Finance charges | 3 866 | 1 242 | 4 746 | 4 731 | 73.75 | (0.31) |
| Materials and bulk purchases | 54 261 | 59 397 | 60 311 | 57 447 | (3.39) | (4.99) |
| Transfers and grants | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Other expenditure | 66 103 | 76 514 | 92 697 | 77 231 | 0.93 | (20.03) |
| **Total Expenditure** | **208 996** | **226 480** | **245 689** | **232 596** | **2.63** | **(5.63)** |
| **Surplus/(Deficit)** | **(8 539)** | **(7 635)** | **(22 970)** | **(11 693)** | **34.70** | **(96.45)** |
| Transfers recognised - capital | 20 204 | 11 071 | 14 352 | 17 856.030 | 38.00 | 19.63 |
| Contributions recognised - capital & contributed assets | 0 | 0 | 0 | 0 | 0.00 | 0.00 |

| Financial Summary<br>R' 000 | | | | | | |
|---|---|---|---|---|---|---|
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| **Surplus/(Deficit) after capital transfers & contributions** | **11 665** | **3 436** | **(8 618)** | **6 163** | **44.26** | **239.83** |
| **Capital expenditure & funds sources** | | | | | | |
| **Capital expenditure** | | | | | | |
| Transfers recognised - capital | 20 183 | 11 071 | 14 352 | 17 856 | 38.00 | 19.63 |
| Public contributions & donations | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Borrowing | 168 | | 879 | 880 | 100.00 | 0.03 |
| Internally generated funds | 17 570 | 3 631 | 41 736 | 41 020 | 91.15 | (1.75) |
| **Total sources of capital funds** | **37 921** | **14 701** | **56 967** | **59 755** | **75.40** | **4.67** |
| **Financial position** | | | | | | |
| Total current assets | 40 278 | 35 334 | 30 792 | 41 355 | 14.56 | 25.54 |
| Total non-current assets | 347 745 | 327 450 | 384 385 | 396 839 | 17.49 | 3.14 |
| Total current liabilities | 26 308 | 18 912 | 23 342 | 27 100 | 30.22 | 13.87 |
| Total non-current liabilities | 58 391 | 59 073 | 101 706 | 101 790 | 41.97 | 0.08 |
| Community wealth/Equity | 303 325 | 284 800 | 290 129 | 309 305 | 7.92 | 6.20 |
| **Cash flows** | | | | | | |
| Net cash from (used) operating | 32 373 | 10 170 | 6 004 | 19 933 | 48.98 | 69.88 |
| Net cash from (used) investing | (35 319) | (14 695) | (19 630) | (22 383) | 34.35 | 12.30 |
| Net cash from (used) financing | (209) | (98) | (70) | (123) | 20.15 | 43.15 |
| **Cash/cash equivalents at the year end** | **(3 155)** | **(4 623)** | **(13 696)** | **(2 573.110)** | **(79.68)** | **(432.29)** |
| **Cash backing/surplus reconciliation** | | | | | | |
| Cash and investments available | 21 407 | 13 583 | 7 756 | 18 834 | 27.88 | 58.82 |
| Application of cash and investments | 0 | 956 | (8 842) | 0 | 0.00 | 0.00 |
| **Balance - surplus (shortfall)** | **21 407** | **14 539** | **(1 086)** | **18 834** | **22.80** | **105.77** |
| **Asset management** | | | | | | |
| Asset register summary (WDV) | 288 347 | 308 736 | 330 973 | 301 674 | (2.34) | (9.71) |

| Financial Summary<br>R' 000 | | | | | | |
|---|---|---|---|---|---|---|
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Depreciation & asset impairment | 8 240 | 6 945 | 8 427 | 9 280 | 25.16 | 9.19 |
| Renewal of existing assets | 35 332 | 14 701 | 56 967 | 22 586 | 34.91 | (152.23) |
| Repairs and maintenance | 9 921 | 12 135 | 10 720 | 10 482 | (15.77) | (2.27) |
| **Free services** | | | | | | |
| Cost of Free Basic Services provided | 6 080 | 7 503 | 7 503 | 7 852 | 4.44 | 4.44 |
| Revenue cost of free services provided | 6 080 | 7 684 | 7 684 | 7 852 | 2.13 | 2.13 |
| **Households below minimum service level** | | | | | | |
| Water: | 1 | 1 | 1 | 1 | 0.00 | 0.00 |
| Sanitation/sewerage: | 1 | 1 | 1 | 1 | 0.00 | 0.00 |
| Energy: | 1 | 1 | 1 | 1 | 0.00 | 0.00 |
| Refuse: | 1 | 1 | 1 | 1 | 0.00 | 0.00 |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.* | | | | | | |

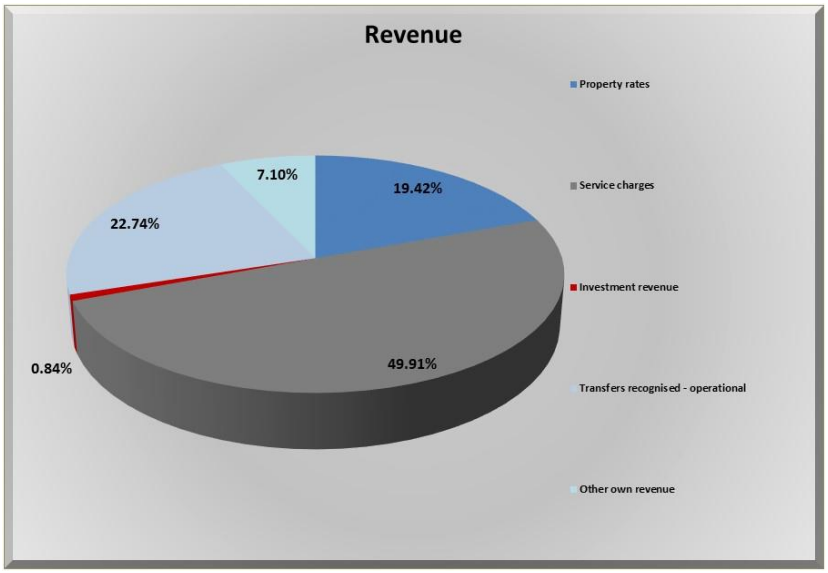
***Table 189.: Financial Performance 2014/15***

The table below shows a summary of performance against budgets

| Financial Year | Revenue | | | | Operating expenditure | | | |
|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Diff. | % | Budget | Actual | Diff. | % |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | R'000 | |
| 2013/14 | 222 018 | 220 661 | (1 357) | (1) | 225 195 | 208 996 | 16 199 | 7 |
| 2014/15 | 244 456 | 238 760 | (5 696) | (2) | 245 689 | 232 780 | 12 909 | 5 |

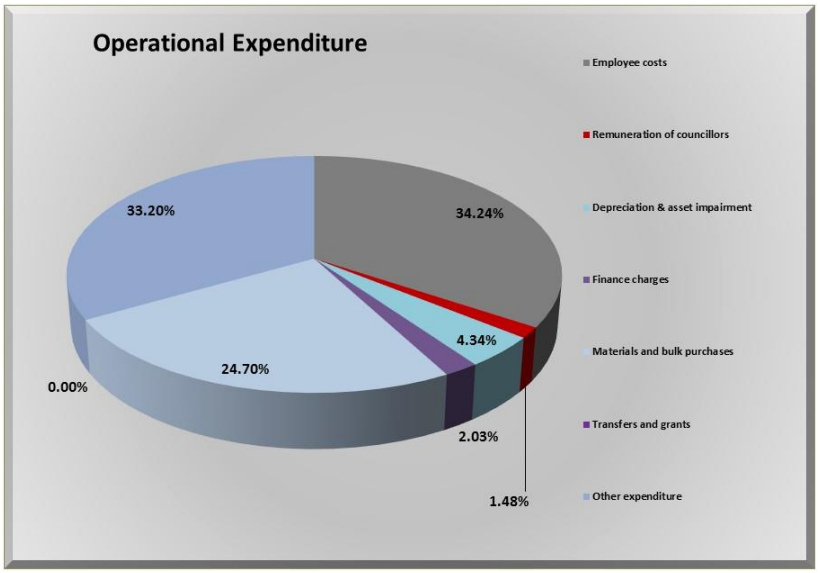
***Table 190.: Performance against budgets***

**The following graph indicates the various types of revenue items in the municipal budget for 2014/15**




*Graph 10.: Revenue*

**The following graph indicates the various types of expenditure items in the municipal budget for 2014/15**




*Graph 11.: Operating expenditure*

### 5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote

| Vote Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Vote 1 - Executive and Council | 55 907 | 14 342 | 12 942 | 12 826 | (11.82) | (0.90) |
| Vote 2 - Budget and Treasury | 42 714 | 46 874 | 47 505 | 48 012 | 2.37 | 1.06 |
| Vote 3 - Corporate Services | 618 | 84 | 3 511 | 2 910 | 97.11 | (20.65) |
| Vote 4 - Community and Public Safety | 14 005 | 32 392 | 38 950 | 41 828 | 22.56 | 6.88 |
| Vote 5 - Civil Engineering Services | 35 805 | 53 424 | 54 146 | 54 930 | 2.74 | 1.43 |
| Vote 6 - Electro-Technical Services | 71 612 | 76 821 | 80 017 | 78 254 | 1.83 | (2.25) |
| **Total Revenue by Vote** | **220 661** | **223 937** | **237 071** | **238 760** | **6.21** | **0.71** |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.* | | | | | | |

***Table 191.:*** ***Revenue by Vote***

### 5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2014/15 financial year:

| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 39 325 | 42 304 | 42 783 | 42 895 | 1.38 | 0.00 |
| Property rates - penalties & collection charges | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Service Charges - electricity revenue | 69 614 | 74 134 | 71 993 | 75 494 | 1.80 | (0.99) |
| Service Charges - water revenue | 16 950 | 20 238 | 19 086 | 20 380 | 0.69 | (5.40) |
| Service Charges - sanitation revenue | 7 534 | 8 446 | 8 368 | 8 935 | 5.47 | 2.25 |
| Service Charges - refuse revenue | 10 495 | 12 912 | 12 095 | 12 915 | 0.02 | 1.29 |
| Service Charges - other | (5 767) | 0 | 0 | (7 475) | 100.00 | 0.00 |
| Rentals of facilities and equipment | 5 177 | 5 287 | 5 292 | 5 984 | 11.65 | (13.93) |
| Interest earned - external investments | 1 889 | 1 666 | 1 741 | 1 849 | 9.88 | 12.67 |
| Interest earned - outstanding debtors | 760 | 723 | 800 | 996 | 27.36 | 2.97 |
| Dividends received | 0 | 0 | 0 | 0 | 0.00 | 0.00 |

| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Fines | 1 400 | 572 | 1 422 | 3 049 | 81.23 | 15.24 |
| Licenses and permits | 963 | 1 223 | 1 177 | 1 077 | (13.55) | (29.22) |
| Agency services | 1 255 | 1 306 | 1 306 | 1 382 | 5.48 | 1.94 |
| Transfers recognised - operational | 46 783 | 47 665 | 52 594 | 50 234 | 5.11 | (18.79) |
| Other revenue | 4 080 | 2 366 | 4 061 | 3 189 | 25.80 | 1.32 |
| **Total Revenue (excluding capital transfers and contributions)** | **200 457** | **218 845** | **222 718** | **220 903** | 0.93 | 0.00 |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual* | | | | | | |

***Table 192.:*** ***Revenue by Source***

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2014/15 financial year:

| Financial Performance of Operational Services | | | | | | |
|---|---|---|---|---|---|---|
| R '000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Operating Cost | | | | | | |
| Water | 4 981 | 7 546 | 7 384 | 6 888 | (9.55) | (7.20) |
| Waste Water (Sanitation) | 744 | 1 673 | 2 076 | 1 552 | (7.75) | (33.75) |
| Electricity | 9 675 | 7 129 | 11 636 | 11 977 | 40.48 | 2.85 |
| Waste Management | (1 179) | 2 093 | 909 | 1 710 | (22.36) | 46.82 |
| Housing | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Component A: sub-total** | **14 221** | **18 440** | **22 006** | **22 128** | **16.67** | **0.55** |
| Roads and Stormwater | (9 684) | (10 919) | (11 206) | (11 644) | 6.22 | 3.76 |
| Transport | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Component B: sub-total** | **(9 684)** | **(10 919)** | **(11 206)** | **(11 644)** | **6.22** | **3.76** |
| Planning | 0 | 0 | (4 091) | (2 574) | 100.00 | (58.95) |
| Local Economic Development | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Component C: sub-total** | **0** | **0** | **(4 091)** | **(2 574)** | **100.00** | **(58.95)** |
| Libraries | 1 212 | 510 | 999 | 1 267 | 59.73 | 21.10 |
| Social Services and Community Development | (4 664) | (6 976) | (6 589) | (3 200) | (117.97) | (105.89) |

| Financial Performance of Operational Services | | | | | | |
|---|---|---|---|---|---|---|
| R '000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| **Component D: sub-total** | **(3 453)** | **(6 466)** | **(5 590)** | **(1 934)** | **(234.38)** | **(189.08)** |
| Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, And Coastal Protection) | (393) | (573) | (328) | (346) | (65.47) | 5.34 |
| **Component E: sub-total** | **(393)** | **(573)** | **(328)** | **(346)** | **(65.47)** | **5.34** |
| Traffic and Licensing | (3 147) | 6 410 | 7 804 | 8 905 | 28.01 | 12.36 |
| Fire Services and Disaster Management | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Component F: sub-total** | **(3 147)** | **6 410** | **7 804** | **8 905** | **28.01** | **12.36** |
| Holiday Resorts and Campsites | 729 | (653) | (178) | 753 | 186.74 | 123.57 |
| Swimming Pools, Stadiums and Sport Ground | (397) | (456) | (454) | (542) | 15.81 | 16.18 |
| Community halls, facilities, Thusong Centres | (3 056) | (3 323) | (3 265) | (2 929) | (13.43) | (11.46) |
| **Component G: sub-total** | **(2 725)** | **(4 432)** | **(3 897)** | **(2 718)** | **(63.07)** | **(43.37)** |
| Financial Services | 15 201 | 20 327 | 16 380 | 16 678 | (21.88) | 1.78 |
| Office of the MM | (6 826) | (6 047) | (7 076) | (6 658) | 9.18 | (6.28) |
| Administration | (11 660) | (11 729) | (10 234) | (11 150) | (5.19) | 8.22 |
| HR | (4 917) | (5 038) | (4 834) | (4 397) | (14.59) | (9.96) |
| **Component H: sub-total** | **(8 201)** | **(2 486)** | **(5 764)** | **(5 527)** | **55.01** | **(4.30)** |
| **Total Expenditure** | **(13 381)** | **(26)** | **(1 065)** | **6 291** | **100.41** | **116.93** |
| *In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.* | | | | | | |

***Table 193.: Operational Services Performance***

# CHAPTER 5: FINANCIAL PERFORMANCE

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 Water Services

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Variance to Budget |
| **Total Operational Revenue** | **17 163** | **20 422** | **20 422** | **20 690** | **1.29** |
| **Expenditure:** | | | | | |
| Employees | 6 281 | 6 833 | 6 635 | 6 723 | (1.64) |
| Repairs and Maintenance | 1 442 | 1 705 | 1 708 | 1 689 | (0.94) |
| Other | 4 460 | 4 338 | 4 695 | 5 390 | 19.51 |
| **Total Operational Expenditure** | **12 182** | **12 876** | **13 038** | **13 801** | **6.71** |
| **Net Operational (Service) Expenditure** | **4 981** | **7 546** | **7 384** | **6 888** | **(9.55)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 194.:*** ***Financial Performance: Water services***

### 5.2.2 Waste Water (Sanitation)

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **7 656** | **8 568** | **9 277** | **9 769** | **12.30** |
| **Expenditure:** | | | | | |
| Employees | 3 672 | 3 708 | 3 708 | 3 839 | 3.41 |
| Repairs and Maintenance | 897 | 945 | 973 | 961 | 1.62 |
| Other | 2 342 | 2 242 | 2 520 | 3 417 | 34.38 |
| **Total Operational Expenditure** | **6 911** | **6 895** | **7 201** | **8 217** | **16.08** |
| **Net Operational (Service) Expenditure** | **744** | **1 673** | **2 076** | **1 552** | **(7.75)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 195.:*** ***Financial Performance: Waste Water (Sanitation) services***

### 5.2.3 Electricity

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **71 612** | **76 821** | **80 017** | **78 254** | **1.83** |
| **Expenditure** | | | | | |
| Employees | 4 900 | 5 578 | 5 278 | 5 115 | (9.05) |
| Repairs and Maintenance | 775 | 3 197 | 1 142 | 1 188 | (169.14) |
| Other | 56 262 | 60 917 | 61 960 | 59 974 | (1.57) |
| **Total Operational Expenditure** | **61 937** | **69 692** | **68 380** | **66 277** | **(5.15)** |
| **Net Operational (Service) Expenditure** | **9 675** | **7 129** | **11 636** | **11 977** | **40.48** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 196.:*** ***Financial Performance: Electricity***

### 5.2.4 Waste Management

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **10 773** | **13 316** | **13 316** | **13 352** | **0.27** |
| **Expenditure:** | | | | | |
| Employees | 4 334 | 4 406 | 4 206 | 4 072 | (8.18) |
| Repairs and Maintenance | 1 823 | 2 007 | 2 055 | 1 925 | (4.29) |
| Other | 5 796 | 4 811 | 6 146 | 5 645 | 14.77 |
| **Total Operational Expenditure** | **11 952** | **11 223** | **12 406** | **11 641** | **3.59** |
| **Net Operational (Service) Expenditure** | **(1 179)** | **2 093** | **909** | **1 710** | **(22.36)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 197.:*** ***Financial Performance: Waste Management***

### 5.2.5 Roads and Stormwater

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **212** | **85** | **99** | **96** | **11.42** |
| **Expenditure:** | | | | | |
| Employees | 5 172 | 5 476 | 5 424 | 5 493 | 0.30 |
| Repairs and Maintenance | 1 861 | 2 015 | 2 215 | 2 126 | 5.21 |
| Other | 2 863 | 3 513 | 3 665 | 4 121 | 14.75 |
| **Total Operational Expenditure** | **9 896** | **11 005** | **11 305** | **11 740** | **6.26** |
| **Net Operational (Service) Expenditure** | **(9 684)** | **(10 919)** | **(11 206)** | **(11 644)** | **6.22** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 198.:*** ***Financial Performance: Roads and Stormwater***

### 5.2.6 Libraries

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **4 681** | **4 262** | **4 984** | **5 150** | **17.24** |
| **Expenditure:** | | | | | |
| Employees | 3 068 | 3 366 | 3 516 | 3 432 | 1,93 |
| Repairs and Maintenance | 45 | 60 | 60 | 47 | (25.69) |
| Other | 357 | 327 | 409 | 404 | 19.02 |
| **Total Operational Expenditure** | **3 470** | **3 752** | **3 985** | **3 883** | **3.37** |
| **Net Operational (Service) Expenditure** | **1 212** | **510** | **999** | **1 267** | **59.73** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 199.:*** ***Financial Performance: Libraries***

### 5.2.7 Environmental Protection

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **0** | **0** | **0** | **0** | **0.00** |
| **Expenditure:** | | | | | |
| Employees | 306 | 459 | 214 | 258 | (77.90) |
| Repairs and Maintenance | 8 | 9 | 9 | 7 | (20.32) |
| Other | 79 | 105 | 105 | 81 | (30.06) |
| **Total Operational Expenditure** | **393** | **573** | **328** | **346** | **(65.47)** |
| **Net Operational (Service) Expenditure** | **(393)** | **(573)** | **(328)** | **(346)** | **(65.47)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 200.: Financial Performance: Environmental Protection***

### 5.2.8 Social Services and Community Development

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **1 615** | **20 564** | **25 445** | **25 920** | **20.66** |
| **Expenditure:** | | | | | |
| Employees | 6 206 | 5 974 | 5 251 | 5 513 | (8.36) |
| Repairs and Maintenance | 1 308 | 744 | 660 | 598 | (24.36) |
| Other | (1 235) | 20 822 | 26 123 | 23 009 | 9.50 |
| **Total Operational Expenditure** | **6 279** | **27 540** | **32 034** | **29 120** | **5.43** |
| **Net Operational (Service) Expenditure** | **(4 664)** | **(6 976)** | **(6 589)** | **(3 200)** | **(117.97)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 201.: Financial Performance: Social Services and Community Development***

### 5.2.9 Traffic and Law Enforcement

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **3 455** | **2 942** | **3 792** | **5 306** | **44.54** |
| **Expenditure:** | | | | | |
| Employees | 4 980 | 5 305 | 5 846 | 6 016 | **11.83** |
| Repairs and Maintenance | 230 | 225 | 200 | 184 | **(22.34)** |
| Other | 1 392 | 881 | 1 758 | 2 705 | **67.41** |
| **Total Operational Expenditure** | **6 601** | **6 410** | **7 804** | **8 905** | **28.01** |
| **Net Operational (Service) Expenditure** | **(3 147)** | **(3 468)** | **(4 011)** | **(3 599)** | **3.63** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 202.: Financial Performance: Traffic and Law Enforcement***

### 5.2.10 Holiday Resorts and Campsites

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **4 193** | **4 164** | **4 164** | **4 993** | **16.60** |
| **Expenditure:** | | | | | |
| Employees | 2 292 | 3 132 | 2 611 | 2 656 | (17.93) |
| Repairs and Maintenance | 513 | 578 | 576 | 552 | (4.81) |
| Other | 659 | 1 107 | 1 155 | 1 032 | (7.28) |
| **Total Operational Expenditure** | **3 464** | **4 817** | **4 342** | **4 239** | **(13.63)** |
| **Net Operational (Service) Expenditure** | **729** | **(653)** | **(178)** | **753** | **186.74** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 203.: Financial Performance: Holiday Resorts and Campsites***

### 5.2.11 Swimming Pools and Sport Grounds

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **10** | **11** | **116** | **17** | **37.66** |
| **Expenditure:** | | | | | |
| Employees | 331 | 360 | 469 | 469 | 23.36 |
| Repairs and Maintenance | 48 | 52 | 62 | 60 | 13.19 |
| Other | 28 | 55 | 39 | 29 | (86.61) |
| **Total Operational Expenditure** | **408** | **467** | **570** | **559** | **16.47** |
| **Net Operational (Service) Expenditure** | **(397)** | **(456)** | **(454)** | **(542)** | **15.81** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 204.:*** ***Financial Performance: Swimming pools and sport grounds***

### 5.2.12 Community Facilities and Thusong Centres

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **51** | **449** | **449** | **443** | **(1.42)** |
| **Expenditure:** | | | | | |
| Employees | 2 282 | 2 187 | 2 171 | 2 432 | 10.09 |
| Repairs and Maintenance | 284 | 318 | 333 | 308 | (3.38) |
| Other | 541 | 1 267 | 1 210 | 632 | (100.42) |
| **Total Operational Expenditure** | **3 107** | **3 772** | **3 714** | **3 372** | **(11.86)** |
| **Net Operational (Service) Expenditure** | **(3 056)** | **(3 323)** | **(3 265)** | **(2 929)** | **(13.43)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 205.:*** ***Financial Performance: Community Facilities and Thusong Centres***

### 5.2.13 Office of the Municipal Manager

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **56** | **788** | **795** | **764** | **(3.17)** |
| **Expenditure:** | | | | | |
| Employees | 3 063 | 3 430 | 3 430 | 3 428 | (0.05) |
| Repairs and Maintenance | 8 | 15 | 10 | 0 | 0 |
| Other | 3 755 | 3 391 | 4 432 | 3 994 | 15.11 |
| **Total Operational Expenditure** | **6 826** | **6 835** | **7 871** | **7 422** | **7.90** |
| **Net Operational (Service) Expenditure** | **(6 826)** | **(6 047)** | **(7 076)** | **(6 658)** | **9.18** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 206.:*** ***Financial Performance: Office of the Municipal Manager***

### 5.2.14 Administration

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **79** | **84** | **6** | **31** | **(169.70)** |
| **Expenditure:** | | | | | |
| Employees | 7 581 | 8 427 | 6 668 | 7 291 | (15.58) |
| Repairs and Maintenance | 6 | 75 | 43 | 27 | (181.57) |
| Other | 4 152 | 3 311 | 3 529 | 3 863 | 14.29 |
| **Total Operational Expenditure** | **11 739** | **11 813** | **10 239** | **11 181** | **(5.65)** |
| **Net Operational (Service) Expenditure** | **(11 660)** | **(11 729)** | **(10 234)** | **(11 150)** | **(5.19)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 207.:*** ***Financial Performance: Administration***

### 5.2.15 Human Resources

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **539** | **0** | **2 985** | **1 956** | **100.00** |
| **Expenditure:** | | | | | |
| Employees | 2 216 | 2 564 | 2 564 | 2 610 | 1.74 |
| Repairs and Maintenance | 0 | 2 | 2 | 0 | (633.09) |
| Other | 3 239 | 2 472 | 5 253 | 3 742 | 33.95 |
| **Total Operational Expenditure** | **5 456** | **5 038** | **7 819** | **6 352** | **20.69** |
| **Net Operational (Service) Expenditure** | **(4 917)** | **(5 038)** | **(4 834)** | **(4 397)** | **(14.59)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 208.:*** ***Financial Performance: Human Resources***

### 5.2.16 Financial Services

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual R'000 | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Original Budget R'000 |
| **Total Operational Revenue** | **42 714** | **46 874** | **47 505** | **48 012** | **2.37** |
| **Expenditure:** | | | | | |
| Employees | 11 063 | 15 824 | 12 943 | 14 041 | (12.70) |
| Repairs and Maintenance | 96 | 88 | 562 | 559 | 84.35 |
| Other | 16 355 | 10 635 | 17 620 | 16 734 | 36.45 |
| **Total Operational Expenditure** | **27 513** | **26 547** | **31 125** | **31 334** | **15.28** |
| **Net Operational (Service) Expenditure** | **15 201** | **20 327** | **16 380** | **16 678** | **(21.88)** |
| *Variances are calculated by dividing the difference between the actual and original budget by the actual.* | | | | | |

***Table 209.:*** ***Financial Performance: Financial Services***

# CHAPTER 5: FINANCIAL PERFORMANCE

## 5.3 GRANTS

### 5.3.1 Grant Performance

The Municipality had a total amount of **R50 234** milion for infrastructure and other projects available that was received in the form of grants from the National and Provincial Governments during the 2014/15 financial year.

| Grant Performance | | | | | | |
|---|---|---|---|---|---|---|
| R' 000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Operating Transfers and Grants | | | | | | |
| **National Government:** | **35 838** | **35 422** | **37 104** | **36 043** | **1.72** | **(2.94)** |
| Equitable Share (15%) | 18 057 | 19 386 | 19 386 | 19 386 | 0.00 | 0.00 |
| Financial Management Grant | 1 300 | 1 450 | 1 450 | 1 450 | 0.00 | 0.00 |
| Municipal Systems Improvement Grant | 890 | 934 | 934 | 934 | 0.00 | 0.00 |
| Municipal Infrastructure Grant | 10 209 | 10 532 | 10 532 | 10 532 | 0.00 | 0.00 |
| Expanded Public Works Program | 1 000 | 1 120 | 1 120 | 1 120 | 0.00 | 0.00 |
| Integrated National Electricity program | 2 959 | 2 000 | 2 000 | 2 000 | 0.00 | 0.00 |
| Seta claims (training) | 774 | 0 | 1 682 | 621 | 100.00 | (170.63) |
| Access to basic services | 649 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Provincial Government:** | **27 836** | **23 158** | **31 583** | **32 041** | **27.72** | **1.43** |
| Thusong Centre | 839 | 221 | 221 | 222 | 0.45 | 0.45 |
| Housing | 16 083 | 18 590 | 23 889 | 24 451 | 23.97 | 2.30 |
| Subsidy PAWK | 4 770 | 4 217 | 5 154 | 5 094 | 17.22 | (1.18) |
| CDW Grant | 74 | 70 | 140 | 123 | 42.95 | (14.29) |
| FMGSG Provincial | 200 | 0 | 810 | 810 | 100.00 | 0.00 |
| Other Provincial Grants | 22 | 0 | 809 | 717 | 100.00 | (12.84) |
| Prov Grant: Organogram | 0 | 0 | 500 | 500 | 100.00 | 0.00 |
| Housing (Gap and transfers) | 1 822 | 0 | 0 | 0 | 0.00 | 0.00 |
| RBIG | 1 926 | 0 | 0 | 0 | 0.00 | 0.00 |
| Prov Contribution - acceleration of housing | 1 941 | 0 | 0 | 0 | 0.00 | 0.00 |
| RDP Housing - Electricity | 0 | 0 | 0 | 68 | 100.00 | 100.00 |
| Proclaimed Roads | 159 | 60 | 60 | 57 | 0.00 | 0.00 |
| **Other grant providers:** | **3 202** | **0** | **0** | **5** | **100.00** | **100.00** |
| Abalone Farm | 2 928 | 0 | 0 | 0 | 0.00 | 0.00 |
| Masibambane III Program | 68 | 0 | 0 | 0 | 0.00 | 0.00 |
| Mandela Grants | 206 | 0 | 0 | 5 | 100.00 | 100.00 |

| Grant Performance | | | | | | |
|---|---|---|---|---|---|---|
| R' 000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Total Operating Transfers and Grants | 66 876 | 58 580 | 68 687 | 68 090 | 13.97 | (0.88) |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.* | | | | | | |

***Table 210.: Grant Performance for 2014/15***

### 5.3.2 Conditional Grants: Excluding MIG

The performance in the spending of conditional grants is summarised as follows:

| Details | 2013/14 | 2014/15 | | | 2014/15 Variance | |
|---|---|---|---|---|---|---|
| | Actual (Audited Outcome) | Budget | Adjustments budget | Actual | Variance | |
| | | | | | Budget | Adjustments budget |
| | R'000 | | | | % | |
| Equitable Share | 18 057 | 19 386 | 19 386 | 19 386 | 0.00 | 0.00 |
| Financial Management Grant | 1 300 | 1 450 | 1 450 | 1 450 | 0.00 | 0.00 |
| Municipal Systems Improvement Grant | 890 | 934 | 934 | 934 | 0.00 | 0.00 |
| Expanded Public Works Program | 1 000 | 1 120 | 1 120 | 1 120 | 0.00 | 0.00 |
| Integrated National Electricity program | 2 959 | 2 000 | 2 000 | 2 000 | 0.00 | 0.00 |
| Seta Claims (Training) | 774 | 0 | 1 682 | 621 | 100.00 | (170.63) |
| Access to Basic Services | 649 | 0 | 0 | 0 | 0.00 | 0.00 |
| Thusong Centre | 839 | 221 | 221 | 222 | 0.45 | 0.45 |
| Housing | 16 083 | 18 590 | 23 889 | 24 451 | 23.97 | 2.30 |
| Subsidy PAWK | 4 770 | 4 217 | 5 154 | 5 094 | 17.22 | (1.19) |
| CDW Grant | 74 | 70 | 140 | 123 | 42.95 | (14.29) |
| FMG Provincial | 200 | 0 | 810 | 810 | 100.00 | 0.00 |
| Other Provincial Grants | 22 | 0 | 809 | 717 | 100.00 | (12.84) |
| Prov Grant: Organogram | 0 | 0 | 500 | 500 | 100.00 | 0.00 |
| Housing (Gap and Transfers) | 1 822 | 0 | 0 | 0 | 0.00 | 0.00 |
| RBIG | 1 926 | 0 | 0 | 0 | 0.00 | 0.00 |
| Prov Contribution - acceleration of housing | 1 941 | 0 | 0 | 0 | 0.00 | 0.00 |
| RDP Housing - Electricity | 0 | 0 | 0 | 68 | 100.00 | 100.00 |
| Proclaimed Roads | 159 | 60 | 60 | 57 | 0.00 | 0.00 |
| Abalone Farm | 2 928 | 0 | 0 | 0 | 0.00 | 0.00 |
| Masibambane III Program | 68 | 0 | 0 | 0 | 0.00 | 0.00 |

| Details | 2013/14 | 2014/15 | | | 2014/15 Variance | |
|---|---|---|---|---|---|---|
| | Actual (Audited Outcome) | Budget | Adjustments budget | Actual | Variance | |
| | | | | | Budget | Adjustments budget |
| | R'000 | | | | % | |
| Mandela Day | 206 | 0 | 0 | 5 | 100.00 | 100.00 |
| **Total** | **56 667** | **48 048** | **58 155** | **57 558** | **16.52** | **-1.04** |

** This includes Neighborhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report.*

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

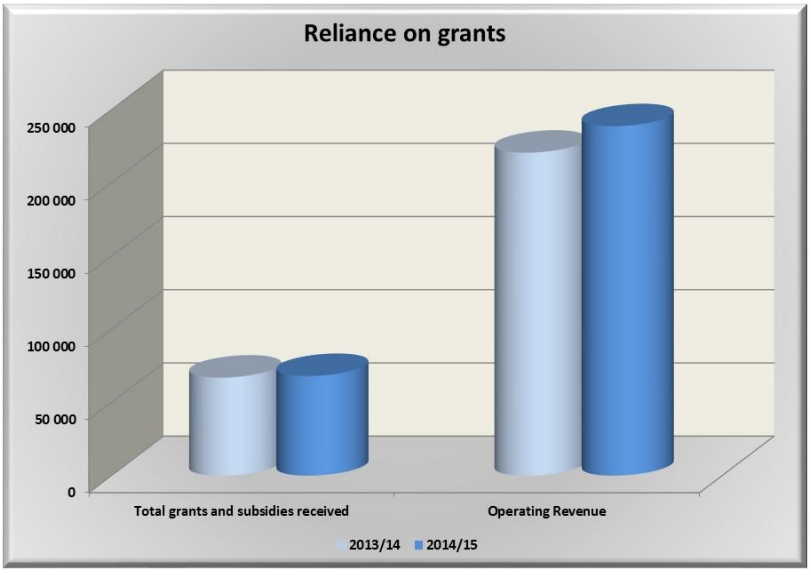
***Table 211.: Conditional grant (excl. MIG)***

### 5.3.3 Level of Reliance on Grants & Subsidies

| Financial year | Total grants and subsidies received | Total Operating Revenue | Percentage |
|---|---|---|---|
| | R'000 | R'000 | % |
| 2013/14 | 66 986 | 220 661 | 30.36 |
| 2014/15 | 68 090 | 238 760 | 28.52 |

***Table 212.: Reliance on grants***

**The following graph indicates the Municipality's grants and subsidies received compared to operating revenue for the last two financial years**




***Graph 12.: Grants and subsidies received compared to the total operating revenue***

# CHAPTER 5: FINANCIAL PERFORMANCE

## 5.4 REPAIRS AND MAINTENANCE

| Description | 2013/14 | 2014/15 | | | |
|---|---|---|---|---|---|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Budget variance |
| | | R'000 | | | % |
| Repairs and Maintenance Expenditure | 9 921 | 12 135 | 10 720 | 11 242 | 4.87 |

*Table 213.: Repairs and Maintenance Expenditure*

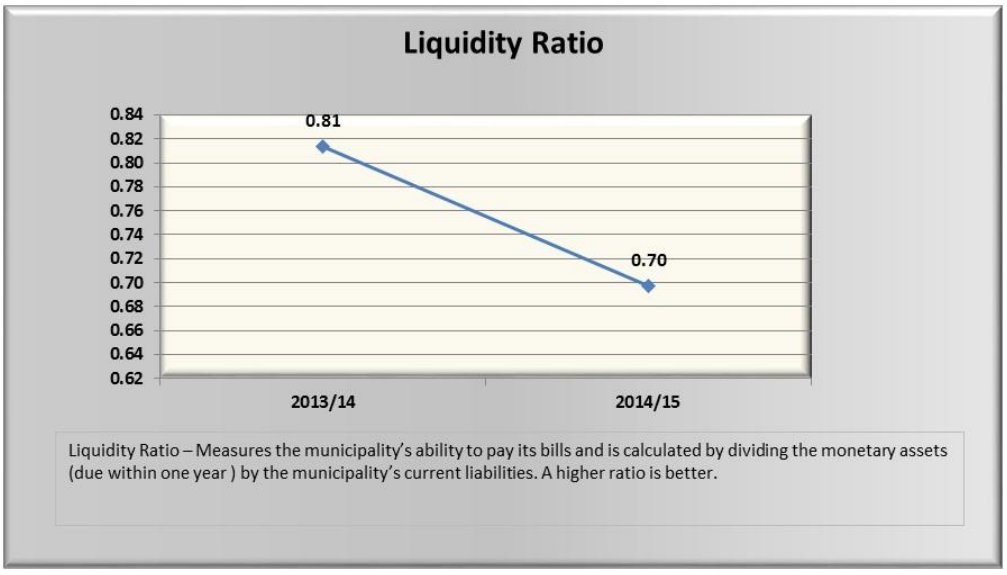
Repair and maintenance expenditure is used for the repair and maintenance of the Municipality's infrastructure, buildings and vehicles.

## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 Liquidity Ratio

| Description | Basis of calculation | 2013/15 | 2014/15 |
|---|---|---|---|
| | | Audited outcome | Audited outcome |
| Current Ratio | Current assets/current liabilities | 1.531 | 1.526 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.154 | 1.211 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.814 | 0.697 |

*Table 214.: Liquidity Financial Ratio*

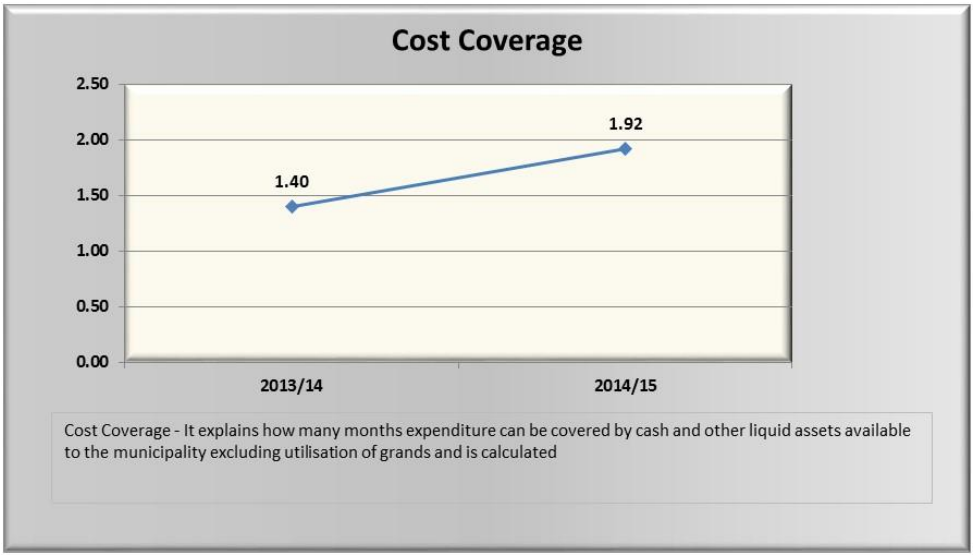



*Graph 13.: Liquidity Ratio*

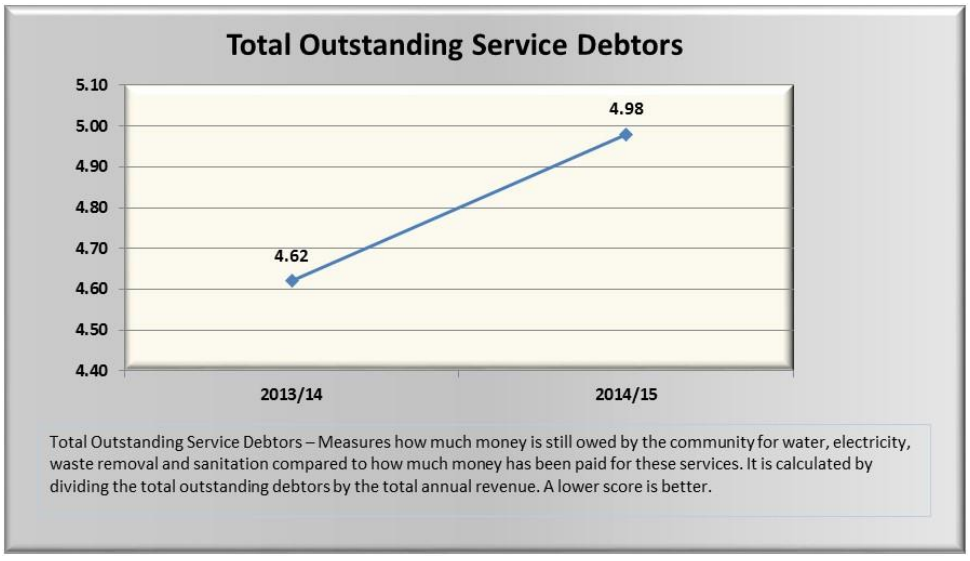
### 5.5.2 IDP Regulation Financial Viability Indicators

| Description | Basis of calculation | 2013/14 | 2014/15 |
|---|---|---|---|
| | | Audited outcome | Audited outcome |
| Cost Coverage | (Available cash + Investments)/monthly fixed operational expenditure | 1.40 | 1.92 |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 1 : 4.62 | 1 : 4.98 |
| Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 505.87 | 487.64 |

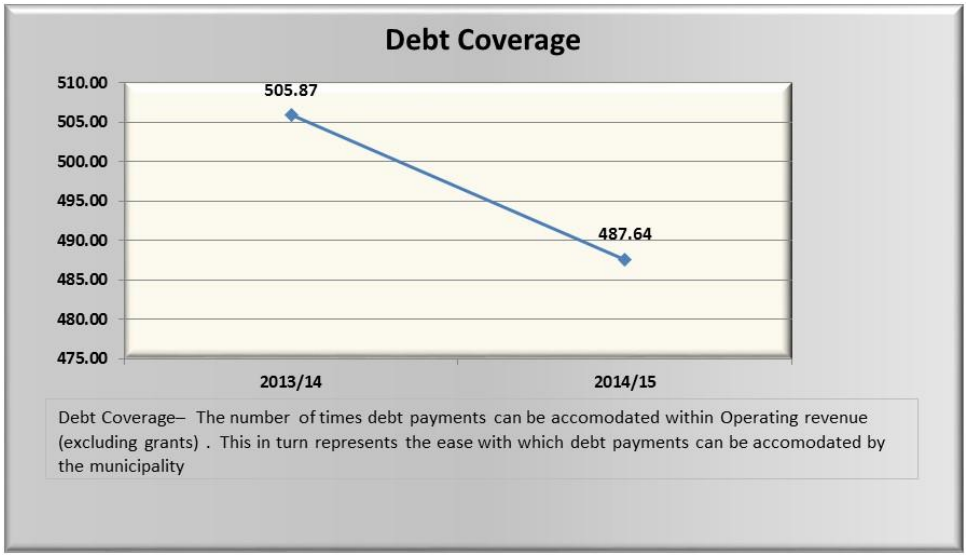
***Table 215.: Financial Viability National KPAs***




***Graph 14.: Cost coverage***




***Graph 15.: Outstanding service debtors***

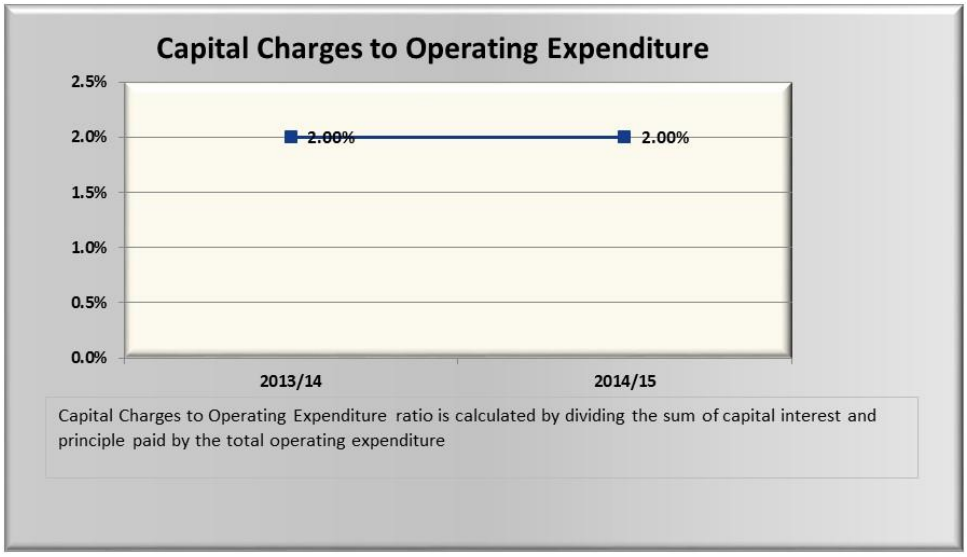



***Graph 16.: Debt coverage***

### 5.5.3 Borrowing Management

| Description | Basis of calculation | 2013/14 | 2014/15 |
|---|---|---|---|
| | | Audited outcome | Audited outcome |
| Capital Charges to Operating Expenditure | Interest & Principal Paid/ Operating Expenditure | 2% | 2% |

***Table 216.: Borrowing Management***

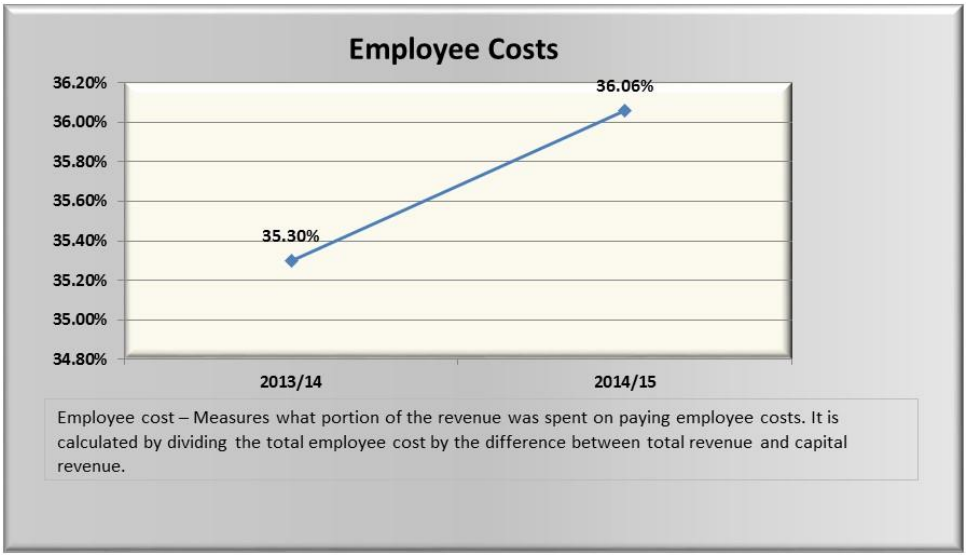



***Graph 17.: Borrowing management***

### 5.5.4 Employee costs

| Description | Basis of calculation | 2013/14 | 2014/15 |
|---|---|---|---|
| | | Audited outcome | Audited outcome |
| Employee costs | Employee costs/(Total Revenue capital revenue) | 35.30% | 36.06% |

*Table 217.: Employee Costs*




*Graph 18.: Employee costs*

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

| Description | 2013/14 | 2014/15 | | | Planned Capital Expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjust-ment Budget | Actual Expendi-ture | 2015/16 | 2016/17 | 2017/18 |
| R'000 | | | | | | | |
| Capital expenditure by Asset Class | | | | | | | |
| **Infrastructure - Total** | **28 078** | **9 078** | **50 616** | **17 293** | **17 293** | **11 471** | **21 325** |
| **Infrastructure: Road transport - Total** | **11 923** | **7 408** | **9 846** | **12 534** | **12 534** | **4 721** | **12 995** |
| Roads, Pavements & Bridges | 11 923 | 5 543 | 6 508 | 12 534 | 12 534 | 4 111 | 12 565 |
| Stormwater | 0 | 1 866 | 3 338 | 0 | 0 | 610 | 430 |
| **Infrastructure: Electricity - Total** | **4 208** | **800** | **2 840** | **2 710** | **2 710** | **3 310** | **3 180** |
| Transmission & Reticulation | 4 208 | 600 | 2 840 | 2 710 | 2 710 | 3 180 | 3 050 |
| Street Lighting | 0 | 200 | 0 | 0 | 0 | 130 | 130 |
| **Infrastructure: Water - Total** | **3 296** | **850** | **750** | **1 311** | **1 311** | **240** | **3 950** |

| Description | 2013/14 | 2014/15 | | | Planned Capital Expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjust-ment Budget | Actual Expendi-ture | 2015/16 | 2016/17 | 2017/18 |
| | | | R'000 | | | | |
| Dams & Reservoirs | 3 296 | 0 | 0 | 1 311 | 1 311 | 0 | 1 000 |
| Water purification | 0 | 500 | 400 | 0 | 0 | 140 | 1 000 |
| Reticulation | 0 | 350 | 350 | 0 | 0 | 100 | 1 950 |
| **Infrastructure: Sanitation - Total** | **8 606** | **0** | **709** | **737** | **737** | **3 000** | **0** |
| Reticulation | 0 | 0 | 709 | 737 | 737 | 0 | 0 |
| Sewerage purification | 8 606 | 0 | 0 | 0 | 0 | 3 000 | 0 |
| **Infrastructure: Other - Total** | **46** | **20** | **36 471** | **36 471** | **0** | **200** | **1 200** |
| Waste Management | 46 | 20 | 20 | 0 | 0 | 200 | 1 200 |
| Other | 0 | 0 | 36 451 | 36 451 | 0 | 0 | 0 |
| **Community - Total** | **4 666** | **3 175** | **1 905** | **2 670** | **2 670** | **6 091** | **2 163** |
| Parks & gardens | 0 | 55 | 55 | 34 | 34 | 0 | 0 |
| Sports fields& stadia | 0 | 1 699 | 1 730 | 1 744 | 1 744 | 1 522 | 0 |
| Community halls | 4 124 | 1 321 | 20 | 7 | 7 | 3 312 | 500 |
| Libraries | 493 | 0 | 0 | 885 | 885 | 0 | 0 |
| Recreational facilities | 0 | 100 | 100 | 0 | 0 | 1 248 | 1 370 |
| Cemeteries | 48 | 0 | 0 | 0 | 0 | 10 | 293 |
| **Capital expenditure by Asset Class** | **2 588** | **2 447** | **4 446** | **3 342** | **2 623** | **3 329** | **6 736** |
| **Other assets** | **2 588** | **1 924** | **3 586** | **2 623** | **2 623** | **3 329** | **6 536** |
| General vehicles | 0 | 160 | 310 | 289 | 289 | 330 | 760 |
| Plant & equipment | 476 | 430 | 391 | 364 | 364 | 1 033 | 3 005 |
| Computers - hardware/equipment | 250 | 739 | 562 | 494 | 494 | 972 | 833 |
| Furniture and other office equipment | 677 | 235 | 1 401 | 1 403 | 1 403 | 269 | 486 |
| Civic Land and Buildings | 1 107 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Buildings | 0 | 330 | 901 | 74 | 74 | 725 | 1 453 |
| Other | 78 | 30 | 21 | 0 | 0 | 0 | 0 |
| **Intangibles** | **0** | **523** | **860** | **0** | **0** | **0** | **200** |
| Computers - software & programming | 0 | 523 | 860 | 0 | 0 | 0 | 200 |
| **Total Capital Expenditure on new assets** | **35 331** | **14 701** | **56 967** | **59 755** | **22 586** | **20 891** | **30 224** |
| **Specialised vehicles** | **0** | **0** | **0** | **0** | **0** | **800** | **800** |
| Refuse | 0 | 0 | 0 | 0 | 0 | 800 | 800 |

***Table 218.:*** ***Capital Expenditure by New Asset Program***

## 5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2014/15 financial year:

| Capital Expenditure - Funding Sources 2013/14 to 2014/15<br>R'000 | | | | | | |
|---|---|---|---|---|---|---|
| Details | 2013/14 | 2014/15 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| **Source of finance** | | | | | | |
| External loans | 0 | 0 | 879 | 880 | 0.00 | 0.00 |
| Public contributions and donations | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grants and subsidies | 0 | 11 071 | 14 352 | 17 856 | 29.64 | 31.65 |
| Other | 0 | 3 631 | 41 736 | 41 020 | 1 049.59 | (19.72) |
| **Total** | **0** | **14 701** | **56 967** | **59 755** | **287.50** | **18.97** |
| ***Percentage of finance*** | | | | | | |
| External loans | 0 | 0 | 2 | 1 | 0.00 | 0.00 |
| Public contributions and donations | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grants and subsidies | 0 | 75 | 25 | 30 | (66.55) | 6.23 |
| Other | 0 | 25 | 73 | 69 | 196.67 | (18.70) |
| **Capital expenditure** | | | | | | |
| Water and Sanitation | 11 902 | 850 | 1 459 | 2 048 | 71.65 | 69.32 |
| Electricity | 4 208 | 800 | 2 840 | 2 710 | 255.00 | (16.22) |
| Housing | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Roads and Stormwater | 11 923 | 7 508 | 9 846 | 12 534 | 31.14 | 35.80 |
| Other | 7 300 | 5 543 | 42 822 | 42 463 | 672.54 | (6.48) |
| **Total** | **35 332** | **14 701** | **56 967** | **59 755** | **287.50** | **18.97** |
| ***Percentage of expenditure*** | | | | | | |
| Water and sanitation | 34 | 6 | 3 | 3 | (55.70) | 14.99 |
| Electricity | 12 | 5 | 5 | 5 | (8.39) | (8.27) |
| Housing | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Roads and Stormwater | 34 | 51 | 17 | 21 | (66.16) | 7.23 |
| Other | 21 | 38 | 75 | 71 | 99.36 | (10.90) |

***Table 219.:*** ***Capital Expenditure by funding source***

## 5.8 TREATMENT OF THE THREE LARGEST ASSETS

| Asset 1 | | |
|---|---|---|
| **Name** | **Roads and Stormwater** | |
| **Description** | Stormwater - A network of sups, stormwater pipes, stormwater channels, drains, traps, dams and weirs.<br>Roads - A system of interconnecting points that force the basis of traveling infrastructure | |
| **Asset Type** | Infrastructure | |
| **Key Staff Involved** | Manager: John Daniels | |
| **Staff Responsibilities** | Building and maintenance of roads and stormwater network | |
| **Asset Value as at 30 June 2015** | **2013/14 R million** | **2014/15 R million** |
| | 72 311 | 84 615 |
| **Capital Implications** | n/a | |
| **Future Purpose of Asset** | Service delivery to the public | |
| **Describe Key Issues** | n/a | |
| **Policies in Place to Manage Asset** | Asset Management Policy | |

***Table 220.: Asset 1 -Roads and Stormwater***

| Asset 2 | | |
|---|---|---|
| **Name** | **Sewerage Network** | |
| **Description** | Sewerage system consisting of a network of pipes, pumps and force mains for the collections of wastewater or sewage from a community | |
| **Asset Type** | Infrastructure | |
| **Key Staff Involved** | Manager: Deon Wasserman | |
| **Staff Responsibilities** | Building and maintenance of sewerage network | |
| **Asset Value as at 30 June 2015** | **2013/14 R million** | **2014/15 R million** |
| | 50 986 | 51 773 |
| **Capital Implications** | n/a | |
| **Future Purpose of Asset** | Service delivery to the public | |
| **Describe Key Issues** | n/a | |
| **Policies in Place to Manage Asset** | Asset Management Policy | |

***Table 221.: Asset 2 - Sewerage Network***

| Asset 3 | |
|---|---|
| **Name** | **Electricity Network** |
| **Description** | Electricity System - network of cables, electricity stations and sub-stations to deliver electricity from the supplier to the consumer |
| **Asset Type** | Infrastructure |
| **Key Staff Involved** | Manager: Steve Cooper |
| **Staff Responsibilities** | Building and Maintenance of Electricity Network |

| Asset Value as at 30 June 2015 | 2013/14 R million | 2014/15 R million |
|---|---|---|
| | 48 153 | 50 814 |
| Capital Implications | n/a | |
| Future Purpose of Asset | Service delivery to the public | |
| Describe Key Issues | n/a | |
| Policies in Place to Manage Asset | Asset Management Policy | |

*Table 222.: Asset 3 - Electricity Network*

## 5.9 CAPITAL SPENDING ON THE LARGEST PROJECTS

| Name of Project | 2014/15 | | | | |
|---|---|---|---|---|---|
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance | Adjustment variance |
| | R'000 | | | % | |
| New sports field for soccer - Napier | 702 | 800 | 800 | (14.0) | 0 |
| Upgrading of sport field -Zwelitsha | 1 225 | 710 | 782 | 36.2 | (10.2) |
| Tar Nuwerus street - Napier | 4 843 | 5 708 | 5 783 | (19.4) | (1.3) |
| Struisbaai-North Stormwater | 2 788 | 2 788 | 3 008 | (7.9) | (7.9) |

*Table 223.: Capital Spending on the Largest Projects*

| Name of Project - A | New sports field for soccer - Napier |
|---|---|
| Objective of Project | Road Transport |
| Delays | Addressed as per SDBIP projections |
| Future Challenges | Addressed as per SDBIP |
| Anticipated citizen benefits | Improved service delivery for community |

*Table 224.: New sports field for soccer – Napier*

| Name of Project - B | Upgrading of sport field -Zwelitsha |
|---|---|
| Objective of Project | Sport and Recreation |
| Delays | Addressed as per SDBIP projections |
| Future Challenges | Addressed as per SDBIP |
| Anticipated citizen benefits | Improved service delivery for community |

*Table 225.: Upgrading of sport field -Zwelitsha*

| Name of Project - C | Tar Nuwerus street Napier |
|---|---|
| Objective of Project | Road Transport |
| Delays | Addressed as per SDBIP projections |
| Future Challenges | Addressed as per SDBIP |
| Anticipated citizen benefits | Improved service delivery for community |

*Table 226.: Tar Nuwerus street Napier*

| Name of Project - D | Struisbaai-North Stormwater |
|---|---|
| Objective of Project | Road Transport |
| Delays | Addressed as per SDBIP projections |
| Future Challenges | Addressed as per SDBIP |
| Anticipated citizen benefits | Improved service delivery for community |

*Table 227.: Struisbaai-North Stormwater*

## 5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Although there are currently no serious backlogs in the municipal area, the continuous influx of people in our area to the informal settlements are putting a burden on the service delivery of the Municipality which might be regarded as a risk due a possible increase in future backlogs.

### 5.10.1 Municipal Infrastructure Grant (MIG)

| Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs | | | | | |
|---|---|---|---|---|---|
| Details | Budget | Adjustments Budget | Actual | Variance | |
| | | | | Budget | Adjustments Budget |
| | R'000 | | | % | % |
| Infrastructure – Roads and Stormwater | 7 630 | 8 495 | 8 495 | (11.33) | 0.00 |
| Infrastructure - Electricity | 200 | 0 | 0 | 0.00 | 0.00 |
| Other Specify: Recreational Facilities (Napier and Zwelitsha) | 2 025 | 1 510 | 1 510 | 25.43 | 0.00 |
| **Total** | **9 855** | **10 005** | **10 005** | **(1.52)** | **0.00** |

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

*Table 228.: Municipal Infrastructure Grant (MIG)*

# COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## 5.11 CASH FLOW

| R'000 | | | | |
|---|---|---|---|---|
| Description | 2013/14 | 2014/15 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| Cash flow from operating activities | | | | |
| Receipts | | | | |
| Ratepayers and other | 144 904 | 162 968 | 167 608 | 160 148 |
| Government -operating | 70 562 | 47 665 | 48 648 | 62 733 |
| Government - capital | 0 | 11 071 | 12 921 | 0 |

| R'000 | | | | |
|---|---|---|---|---|
| Description | 2013/14 | 2014/15 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| Interest | 2 660 | 2 390 | 2 541 | 2 845 |
| Dividends | 0 | 0 | 0 | 0 |
| **Payments** | | | | |
| Suppliers and employees | (185 626) | (212 682) | (225 601) | (205 693) |
| Finance charges | (127) | (1 242) | (114) | (99) |
| Transfers and Grants | 0 | 0 | 0 | 0 |
| **Net cash from/(used) operating activities** | **32 373** | **10 170** | **6 004** | **19 933** |
| **Cash flows from investing activities** | | | | |
| **Receipts** | | | | |
| Proceeds on disposal of PPE | 0 | 0 | 0 | 0 |
| Decrease (Increase) in non-current debtors | 33 | 0 | 0 | 41 |
| Decrease (increase) other non-current receivables | 0 | 6 | 7 | 0 |
| Decrease (increase) in non-current investments | (21) | 0 | 0 | 0 |
| **Payments** | | | | |
| Capital assets | (35 330) | (14 701) | (19 636) | (22 425) |
| **Net cash from/(used) investing activities** | **(35 319)** | **(14 695)** | **(19 630)** | **(22 383)** |
| **Cash flows from financing activities** | | | | |
| **Receipts** | | | | |
| Short term loans | 0 | 0 | 0 | 0 |
| Borrowing long term/refinancing | 0 | 0 | 0 | 0 |
| **Payments** | | | | |
| Repayment of borrowing | (440) | (311) | (325) | (325) |
| Increase in Consumer Deposits | 0 | 0 | 0 | 202 |
| **Net cash from/(used) financing activities** | **(440)** | **(311)** | **(325)** | **(123)** |
| **Net increase/ (decrease) in cash held** | **(3 386)** | **(4 836)** | **(13 951)** | **(2 573)** |
| **Cash/cash equivalents at the year begin:** | **24 562** | **0** | **0** | **21 407** |
| **Cash/cash equivalents at the year-end:** | **21 176** | **(4 836)** | **(13 951)** | **18 834** |

***Table 229.:*** ***Cash flow***

## 5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

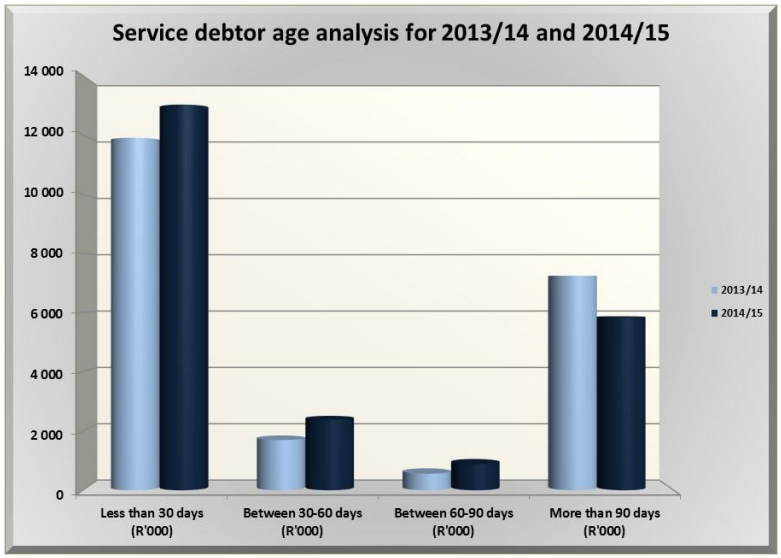
| Financial year | Rates | Trading services (Electricity and Water) | Economic services (Sanitation and Refuse) | Housing rentals | Other | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 2013/14 | 5 020 | 13 793 | 2 855 | 0 | 4 746 | 26 413 |
| 2014/15 | 4 970 | 14 807 | 2 980 | 0 | 4 333 | 27 090 |
| Difference | (50) | 1 014 | 125 | 0 | (413) | 676 |
| **% growth year on year** | **(1)** | **7** | **4** | **0** | **(9)** | **0** |

*Table 230.: Gross outstanding debtors per service*

## 5.13 TOTAL DEBTORS AGE ANALYSIS

| Financial year | Less than 30 days | Between 30-60 days | Between 60-90 days | More than 90 days | Total |
|---|---|---|---|---|---|
| | R'000 | | | | |
| 2013/14 | 11 897 | 1 697 | 557 | 7 241 | 21 394 |
| 2014/15 | 13 018 | 2 380 | 881 | 5 841 | 22 120 |
| Difference | 1 121 | 683 | 324 | (1 400) | 726 |
| **% growth year on year** | **9** | **40** | **58** | **(19)** | **3** |

*Table 231.: Service debtor age analysis*




*Graph 19.: Service debtors age analysis for the 2013/14 and 2014/15 financial years*

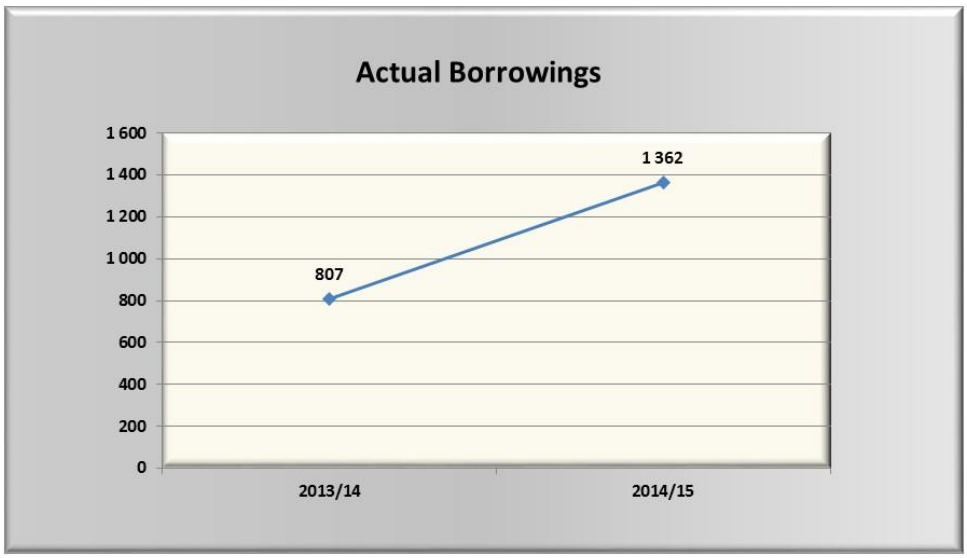
## 5.14 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

### 5.14.1 Actual Borrowings

| Actual Borrowings | | |
|---|---|---|
| R'000 | | |
| **Instrument** | **2013/14** | **2014/15** |
| Long-Term Loans (annuity/reducing balance) | 807 | 1 362 |
| **Total** | **807** | **1 362** |

*Table 232.: Actual Borrowings*

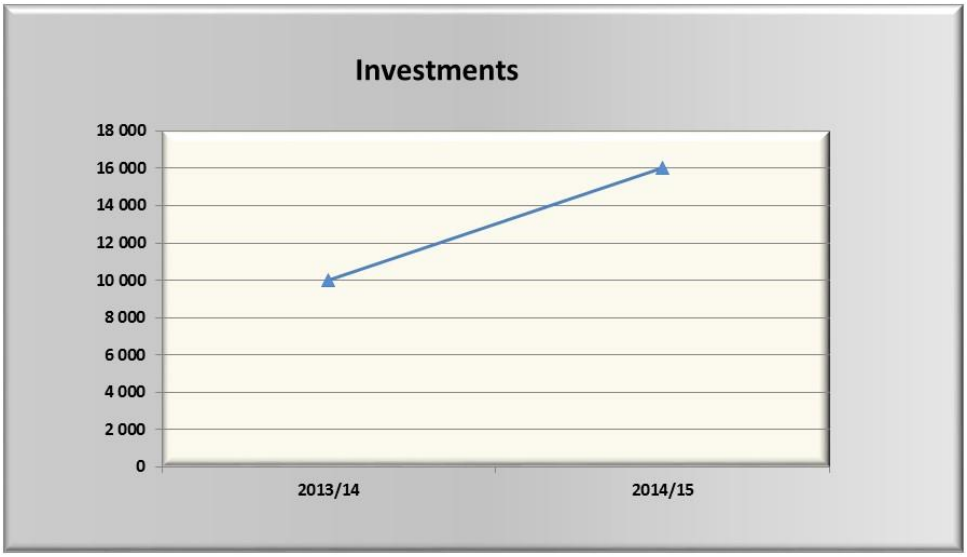



*Graph 20.: Actual borrowings*

### 5.14.2 Investments

| Investments | | |
|---|---|---|
| R'000 | | |
| Investment | 2013/14 | 2014/15 |
| Deposits - Bank | 10 000 | 16 000 |
| **Total** | **10 000** | **16 000** |

*Table 233.: Investments*




***Graph 21.: Investments***

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.15 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was revised and adopted by Council in June 2014 to fully comply with the SCM Regulations. The SCM Policy has been reviewed by incorporating the legislative amendments and recommendations by the Auditor-General and Provincial Treasury to give effect to the compliance aspect. Standard operating procedures for SCM were developed during the 2014/15 financial year.

This will enable the Supply Chain Management Unit (SCMU) to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders. Monitoring of internal processes is an ongoing process.

No Councillors are members of any committee handling the supply chain processes.

The supply chain officials received ongoing training and have completed the prescribed MFMA Competency Regulations. Provincial Treasury quarterly working forum meetings are attended regularly in order to promote the professional development of SCM practitioners within the municipalities in the Western Cape and create a culture of cohesion between municipalities and the Directorate: Local Government Supply Chain Management.

There are six officials in the supply chain section of which two are store officials. The organogram will be amended as the need arises and provision will be made to strengthen the capacity within the unit.

### 5.16 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensure that the municipality is more accountable to its citizens and other stakeholders

GRAP was fully implemented in the Municipality in the 2010/11 financial year and the financial statements of 2014/15 are fully GRAP compliant.

## 5.17 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD

It must be noted that, during 2012, the Council took a decision to establish a Local Development Agency (Southernmost Development Agency (Pty) Ltd) to assist the Municipality in the establishment and implementation of local economic development projects. This entity was duly established and the Board of Directors appointed from October 2012. However, during the process of establishment and the development phase, it was found that the establishment and running of the entity will create additional expenses for the Municipality which cannot be afforded due to its very strict budget. After various meetings with all role-players and considering all possible options, the Council resolved on 28 May 2013 to liquidate and disestablish the agency. We are in process of de-registering the agency.

# Chapter 6

# CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

## COMPONENT A: AUDITOR-GENERAL OPINION 2013/14

### 6.1 AUDITOR-GENERAL REPORT 2013/14

| Auditor-General Report on Financial Performance 2013/14 | |
|---|---|
| **Status of audit report:** | **Unqualified with no other matters** |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| No material findings | n/a |

***Table 234.:*** ***AG Report on Financial Performance 2013/14***

| Auditor-General Report on Service Delivery Performance: 2013/14 | |
|---|---|
| **Status of audit report**:** | **Unqualified with other matters** |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| No material findings | n/a |
| Performance management issues | Remedial Action Taken |

***Table 235.:*** ***AG Report on Service Delivery Performance 2013/14***

## COMPONENT B: AUDITOR-GENERAL OPINION 2014/15

### 6.2 AUDITOR-GENERAL REPORT 2014/15

| Auditor-General Report on Financial Performance 2014/15 | |
|---|---|
| **Audit Report Status:** | **Unqualified with no other matters** |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| There were some non-reportable items highlighted during the audit which required non-material changes to the annual financial statements | The issues were corrected during the audit and the necessary changes made and submitted to the auditors during the audit |

***Table 236.:*** ***AG Report on Financial Performance 2014/15***

| Auditor-General Report on Service Delivery Performance: 2014/15 | |
|---|---|
| **Audit Report Status:** | **Unqualified with other matters** |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| There were a number of errors found during the audit which required changes to the performance report (which forms part of the Municipality's annual report) as well as issues raised by the auditors on the adequacy of supporting documentation | • The corrections were made during the audit and submitted to the auditors<br>• A workshop with all management will be arranged to review the audit findings and to develop adequate corrective actions to ensure correct performance reporting and adequate supporting documentation |

***Table 237.:*** ***AG Report on Service Delivery Performance 2014/15***

# ABBREVIATIONS

## LIST OF ABBREVIATIONS

| | |
|---|---|
| **AG** | Auditor-General |
| **CAPEX** | Capital Expenditure |
| **CBP** | Community Based Planning |
| **CFO** | Chief Financial Officer |
| **DPLG** | Department of Provincial and Local Government |
| **DWAF** | Department of Water Affairs and Forestry |
| **EE** | Employment Equity |
| **GAMAP** | Generally Accepted Municipal Accounting Practice |
| **GRAP** | Generally Recognised Accounting Practice |
| **HR** | Human Resources |
| **IDP** | Integrated Development Plan |
| **IFRS** | International Financial Reporting Standards |
| **IMFO** | Institute for Municipal Finance Officers |
| **KPA** | Key Performance Area |
| **KPI** | Key Performance Indicator |
| **LED** | Local Economic Development |
| **MAYCOM** | Executive Mayoral Committee |
| **MFMA** | Municipal Finance Management Act (Act No. 56 of 2003) |
| **MIG** | Municipal Infrastructure Grant |
| **MM** | Municipal Manager |
| **MMC** | Member of Mayoral Committee |
| **MSA** | Municipal Systems Act No. 32 of 2000 |
| **MTECH** | Medium Term Expenditure Committee |
| **NGO** | Non-governmental organisation |
| **NT** | National Treasury |

# ABBREVIATIONS

| | |
|---|---|
| **OPEX** | Operating expenditure |
| **PMS** | Performance Management System |
| **PT** | Provincial Treasury |
| **SALGA** | South African Local Government Organisation |
| **SAMDI** | South African Management Development Institute |
| **SCM** | Supply Chain Management |
| **SDBIP** | Service Delivery and Budget Implementation Plan |
| **SDF** | Spatial Development Framework |

## ANNEXURE A: FINANCIAL STATEMENTS

## ANNEXURE B: REPORT OF THE AUDITOR-GENERAL

## ANNEXURE C: REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE