



HESSEQUA
2014-2015

ANNUAL REPORT



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ABOUT THE 2014/15 ANNUAL REPORT

Hessequa Municipality has endeavoured to deliver quality service and information and to engage in decision-making forums which allows for active participation.

This report offers an overview of the operations, activities and performance of Hessequa Municipality for the 2014/15 financial year. The Annual Report is prepared in terms of Section 121 (1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

The Annual Report consists of five chapters, each addressing specific reporting areas as well as the supporting documentation in the form of Annexures. A broad overview of the report is as follows:

- Chapter 1 - An overview of the Municipality's social and demographic profile and key highlights regarding Finance, Performance and Service Delivery.
- Chapter 2 - Provides details about the governmental workings of the municipality addressing the key aspects of good governance.
- Chapter 3 - Highlights the Municipality's performance for the year, focussing on the service delivery and the Pre-determined objectives of the Council.
- Chapter 4 - Provides insight into the Human Resources and organisational management areas of the Municipality, focussing on organisational structure and legislation.
- Chapter 5 - An overview of the Municipality's financial performance, reflecting on the Municipality's financial position, assets, cash flow and intergovernmental grants received by the Municipality.
- Annexure A - Audited Financial Statements
- Annexure B - Auditor General's Report
- Annexure C - Oversight Committee Report

The Annual Report 2014/15 serves as a key record revealing the continuation of service delivery, progress, growth and performance of the Hessequa Municipality.



MESSAGE FROM THE EXECUTIVE MAYOR



It is with pride that I have this opportunity to present the 2014/15 Annual Report. The highlight of the year was of course the achievement of a Clean Audit Outcome for the 2013/14 budget year. We had been working towards that goal and reached it as planned. With a small staff component and the Chief Financial Officer who completes the Financial Statements by herself, we pride ourselves with this outcome. We do realise that the Clean Audit (Unqualified with no findings) is not the only or even the most important objective in Local Government. Service delivery to all is the first and foremost function that needs to be delivered.

We achieved the second place in the Greenest Municipality Awards and are the first Municipality in South Africa to have all six beaches feature in the Blue Flag programme. The first place in South Africa was achieved in the Arbour City Awards for 2015, which is another feather in Hessequa Municipality's cap.

Dit bly 'n voorreg om na nog 'n jaar 'n terugblik te gee en 'n opname te maak van wat bereik is deur 'n jaar van alles insit, harde werk en die passie en entoesiasme wat heers soos daar gevorder word met beplanning en aksies om Hessequa 'n beter plek te maak vir al ons gemeenskappe.

Daar is vele dokumente wat hierdie jaarverslag rig, vele gebeure wat aanvullend saamwerk om sukses te verseker. Hierdie dokumente is op die webwerf beskikbaar om meer inligting te verskaf.

Die gehalte en koste van dienslewering is gedurig onder die vergrootglas van diegene wie belasting moet betaal sowel as van diegene wie nie daarvoor kan betaal nie. Dit is tans munisipaliteite se uitdaging. Die verantwoordelikhede wat na plaaslike regering afgewentel word, sonder die nodige befondsing maak dit 'n onhoudbare situasie.

Hessequa het ver gevorder om die DA-koalisie beheerde Raad se visie en misie te omskep in beleide en programme om aan die doelwitte wat verandering moet bring in die lewens van almal en veral diegene wat as gevolg van min permanente werkseleenthede, sukkel om aan hul basiese behoeftes te voorsien. Die werklikhede toon ook hoe pensioenarisse veg teen voortdurende styging van lewenskostes.

Daarom die hernude pogings om innoverend en met nuwe denke te poog om verandering en verligting mee te bring gedurende elke begrotingsproses en oorweging te skenk aan verskuiwing van fokusareas waar nodig.

Die raad het hul verbind tot die Nasionale Ontwikkelings Plan asook die belyning daarvan met die Provinsiale Plan, om sodoende implimentering van projekte meer suksesvol te kan behartig, tot Hessequa se voordeel.

Gelukkig kon belangrike kapitaalprojekte wat gemik is op inkomstegenerering asook voorbereiding vir behuisingsprojekte, gedurende 2014/15 afgehandel word. Die raad is verbind daartoe om infrastruktuur op standaard te hou sodat ontwikkeling en vooruitgang op alle vlakke kan plaasvind.

Om te voldoen aan die uitwissing van agterstande is 'n behuisingsprojek in Slangrivier suksesvol afgehandel en is daar ook projekte in Melkhoutfontein, wat die laaste area is om sedert 1995 aan die beurt te kom, vir die vestiging van dienste en behuising.

Deernis word aan meer as 5000 huisgesinne gelewer en bring welkome verligting ten opsigte van gratis water en krag, afskrywing van uitstaande skuld en die vrystelling van basiese fooie vir al vier dienste en belasting op eiendomme met 'n waarde tot R90 000.

Werkseleenthede is beskikbaar gestel deur die EPWP projekte. Internskappe word bevorder deur hierdie geleenthede asook opleiding deur Provinsiale Departemente. Dit gee die student die opsie om by 'n instansie geplaas te word en 'n salaris vir nege maande te ontvang. Hierdie programme is spesifiek op jongmense gefokus.

Infrastuktuur opgradering deur middel van 'n KV 66 lyn na Stilbaai gee die groenlig aan ontwikkelaars om hul projekte te implimenteer en daardeur werk te skep vir almal in Hessequa. Hierdeur word die ekonomie gestimuleer en nuwe hoop vir die toekoms gevestig. Opgradering van rioolwerke te Riversdal word eersdaags gedoen asook ander prioriteite in ons streek.

Die vestiging van 'n Ekonomiese Forum na aanleiding van 'n gesamentlike visie en identifisering van projekte deur middel van werkswinkels in elke gemeenskap, is 'n suksesstorie en doen die nuut gevestigde Departement Ekonomiese ontwikkeling wat toerisme insluit, innoverende werk.

Sportgronde van 'n uitstaande gehalte is geskep in Albertinia wat dit nou vir hul moontlik maak om wedstryde tot op SARU vlak aan te bied. Ander dorpe waar hierdie aspek nog baie ontwikkeling nodig het, sal mettertyd ook aangespreek word.

Die dryfveer om ekonomiese groei te stimuleer is uiters belangrik in 'n area waar die gebrek aan industrieë tot voordeel strek van 'n pragtige en veilige omgewing wat met unieke binnelandse- en kusdorpe, iets bied vir elke smaak. Hiermee saam is die bemarking van Hessequa as 'n leefstyl- en aftreebestemming 'n ideaal en is Stilbaai een van die dorpe wat sterk ingekoop het om hierdie inisiatief te ondersteun.

'n Suksesvolle Energie Beraad is in Hessequa gehou in samewerking met die Universiteit van Stellenbosch se Bestuurskool en die Goeie Regering Forum in die gepaardgaande Helix Program. Die drie dae het rigting gegee en aksieplanne tot gevolg en ook die gemeenskap op hoogte en aanboord gebring om met insig die pad te baan na eie opwekking van energie deur middel van die terugverkoop van ongebruikte krag aan die munisipaliteit. Kundigheid op vele terreine was teenwoordig by die beraad en is praktiese uitkomst bereik.

Effective Partnerships are a crucial part of what needs to be established in order to become more innovative and create improved communication. Partnerships are being strengthened ratepayers and communities, all who have specific skills that can



enhance the functionality of the municipality. Partners as in the Grey Power Forum assist as an advisory committee on a variety of subjects. Their connections with the University of Stellenbosch Business School, afforded Hessequa Municipality to become part of the Good Governance Forum, SPL and this resulted in the structuring of the Hessequa Innovation Helix.

Work Studies are being completed per Department with the objective to enhance productivity, streamline the staff component and importantly, improve service delivery at all levels. This is an ongoing process and much of the funding was forthcoming from the Western Cape Province.

Hessequa Municipality is in a process of investing in partnerships and people to assist in stimulating the economy and needs to attract the interest of investors to the tranquil, pristine area that stands out for the quality of services rendered and offered.

Ek is oortuig dat Hessequa op pad is na groot hoogtes en dat hierdie raad die agterstande suksesvol sal aanspreek tot voordeel van elke inwoner. Daardeur word die doelwitte binne die Geïntregeerde Ontwikkelingsplan aangespreek en is dit 'n aaneenlopende proses.

Die personeel se toegewydheid en 'n Raad wat saamwerk, het hierdie prestasies saam bereik en daarvoor 'n besondere waardering en woord van dank.

Emor Nel

Uitvoerende Burgemeester/
Executive Mayor



MUNICIPAL MANAGER'S OVERVIEW



We are all aware of the challenges that local government are facing within South Africa with poor economic growth and rising cost of service delivery. Hessequa is not excluded to these realities as the municipality strive to serve eleven communities with very unique socio-economic circumstances, growth trends, population size and needs. As overwhelming as it all may sound, Hessequa is unique in its response to these clear and present challenges.

The 2014/2015 financial year was the third year in the implementation of our pioneering Long Term Financial Plan, which has been revised and is setting the way for Hessequa towards a sustainable financial local municipality. 2014/2015 was also the second year that the municipality has internalised

various good governance functions to provide clear controls and measures to monitor and evaluate progress of implementation of the Integrated Development Plan.

With Hessequa receiving a "Clean" audit outcome from the Auditor General of South Africa, 2014/2015 reflected to be a year of continued good governance as all organisational systems were improved. Hessequa has moved beyond the point of merely complying with legislation, but towards leadership in governance.

This was shown through various awards given to the municipality and assessment outcomes as done by Provincial Treasury and the Department of Local Government. Hessequa works hard to collaborate with other spheres of government to ensure that service delivery is enhanced across our region. Inter-governmental platforms such as the IDP Indaba's and Municipal Technical Evaluation Committees (MTEC) solidifies the good relationship that we have with the service delivery partners.

Hessequa also continues to engage with its communities through various mechanisms to ensure that the public have the opportunity to participate in the affairs of local government. Council and all committees appointed by the council are functioning well and are there regular engagements between these platforms, councilors and the administration exist. Partnerships between the municipality and stakeholders is one of the pillars of successful public participation.

I am proud to be part of the Hessequa legacy of good governance and in the midst of above mentioned challenges, I am sure that there is a sustainable future for Hessequa.

J Jacobs

Municipal Manager



Chapter 1: Overview of Hessequa Municipality



CHAPTER 1 - ABOUT HESSEQUA REGION

The name Hessequa, meaning "people of the trees", refers to the tribe of Khoikhoi people that used to live in the region. Hessequa is the gently curving edge of the continent just east of the southern-most tip of Africa.

The municipality nestles at the foot of the Langeberg Mountains with boundaries stretching along the Southern Cape coast from the Breede River to Gouritsmond. A region rich in natural beauty with rolling hills of pristine limestone and mountain fynbos, dune thicket and Renosterveld and to the north surrounded with rugged mountains and indigenous forests.

Pristine beaches stretch the entire length of her coastline. Ecological assets include four estuaries, a world heritage forest site, several nature reserves which guard a number of rare and endangered floral species and even a very special little frog.

Hessequa Municipality is situated in the Southern Cape Coast on the Garden Route; about 320 km's from Cape Town on the N2 and is situated on the western border of the Eden District Municipality between Swellendam and Mosselbay Municipalities. At present, the Municipal area of Hessequa includes the towns of Riversdale, Heidelberg, Albertinia, Witsand, Gouritsmond, Slangrivier and Stilbaai.

Wards

The municipal area includes a number of big rural areas as well as towns. The Municipality is currently structured into the following 8 Municipal Wards:

| Ward | Areas |
|-------------|--|
| 1 | Gouritsmond, Melkhoutfontein, Stilbaai East, Part of Stilbaai West and rural farming areas |
| 2 | Albertinia |
| 3 | Vermaaklikheid, Jongensfontein, part of Stilbaai West and rural farming areas |
| 4 | Witsand, Part of Heidelberg and surrounding farms |
| 5 | Heidelberg |
| 6 | Part of Riversdale and rural areas |
| 7 | Part of Riversdale and rural areas |
| 8 | Part of Riversdale |

Table 1.:Municipal Wards



1.1 An overview of Hessequa's demographics

At the time of Census 2011, the population of the Hessequa region constituted of **52 642** people made up of **15 873** household units. The municipal area includes a number of big rural areas as well as towns.

Population

The Municipality is estimated to account for 9% of the total Eden District's population of 574 265 in 2011.

The table below indicates the total population within the Hessequa municipal area by race:

| Population Group Comparison 2001 & 2011 | | | | | | | | | | |
|---|---------------|------|----------|-------|-----------------|------|-------|-------|-------|-------|
| GROUP | Black African | | Coloured | | Indian or Asian | | White | | Total | |
| YEAR | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 |
| Ward 1 | 323 | 243 | 4292 | 3724 | 3 | 22 | 1837 | 2727 | 6455 | 6744 |
| Ward 2 | 125 | 717 | 3250 | 4981 | - | 21 | 2185 | 1731 | 5560 | 7485 |
| Ward 3 | 218 | 274 | 2307 | 1922 | 6 | 10 | 2256 | 2597 | 4787 | 4839 |
| Ward 4 | 246 | 647 | 4707 | 6885 | 3 | 51 | 548 | 852 | 5504 | 8456 |
| Ward 5 | 183 | 356 | 4367 | 4171 | - | 16 | 1361 | 1188 | 5911 | 5777 |
| Ward 6 | 491 | 572 | 2524 | 5335 | 3 | 55 | 2529 | 924 | 5548 | 6916 |
| Ward 7 | 144 | 1004 | 4874 | 3046 | 12 | 15 | 739 | 2210 | 5769 | 6309 |
| Ward 8 | 81 | 94 | 4491 | 6004 | 12 | 10 | - | 5 | 4584 | 6117 |
| Total | 1810 | 3906 | 30813 | 36069 | 39 | 199 | 11456 | 12233 | 44118 | 52642 |

Table 2.:Population by race

Households

The average household size in the Hessequa municipal area is 3.1 as indicated in the table below:

| Household Size | | | | | | | | | |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | Ward 1 | Ward 2 | Ward 3 | Ward 4 | Ward 5 | Ward 6 | Ward 7 | Ward 8 | Total |
| 1 | 508 | 487 | 435 | 280 | 269 | 291 | 408 | 155 | 2835 |
| 2 | 974 | 731 | 870 | 504 | 406 | 407 | 640 | 201 | 4733 |
| 3 | 315 | 510 | 197 | 364 | 261 | 365 | 326 | 298 | 2635 |
| 4 | 303 | 417 | 219 | 395 | 265 | 344 | 306 | 293 | 2542 |
| 5 | 186 | 225 | 81 | 269 | 181 | 227 | 160 | 215 | 1545 |
| 6 | 78 | 107 | 25 | 175 | 93 | 104 | 89 | 158 | 830 |
| 7 | 34 | 31 | 8 | 82 | 52 | 47 | 34 | 58 | 346 |
| 8 | 2 | 9 | 5 | 50 | 25 | 27 | 22 | 48 | 187 |
| 9 | 11 | 4 | 6 | 14 | 18 | 20 | 9 | 23 | 105 |
| 10+ | 11 | 10 | | 27 | 25 | 16 | 11 | 24 | 115 |
| Total | 2425 | 2522 | 1845 | 2160 | 1595 | 1848 | 2004 | 1474 | 15873 |
| Avg HH Size | 2.7 | 2.9 | 2.4 | 3.6 | 3.4 | 3.4 | 2.9 | 4.0 | 3.1 |

Table 3.:Household size per ward



a) Head of Household Gender profile by Ward

| Head of Household Gender Profile | | | | | | |
|----------------------------------|--------|-------|--------|------|--------|-------|
| | Male | | Female | | Total | |
| | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 |
| Ward 1 | 1432 | 1785 | 513 | 640 | 1945 | 2425 |
| Ward 2 | 1434 | 1628 | 447 | 895 | 1881 | 2522 |
| Ward 3 | 1377 | 1413 | 270 | 433 | 1646 | 1845 |
| Ward 4 | 1058 | 1546 | 323 | 614 | 1381 | 2160 |
| Ward 5 | 1025 | 988 | 544 | 607 | 1570 | 1595 |
| Ward 6 | 1126 | 1037 | 492 | 811 | 1618 | 1848 |
| Ward 7 | 1072 | 1396 | 512 | 608 | 1585 | 2004 |
| Ward 8 | 639 | 669 | 371 | 804 | 1011 | 1474 |
| Total | 9164 | 10460 | 3473 | 5412 | 12637 | 15873 |
| Growth | 12.39% | | 35.83% | | 20.39% | |
| 2011 Gender Profile | 65.90% | | 34.10% | | 99.99% | |

Table 4.:Head of Household Gender per Ward

b) Indigent Households

In 2014/15, indigent households in Hessequa, being those who applied for indigent status and met Hessequa's criteria, decreased slightly.

1.2 Overview of Hessequa's Social and Economic Information**Social and Economic Growth**

The social and economic for the municipal area is as follows:

| Financial year | Housing Backlog | Households with No Income (%) | People older than 14 years illiterate (%) |
|----------------|-----------------|-------------------------------|---|
| 2014/15 | 6029 | 8 | 13 |

Table 5.:Social and Economic information



CHAPTER 1 – OVERVIEW OF HESSEQUA MUNICIPALITY

a. Household Income by Ward

| | | Household Annual Income | | | | | | | | | | | | | |
|--------|------|-------------------------|-------------|------------------|-------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-----------------------|-------------------------|---------------------|-------|--|
| | | No income | R1 - R4 800 | R4 801 - R 9 600 | R9 601 - R 19 200 | R19 201 - R 36 400 | R36 401 - R 76 800 | R76 801 - R153 600 | R153 601 - R307 200 | R307 201 - R614 400 | R614 401 - R1 228 800 | R1 228 801 - R2 457 600 | R2 457 601 and more | Total | |
| Ward 1 | 2001 | 78 | 74 | 297 | 515 | 518 | 277 | 129 | 39 | 6 | 6 | 6 | - | 1945 | |
| | 2011 | 190 | 17 | 46 | 230 | 430 | 598 | 451 | 299 | 121 | 26 | 6 | 6 | 2425 | |
| Ward 2 | 2001 | 136 | 73 | 184 | 336 | 448 | 387 | 196 | 79 | 15 | 12 | 12 | 3 | 1881 | |
| | 2011 | 225 | 43 | 103 | 457 | 680 | 549 | 286 | 125 | 33 | 15 | 4 | 3 | 2522 | |
| Ward 3 | 2001 | 48 | 33 | 238 | 341 | 330 | 307 | 213 | 91 | 20 | 12 | 9 | 6 | 1646 | |
| | 2011 | 156 | 20 | 27 | 226 | 307 | 338 | 335 | 275 | 107 | 31 | 11 | 11 | 1845 | |
| Ward 4 | 2001 | 123 | 92 | 344 | 410 | 247 | 83 | 47 | 10 | 9 | 6 | 9 | - | 1381 | |
| | 2011 | 211 | 85 | 102 | 355 | 565 | 453 | 193 | 117 | 51 | 13 | 7 | 9 | 2160 | |
| Ward 5 | 2001 | 144 | 52 | 269 | 304 | 382 | 231 | 140 | 41 | - | 3 | 3 | - | 1570 | |
| | 2011 | 91 | 15 | 53 | 226 | 371 | 352 | 242 | 165 | 61 | 11 | 7 | - | 1595 | |
| Ward 6 | 2001 | 134 | 21 | 223 | 301 | 330 | 282 | 221 | 67 | 21 | 18 | - | - | 1618 | |
| | 2011 | 99 | 24 | 47 | 216 | 440 | 466 | 284 | 190 | 61 | 16 | 3 | 1 | 1848 | |
| Ward 7 | 2001 | 85 | 50 | 250 | 407 | 439 | 207 | 93 | 47 | 3 | - | 3 | - | 1585 | |
| | 2011 | 206 | 44 | 55 | 259 | 337 | 394 | 324 | 219 | 126 | 22 | 8 | 11 | 2004 | |
| Ward 8 | 2001 | 61 | 41 | 193 | 281 | 307 | 110 | 15 | 3 | - | - | - | - | 1011 | |
| | 2011 | 70 | 27 | 37 | 272 | 448 | 420 | 159 | 33 | 7 | - | - | - | 1474 | |
| Total | 2001 | 808 | 436 | 1998 | 2897 | 3002 | 1885 | 1054 | 376 | 74 | 57 | 42 | 9 | 12637 | |
| | 2011 | 1248 | 275 | 470 | 2241 | 3579 | 3570 | 2274 | 1423 | 567 | 137 | 47 | 41 | 15873 | |

Table 6.: Household income by Ward

b. Education Levels

| Educational Levels by Ward - 2001 & 2011 | | | | | | | | | | | | | | | | |
|--|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|
| | Ward 1 | | Ward 2 | | Ward 3 | | Ward 4 | | Ward 5 | | Ward 6 | | Ward 7 | | Ward 8 | |
| | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 |
| Grade 0 | | 124 | | 245 | | 61 | | 268 | | 179 | | 272 | | 139 | | 172 |
| No schooling | 576 | 237 | 376 | 350 | 495 | 224 | 517 | 353 | 489 | 203 | 436 | 268 | 487 | 263 | 375 | 283 |
| Grade 1 / Sub A | 245 | 134 | 163 | 190 | 152 | 89 | 268 | 298 | 198 | 160 | 244 | 135 | 235 | 170 | 207 | 181 |
| Grade 2 / Sub B | 216 | 169 | 147 | 234 | 131 | 123 | 177 | 314 | 117 | 132 | 155 | 176 | 171 | 177 | 152 | 199 |
| Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI | 267 | 172 | 188 | 247 | 178 | 142 | 311 | 378 | 208 | 166 | 200 | 212 | 248 | 204 | 224 | 223 |
| Grade 4 / Std 2 | 323 | 219 | 240 | 265 | 208 | 146 | 424 | 459 | 268 | 208 | 233 | 293 | 269 | 256 | 225 | 277 |
| Grade 5 / Std 3/ABET 2 | 431 | 212 | 276 | 350 | 236 | 171 | 527 | 482 | 330 | 203 | 261 | 263 | 277 | 226 | 297 | 291 |
| Grade 6 / Std 4 | 543 | 326 | 365 | 504 | 342 | 247 | 594 | 652 | 369 | 317 | 391 | 306 | 439 | 267 | 366 | 365 |
| Grade 7 / Std 5/ ABET 3 | 521 | 479 | 509 | 533 | 273 | 257 | 574 | 759 | 544 | 418 | 392 | 465 | 575 | 384 | 612 | 577 |
| Grade 8 / Std 6 / Form 1 | 561 | 533 | 359 | 713 | 322 | 379 | 469 | 904 | 676 | 615 | 472 | 670 | 574 | 529 | 505 | 735 |
| Grade 9 / Std 7 / Form 2/ ABET 4 | 337 | 405 | 296 | 518 | 105 | 173 | 256 | 722 | 394 | 377 | 310 | 510 | 438 | 360 | 436 | 623 |
| Grade 10 / Std 8 / Form 3 | 509 | 661 | 535 | 740 | 370 | 308 | 186 | 551 | 532 | 498 | 436 | 665 | 463 | 558 | 285 | 565 |
| Grade 11 / Std 9 / Form 4 | 190 | 195 | 159 | 261 | 80 | 104 | 73 | 351 | 209 | 215 | 191 | 301 | 192 | 205 | 112 | 266 |
| Grade 12 / Std 10 / Form 5 | 855 | 1374 | 916 | 1219 | 911 | 1067 | 359 | 950 | 768 | 1094 | 852 | 1007 | 602 | 1126 | 317 | 703 |
| Other | 878 | 1502 | 1034 | 1116 | 980 | 1347 | 772 | 1016 | 809 | 994 | 982 | 1374 | 805 | 1444 | 469 | 656 |

Table 7.: Education levels by Ward



1.3 Service Delivery Overview

1.3.1 Basic Service Delivery Performance Highlights

| Highlight | Description |
|---|--|
| Servicing of 170 Informal erven in Melkhoutfontein | The municipality successfully applied to the department of Human Settlements, Western Cape, for the upgrading of an informal settlement in Melkhoutfontein, Stilbaai. The upgrading comprised of the installation of sanitation infrastructure and water on each erf, tarred roads, subsurface stormwater drainage, kerbing and electricity. |
| Servicing and construction of 41 new erven and building of 41 Topstructures in Kwanokuthula, Riversdale | The municipality successfully applied to the department of Human Settlements, Western Cape, for the servicing and construction of houses of 41 erven in Kwanokuthula, Riversdale. The upgrading comprised of the installation of sanitation infrastructure and water on each erf, tarred roads, subsurface stormwater drainage, kerbing and electricity. |
| The establishment of a Social Development Forum | This forum consists of roleplayers of all focus areas in the social arena. It was established to create a structured platform for engagement with the social sector |
| Provincial Cultural Award – February 2015 | Albertinia Public Library received an award for the best small public library in the Western Cape |
| Ministerial award – February 2015 | Anneline Kistor from the Vermaaklikheid Wheelie Wagon received the ministerial award for her service, dedication and leadership within the community |
| Capital expenditure on Municipal properties | A new fence was erected at the Ellensrust camp and 4 new thatched roofs was replaced at the Jongensfontein camp. |
| Maintenance of Municipal property | 93.6% of the approved Municipal budget for the maintenance of Municipal buildings under the Management of the Department Corporate Services was spent. |
| Delegation register | The Delegationsregister was updated and approved by the Council in the 2014 / 2015 financial year. |
| Greenest Municipality Competition | Hessequa received the award for the municipality with the best biodiversity and coastal management in the Western Cape for the second consecutive year. We also came second overall at recent (2014) Greenest Municipality Awards. |



| Highlight | Description |
|--|---|
| Tenders for Consulting Engineers | Capital projects for the following 3 years (2014/15, 2015/16 and 2016/17) were successfully awarded. Tenders for construction projects are currently underway and spending w.r.t. capital budget over the said period should improve significantly |
| Youth Jobs in Waste | 12 Temporary Jobs were created during the past 12 months to assist the municipality w.r.t. waste management in Hessequa by the Department of Environmental Affairs. This reduced the impact on the municipal personnel budget |
| Training of Process Controllers | LG SETA funded the training of 4 x Process Controllers at NQF level 4 and 12 x Process Controllers at NQF level 2 for our Water and Waste Water Treatment Facilities |
| Training of Infrastructure Supervisors | LG SETA funded the training of 4 x Superintendents for a Junior Management Course and 6 Foremen for a Supervisory Management Course |
| Water and Sewer Master Plans | Water and Sewer Master Plans were completed at the end of June 2015 that will help with the prioritisation of related upgrades |
| Funding for Flood Damage | Hessequa Municipality received R77 million for flood damage projects. The application was completed internally and without making use of external consultants. Consultants were however appointed for the implementation of the projects which are at design phase presently |
| State of the Environment Report | Successful update of the 2008 State of the Environment Report. |
| Upgrade of Slipways | Kraaltjie Slipway upgrade & Gouritsmond Jetty reconstruction – The Kraaltjie Slipway in Witsand was successfully overhauled (this is a huge achievements as the structure is more than 100 years old and is semi-submerged) and the Gouritsmond jetty was reconstructed after the initial slip was swept away in the 2013 floods (this was done internally by the Environmental Section). |

Table 8.: Basic Service Delivery Highlights

1.3.2 Basic Service Delivery Challenges

| Service Area | Challenge | Actions to address |
|--------------------------------------|---------------------------------------|---|
| Water, roads, sanitation, electrical | Inadequate funding (Grant & Internal) | The financial plan of the municipality clearly identifies the investment needed to maintain and develop services. |



| Service Area | Challenge | Actions to address |
|---|---|--|
| | | More significant Provincial and National investment in local sphere of government |
| Water, roads, sanitation, electrical | Procurement processes, budget constraints (operation and maintenance budget) | This issue needs to be taken forward to National to intervene with local government to come up with ways to help Local Municipalities. |
| Water, roads, sanitation, refuse removal | The availability of infrastructure in remote areas remains a huge problem | National support is needed to effectively manage rural small towns. Small towns with less than 2 000 households are huge challenge. |
| Procurement processes are increasingly hampering service delivery | None of the Capital Engineering projects were implemented in the 2013/2014 Financial year due to a dispute on the Appointment of Consulting Engineers Tender. As a result projects were also affected during the 2014/15 financial year | Timeously finalization of appeals. |

Table 9.: Basic Service Delivery Challenges

1.3.3 Proportion of Households with access to Basic Services

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

Table 10.: Households with minimum level of Basic Services



1.4 Financial Health Overview

1.4.1 Financial Viability Highlights

| Highlight | Description |
|--|---|
| Implementation of contract management system | Contract management administered through collaborator and reported monthly to council |

Table 11.: Financial Viability Highlights

1.4.2 Financial Viability Challenges

| Challenge | Action to address |
|------------------------|--|
| Implementation of SCOA | Attendance of workshops, SCOA meetings, change management to full SCOA compatibility 1 July 2015 |

Table 12.: Financial Viability Challenges

1.4.3 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 Performance Management Regulations of 2001 and section 43 of the Municipal Systems Act (MSA). The key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**

| KPA & Indicator | 2013/14 | 2014/15 | Comments |
|---|---------|---------|--|
| Debt Coverage {(Total operating revenue – operating grants received) : debt service payments due within the year} | 8 | 14.4 | Ratio improvement is due to increase in service charges (tariff increase) while the debt payments was kept at the same level |
| Service debtors : revenue (Total outstanding service debtors : revenue received for services) | 0.11 | 0.1 | |
| Cost coverage {(Available cash + investments) : Monthly fixed operating expenditure | 2.72 | 7.06 | Improvement is due to more cash available from grants (flood grants) |

Table 13.: National KPI's for financial viability and management



1.4.4 Financial Overview

| Details | Approved Budget | Actual |
|---------------------------|-----------------|----------------|
| | R'000 | R'000 |
| Income | | |
| Grants | 104 390 | 73 078 |
| Taxes, Levies and tariffs | 234 170 | 222 011 |
| Other | 40 847 | 66 717 |
| Sub Total | 379 407 | 361 806 |
| Less Expenditure | 335 643 | 312 066 |
| Net Surplus | 43 764 | 49 740 |

Table 14.: Financial Overview

1.4.5 Operating Ratios

| Detail | Expected norm (% of total budget exp) % | Actual % | Variance % |
|--------------------------------|---|----------|------------|
| Employee Cost | 33.44 | 34.56 | 1.12 |
| Repairs & Maintenance | 5.87 | 3.79 | -2.08 |
| Finance Charges & Depreciation | 10.01 | 9.5 | -0.51 |

Table 15.: Operating ratios

1.4.6 Total Capital Expenditure

| Detail | 2013/14 | 2014/15 |
|-----------------|---------|---------|
| | R'000 | |
| Approved Budget | 30 244 | 81 274 |
| Actual | 23 763 | 28 868 |
| % spent | 78.5% | 35.5% |

Table 16.: Total Capital Expenditure



Chapter 2: Good Governance



CHAPTER 2

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 7146 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 | Municipal Achievement |
|---|-----------------------|-----------------------|
| | 2013/14 | 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 | 78.5% | 35.52% |

Table 17.: National KPIs - Good Governance and Public Participation Performance

2.2 Performance Highlights – Good Governance and Public Participation

| Highlight | Description |
|-----------------------|---|
| Organisational Review | With assistance of a Provincial grant the Council is conducting a critical analysis of its functional units to assess and evaluate efficiency and consider possible service delivery options. The organisational review of Camps and Protection Services were completed in this financial year. |



| Highlight | Description |
|---|---|
| Review of Financial Plan | As legislation requires, the IDP should include a financial plan and have Hessequa, with the assistance of Provincial Treasury, reviewed the long term financial plan |
| Establishment of LED Unit & Implementation of Programmes & Projects | The LED unit have been vacant for more than 3 years and have the needed capacity been employed to manage the function and implement programmes and projects |

Table 18.: Good Governance and Public Participation Performance Highlights

2.3 Challenges – Good Governance and Public Participation

| Description | Actions to address |
|--|--|
| Apathy of various communities in the processes of public participation | Approved Public Participation Framework are being implemented in the development of a long term Strategic Framework. |

Table 19.: Good Governance and Public Participation Challenges

2.4 Governance Structure

2.4.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its 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, Councillors are also actively involved in community work and the various social programmes in the municipal area.

a. Council

The Council comprises 15 elected Councillors, made up from 8 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties. The party representation in the Council is represented the table below. In the table below the Councillors are categorised 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 |
|-----------------|------------------------|-------------------|-----------------------------------|--|---|
| | | | | % | % |
| E Nel | Executive Mayor | DA | PR | 100 | 100 |
| JJ Merkeur | Executive Deputy Mayor | Cope | PR | 92 | 100 |
| LJ Fourie | Councillor | DA | PR | 100 | 100 |
| R Johannes | Councillor | DA | PR | 100 | 100 |
| A Hartnick | Councillor | ANC | Ward 5 | 92 | 100 |
| CP Taute | Councillor | ANC | Ward 8 | 92 | 100 |
| ME Dayimani | Councillor | ANC | PR | 83 | 100 |
| LC February | Councillor | ANC | Ward 4 | 92 | 100 |
| FC Carelse | Councillor | Civic Independent | PR | 92 | 100 |
| D Abrahams | Councillor | ANC | PR | 92 | 100 |
| PR Claassens | Councillor | DA | Ward 1 | 92 | 100 |
| EJ Prins | Speaker | DA | Ward 3 | 92 | 100 |
| CAE Prins | Councillor | DA | Ward 2 | 100 | 100 |
| F Hartnick | Councillor | ANC | Ward 6 | 83 | 100 |
| AM Joubert | Councillor | DA | Ward 7 | 92 | 100 |

Table 20.: Council Meetings

b. Executive Mayoral Committee

The Executive Mayor of the Municipality, Councillor E Nel, 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, delegated by the Council, and as well as the powers assigned by legislation. 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 |
|-----------------------|---|
| E Nel | Executive Mayor |
| JJ Merkeur | Executive Deputy Mayor |
| CAE Prins | Mayco member |
| L Fourie | Mayco member |
| FC Carelse | Mayco member |
| Meeting dates | Number of reports submitted to Council |
| 30 July 2014 | 24 |
| 7 August 2014 | 1 |
| 26 August 2014 | 22 |
| 30 September 2014 | 23 |
| 7 October 2014 | 1 |
| 29 October 2014 | 18 |
| 25 November 2014 | 34 |
| 3 December 2014 | 6 |
| 23 January 2015 | 25 |
| 17 February 2015 | 2 |
| 24 February 2015 | 28 |
| 31 March 2015 | 29 |
| 24 April 2015 | 30 |
| 26 May 2015 | 35 |
| 26 June 2015 | 26 |

Table 21.: Executive Mayoral Committee

c. Portfolio Committees

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. 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 committee on policy matters and make recommendations to Council.

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

I. Corporate Services

| Name of member | Capacity |
|----------------|-------------|
| FC Carelse | Chairperson |
| LJ Fourie | Member |
| EJ Prins | Member |
| JJ Merkeur | Member |
| ME Dayimani | Member |
| CP Taute | Member |
| AM Joubert | Member |

Table 22.: Corporate Services Portfolio Committees

| Meeting dates | Number of reports submitted to Council |
|-------------------|--|
| 16 July 2014 | 35 |
| 12 August 2014 | 22 |
| 17 September 2014 | 31 |
| 15 October 2014 | 15 |
| 11 November 2014 | 29 |
| 11 February 2015 | 18 |
| 18 March 2015 | 29 |
| 15 April 2015 | 16 |
| 12 May 2015 | 14 |
| 10 June 2015 | 26 |

Table 23.: Corporate Services Portfolio Committee Meetings

II. Community Services, Local Economic Development and Protection Services

| Name of member | Capacity |
|----------------|-------------|
| CAE Prins | Chairperson |
| LJ Fourie | Member |
| R Johannes | Member |



| Name of member | Capacity |
|----------------|----------|
| PR Claassens | Member |
| FC Carelse | Member |
| AM Joubert | Member |
| D Abrahams | Member |
| L February | Member |
| A Hartnick | Member |

Table 24.: *Community Services, Local Economic Development and Protection Services Portfolio Committee*

| Meeting dates | Number of reports submitted to council |
|-------------------|--|
| 16 July 2014 | 7 |
| 12 August 2014 | 19 |
| 17 September 2014 | 10 |
| 15 October 2014 | 11 |
| 12 November 2014 | 8 |
| 11 February 2015 | 14 |
| 18 March 2015 | 6 |
| 15 April 2015 | 16 |
| 12 May 2015 | 7 |
| 10 June 2015 | 15 |

Table 25.: *Community Services, Local Economic Development and Protection Services Portfolio Committee Meetings*

III. Technical Service

| Name of member | Capacity |
|----------------|-------------|
| JJ Merkeur | Chairperson |
| LJ Fourie | Member |
| R Johannes | Member |
| PR Claassens | Member |
| FC Carelse | Member |
| ME Dayimani | Member |
| F Hartnick | Member |

Table 26.: *Technical Services Portfolio Committee*



| Meeting dates | Number of reports submitted to council |
|-------------------|--|
| 16 July 2014 | 11 |
| 12 August 2014 | 10 |
| 17 September 2014 | 23 |
| 15 October 2014 | 18 |
| 11 November 2014 | 19 |
| 11 February 2015 | 27 |
| 18 March 2015 | 19 |
| 15 April 2015 | 19 |
| 12 May 2015 | 17 |
| 10 June 2015 | 23 |

Table 27.: Finance and Audit Portfolio Committee Meetings

IV. Finance and Audit Portfolio Committee

| Name of member | Capacity |
|----------------|-------------|
| LJ Fourie | Chairperson |
| EJ Prins | Member |
| PR Claassens | Member |
| CAE Prins | Member |
| R Johannes | Member |
| JJ Merkeur | Member |
| ME Dayimani | Member |

Table 28.: Finance and Audit Portfolio Committee

| Meeting dates | Number of reports submitted to council |
|-------------------|--|
| 16 July 2014 | 15 |
| 12 August 2014 | 19 |
| 17 September 2014 | 24 |
| 15 October 2014 | 10 |
| 11 November 2014 | 13 |



| Meeting dates | Number of reports submitted to council |
|------------------|--|
| 11 February 2015 | 19 |
| 18 March 2015 | 13 |
| 15 April 2015 | 11 |
| 12 May 2015 | 9 |
| 10 June 2015 | 11 |

Table 29.: Finance and Audit Portfolio Committee Meetings

V. Spatial Planning and Environmental Management

| Name of member | Capacity |
|-------------------|----------|
| 16 July 2014 | 15 |
| 12 August 2014 | 19 |
| 17 September 2014 | 24 |
| 15 October 2014 | 10 |
| 11 November 2014 | 13 |
| 11 February 2015 | 19 |
| 18 March 2015 | 13 |

Table 30.: Spatial Planning and Environmental Management Portfolio Committee

| Meeting dates | Number of reports submitted to council |
|-------------------|--|
| 16 July 2014 | 14 |
| 12 August 2014 | 11 |
| 17 September 2014 | 23 |
| 15 October 2014 | 4 |
| 11 November 2014 | 15 |
| 11 February 2015 | 7 |
| 18 March 2015 | 7 |
| 15 April 2015 | 8 |
| 12 May 2015 | 7 |
| 10 June 2015 | 10 |

Table 31.: Spatial Planning and Environmental Management Portfolio Committee Meetings



2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief 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) |
| Mr. J Jacobs | Municipal Manager | Yes |
| Ms. AM Griesel | Corporate Services | Yes |
| Ms. HJ Viljoen | Finance | Yes |
| Mr. HS Visser | Spatial Planning and Environmental Management | Yes |
| Mr. RR Wesso | Technical Services | Yes |
| Mr. C Onrust | Community Services | Yes |

Table 32.: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 Intergovernmental Relations

2.5.1 National Intergovernmental Structures

Hessequa Local Municipality does from time to time attend National Meetings. These however are kept to a minimum to save on travel costs. When national meetings are held in the Western Cape, they are attended if the agenda justifies attendance. We are very conservative with travel and subsistence expenditure. We also do take part in National Competitions and do attend such functions where we are finalists. The Housing and Green Energy Awards are examples of such events. Otherwise, SALGA represents the Western Cape and Hessequa in national issues.

2.5.2 Provincial Intergovernmental Structures

Provincial SALGA meetings are attended diligently as well as meetings held and hosted by all Provincial Departments. The meetings hosted by the Premier and MEC members are also attended. We have a good working relationship with our provincial departments, especially the Provincial Treasury and the Department of Local Government and Housing. The Municipal Manager also attends the Western Cape Municipal Managers Forum often.

2.5.3 District Intergovernmental Structures

Hessequa Local Municipality is a member of the Eden District Municipality. We attend multiple district forums and meetings and share information, strategies and best practice models, amongst each other. The Speaker and Mayoral Forums are also held often and are also attended by our Executive. The Municipal Manager also attends the Eden District Municipal Managers Forum.

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

Public communication and participatory initiatives employed by the municipality include the following:

| Public Meeting | Description and feedback given to community |
|---------------------------|---|
| IDP | Preparation, implementation and workshop of IDP process |
| Municipal Budget | Comments and feedback required from public for yearly budget review |
| Annual Mayoral Outreaches | Municipality communicate its programmes and progress directly to the public and receive feedback on service delivery, listen to concerns, grievances and advice on pace and direction of government work. |
| Environmental Education | Department Environmental Services works together with Cape Nature to promote a litter free community. Educational puppet shows were created to educate primary school children on waste and the effects on the community |
| Nelson Mandela Day | The staff of Head Office arranged a soup kitchen for the children of the poor communities in Riversdale. Staff participated by donating food and money for the soup kitchen as well as offering up their time to help distribute the food |
| Quarterly Jamborees | Jamborees are held on a rotation schedule in different towns to bring governmental services to their door |
| By-Law Policies | All by-laws are submitted for public comment and recommendations during public meetings |
| Eden FM | Weekly timeslots on Eden FM, every Wednesday between 17h00 – 17h30 to address pressing issues arising within the municipality. |

Table 33.: Public Meetings

2.6.2 Ward Committees

The ward committees support the Ward Councillor 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.



A. Ward 1: Bietouville, Gouritzmond, Melkhoutfontein, Stilbaai East, Part of Stilbaai West and Rural farming areas

Ward 1 consists of Bietouville, Gouritzmond, Melkhoutfontein, Stilbaai East, Part of Stilbaai West and rural farming areas. As a planning area ward 1 is not an ideal delimitation of a geospatial planning area.

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| Clr PR Claassens | Chairperson | 24 July 2014 25 September 2014 23 October 2014 26 February 2015 28 April 2015 21 May 2015 |
| K Solomon | Member | |
| FJ Naude | Member | |
| JFJ Botha | Member | |
| D Nomdoe | Member | |
| N Oosthuizen | Member | |
| J Steytler | Member | |
| FGT Radloff | Member | |
| J Marais | Member | |

Table 34.: Ward 1 Committee Meetings

B. Ward 2: Albertinia, Theronville, Rainbow Village and rural farming areas

In terms of communities, ward 2 still just encapsulates the urban area of Albertinia. This causes ward 2 to be more of an accurate planning delimitation and statistics are more balanced in terms of economic activities as the rural segment of the economy would be included in statistics.

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|---|
| Clr CAE Prins | Chairperson | 3 July 2014 31 July 2014 21 August 2014 25 September 2014 21 October 2014 17 December 2014 26 February 2015 26 March 2015 30 April 2015 |
| CS Marais | Member | |
| RM Briel | Member | |
| FC Kroukamp | Member | |
| J Luyt | Member | |
| M Steicher | Member | |

Table 35.: Ward 2 Committee Meetings

C. Ward 3: Vermaaklikheid, Jongensfontein, part of Stilbaai West and rural farming areas

Ward 3 is one of the largest geographical wards in Hessequa and as a result, also one of the least useful to planning purposes. Ward 3 is a large rural area that stretches from the Goukou river mouth to about halfway between Jongensfontein and Witsand. It then stretches north alongside the east side of Heidelberg and about all of the rural areas in Hessequa, north of Heidelberg. It includes Stillbay-West, Jongensfontein and the rural community of Vermaaklikheid. As a geospatial planning area, ward 3 is



one of the least practical areas to do planning as statistics are shared with a very large rural area and two relatively well-off communities

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| Clr EJ Prins | Chairperson | 28 July 2014 29 September 2014 27 October 2014 24 November 2014 23 February 2015 28 April 2015 25 May 2015 22 June 2015 |
| WP Jacobs | Member | |
| L le Roux | Member | |
| J Willemse | Member | |
| A Miggels | Member | |
| R Pretorius | Member | |
| N Palmer | Member | |
| J van der Hoven | Member | |

Table 36.: Ward 3 Committee Meetings

D. Ward 4: Witsand, Joe-Slovo, Slangrivier, Heidelberg and surrounding farms

Ward 4 includes a relatively large rural area surrounding Witsand, Slangrivier and the Heidelberg area. It's boundary towards the west is the municipal boundary and stretches from the coast in the south to the N2 on the northern boundary. As mentioned Witsand is included, Slangrivier and a relatively large portion of Heidelberg town.

In terms of planning and statistical analysis the ward's delimitation is very unpractical. It literally cuts through the middle of a community and resulting in that area's statistics to be included with Slangrivier and Witsand. It is of no strategic value to look at statistics on the level of ward 4.

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|---|
| Clr L February | Chairperson | 21 August 2014 25 September 2014 19 February 2015 23 April 2015 28 May 2015 18 June 2015 |
| J Swart | Member | |
| G Hartman | Member | |
| P Hartnick | Member | |
| JA Hoogbaard | Member | |
| S Botha | Member | |
| P February | Member | |

Table 37.: Ward 4 Committee Meetings

E. Ward 5: Heidelberg and rural farming areas

The ward consists mostly out of the Heidelberg urban area with a small piece of rural area included towards the north-west of the town. As planning area ward 5 would've worked well, but due to a relatively large portion of the ward that is removed by the delimitation of ward 4, a core group of the residents of Heidelberg is removed from statistics, thus renders the ward as geospatial planning area useless.



| Name of representative | Capacity representing | Dates of meetings held during the year |
|---------------------------------------|-----------------------|--|
| Clr A Hartnick | Chairperson | 22 July 2014 23 September 2014 28 October 2014 18 November 2014 19 February 2015 21 April 2015 26 May 2015 |
| RM Jacobs | Member | |
| N Horn (Removed February 2015) | Member | |
| S Pieterse | Member | |
| L Lots | Member | |
| V van Niekerk (Removed February 2015) | Member | |
| G Mali | Member | |

Table 38.: Ward 5 Committee Meetings

F. Ward 6: Part of Riversdale and rural areas

Ward 6 forms part of Riversdale and includes a small rural area within its borders. The largest portion of ward 6's residents is located in Riversdale by being separated from the rest of the town by the railway line and Main Street on the western border. The rural area of ward 6 has a few concentrated farming areas. Ward 6 is a difficult planning unit as it once again includes rural as well as urban areas.

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------------|-----------------------|--|
| Clr F Hartnick | Chairperson | 31 July 2014 21 August 2014 25 September 2014 26 March 2015 23 April 2015 21 May 2015 18 June 2015 |
| N Juta | Member | |
| A Louw (Resigned April 2015) | Member | |
| M Hendricks | Member | |
| NA Joseph | Member | |
| M de Villiers | Member | |

Table 39.: Ward 6 Committee Meetings

G. Ward 7: Riversdale, Alwynfleur, Kwanokuthula, Plankiesdorp and rural areas

The rural area that is included within ward 7 is towards the south-western side of Riversdale and continues north over the Langeberg mountain range and includes all rural areas of the Hessequa municipal area on the northern border behind the mountain range. Thus it consists of a substantial amount of rural residents. Coming to its urban components, it includes a large part of Riversdale's centre of commerce and continues towards the north-westerly residential areas known as Alwynfleur and surrounding areas. Another urban settlement was included in ward 7 and is known as Kwanokuthula. This is primarily a formal residential area where almost all residents are indigent -7 makes it very difficult to use as a planning area as its vastness does not allow for planning to be reflected in a useful manner if the complete ward is displayed.



| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| Clr AM Joubert | Chairperson | 24 July 2014 |
| M Stander | Member | 21 August 2014 |
| H Stroebel | Member | 25 September 2014 |
| K Victor | Member | 23 October 2014 |
| P de Kock | Member | 27 November 2014 |
| WM Davids | Member | 26 February 2015 |
| A Daniels | Member | 26 March 2015 |
| | | 21 May 2015 |
| | | 18 June 2015 |

Table 40.: Ward 7 Committee Meetings

H. Ward 8: Aloeridge, Môrestond, Panorama, Beverley Hills and Melrose Place

Even though the ward does include a small amount of non-urban land, it has very few residents in that part of the ward. The relatively high density communities of Môrestond, Aloeridge and Panorama are the urban areas that house the relatively poor residents. Ward 8 is the only ward that can be used as a planning area as it perfectly contains these communities as a whole.

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| Clr C Taute | Chairperson | |
| C Merkeur | Member | 25 August 2014 |
| K Saayman | Member | 25 September 2015 |
| J van Staden | Member | 19 February 2015 |
| F Adams | Member | 26 March 2015 |
| K Adolf | Member | 23 April 2015 |
| A Eksteen | Member | 21 May 2015 |
| | | 18 June 2015 |

Table 41.: Ward 8 Committee Meetings

2.6.3 Functionality of Ward Committees

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 councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise



the ward councillor 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 |
|-------------|-----------------------------------|--|--------------------------------------|
| 1 | Yes | | 6 |
| 2 | Yes | | 4 |
| 3 | Yes | | 7 |
| 4 | Yes | | 7 |
| 5 | Yes | | 8 |
| 6 | Yes | | 6 |
| 7 | Yes | | 8 |
| 8 | Yes | | 5 |

Table 42.: Functioning of Ward Committees

2.6.4 Labour Forum

The table below specifies the members of the Labour Forum for the 2014/15 financial year:

| Name of representative | Capacity | Meeting dates |
|----------------------------------|------------|---|
| July 2014 - December 2014 | | |
| Clr. L Fourie | Councillor | 14 July 2014 4 September 2014 2 October 2014 6 November 2014 |
| Clr. EJ Prins | Councillor | |
| Clr. CAE Prins | Councillor | |
| Clr. R Johannes | Councillor | |
| Clr. ME Dayimani | Councillor | |
| Clr. F Hartnick | Councillor | |
| Mr. J Jacobs | Employer | |
| Ms. AM Griesel | Employer | |
| Mr. J Paige | SAMWU | |
| Mr. M Michiel | SAMWU | |
| Mr. J Nomdo | SAMWU | |
| Ms. E Snyers | SAMWU | |
| Ms. S Motha | SAMWU | |
| Mr. G Moses | SAMWU | |
| Mr. J Kleinhans | IMATU | |
| Mr S Hop | IMATU | |
| Mr F Rust | IMATU | |



| Name of representative | Capacity | Meeting dates |
|----------------------------------|------------------------|--|
| July 2014 - December 2014 | | |
| Ms E Hobson | IMATU | |
| January 2015 – June 2015 | | |
| Clr. L Fourie | Councillor | 5 March 2015 2 April 2015 7 May 2015 |
| Clr. EJ Prins | Councillor | |
| Clr. CAE Prins | Councillor | |
| Clr. R Johannes | Councillor | |
| Clr. ME Dayimani | Councillor | |
| Clr. F Hartnick | Councillor | |
| Mr. J Jacobs | Employer (Chairperson) | |
| Ms. AM Griesel | Employer | |
| Mr. J Paige | SAMWU | |
| Mr J Saayman | SAMWU | |
| Mr. J Nomdo | SAMWU | |
| Mr S Sibotoboto | SAMWU | |
| Ms. S Motha | SAMWU | |
| Mr. M Saayman | SAMWU | |
| Ms E Hobson | IMATU | |
| Ms M Kiewiets | IMATU | |
| Mr F Rust | IMATU | |
| Mr H Abrahams | IMATU | |

Table 43.: Labour Forum

2.6.4 Mayoral Outreaches

The Mayoral Outreaches gives further effect and concrete expression to participatory democracy so that communities can exercise their rights to be heard, and assist with the national effort to build a better life for all.

It is a platform for enhancing dialogue and interaction between senior government executives and ordinary people and provides an opportunity for government to communicate its programmes and progress directly to the people. It also promotes participation of the public in the programmes to improve their lives. Interaction through the Mayoral Outreaches highlights particular problems needing attention, blockages in implementation of policy, or policy areas that may need review. It draws public input into how best to tackle challenges and gives Council and Senior Management direct access to what people say and feel about government and service delivery, to listen to their concerns, their grievances and advice about the pace and direction of government's work.

The table below provides the details of the Mayoral Outreaches that were held during the 2014/15 financial year:



| Date of events | Place where event was held |
|----------------|--|
| 01/09/2014 | Jongensfontein , Still Bay , Melkhoutfontein |
| 02/09/2014 | Gouritsmond /Albertinia |
| 04/09/2014 | Witsand Slangrivier |
| 09/10/2014 | Heidelberg |
| 14/10/2014 | Albertinia Town Hall |
| 20/10/2014 | Jongensfontein, Still Bay |
| 21/10/2014 | Gouritsmond, Albertinia Theronville |
| 27/10/2014 | Witsand Slangrivier |
| 28/10/2014 | Riversdale |
| 13/04/2015 | Kwanokuthula |
| 14/04/2015 | Heidelberg Duivenhoks Community Hall |
| 16/04/2015 | Witsand, Slangrivier |
| 21/04/2015 | Gouritsmond, Albertinia Theronville |
| 23/04/2015 | Jongensfontein, Still Bay, Melkhoutfontein |
| 28/04/2015 | Riversdale |
| 30/04/2015 | Heidelberg Town Hall |
| 04/05/2015 | Albertinia Town Hall |
| 05/05/2015 | Kwanokuthula |
| 07/05/2015 | Slangrivier |

Table 44.: Mayoral Outreaches during 2014/15

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.

2.7 Risk Management

The Municipality is required by the Municipal Finance Management Act (No 56 of 2003) to have a risk management system in place. The legislation specifically reads under section 62 as follows:

(1) The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - (c) that the municipality



has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control

In this regard the Provincial Treasury's Governance Unit has provided support and helped Hessequa develop a Risk Management Strategy, Policy and Implementation Plan. The Head of Strategic Services has been tasked to take responsibility for Enterprise Risk Management and the Senior Management Team is assigned as the Risk Oversight Committee. In addition, they are also the Risk Champion for their Department. Hessequa Local Municipality has thus made great strides in developing and advancing Risk Management in the 2014/15 financial year as a fully functional Risk Management System have been developed.

2.8 Anti-Fraud and Anti-Corruption

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism 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.

a) Developed Strategies

| Name of strategy | Developed Yes/No | Date Adopted/Reviewed |
|--------------------------|------------------|-----------------------|
| Anti-corruption strategy | Yes | July 2007 |

Table 45.: Strategies developed

b) Implementation of Strategies

| Strategies to implement | Key Risk Areas | Key measures to curb corruption and fraud |
|-------------------------|--|--|
| Fraud Hotline | All fraud related risks as identified in the municipal risk register | 24/7 Fraud / Corruption Hotline that is ready to receive any reports of possible fraudulent activities |

Table 46.: Strategies implemented



2.9 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.

a) Functions of the Audit Committee

The Council decided on 22 July 2010 that the Audit Committee will also act as the Performance Committee. Their main functions include:

- 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.

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

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



b) Members of the Audit Committee

| Name of representative | Capacity | Meeting dates |
|------------------------|----------------------|---------------------------------------|
| Prof. JA Döckel | Chairperson | 28 August 2014 |
| Prof. PJ du Plessis | Member (Performance) | 28 August 2014 (Financial Statements) |
| Mr. KG Herbst | Member | 19 November 2014 |
| Mr. FH Zietsman | Member | 26 February 2015 |
| Mrs. S van Jaarsveld | Member | 9 April 2015 (Budget) 28 May 2015 |

Table 47.: Members: Audit Committee

2.10 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 Internal Audit function is performed internally and consists of two staff members.

a) Annual Audit Plan

The Risk Based Audit Plan for 2014/2015 was implemented 100% with available resources. The table below provides detail on audits completed:

| Description | | No of Hours | Date completed | |
|--|---------------------|--|----------------|----------------|
| Phase 1 | | | | |
| Revisiting current risk profile and priorities | | 80 | May 2014 | |
| Phase 2 | | | | |
| Compiling Risk Based Audit Plan | | 20 | May 2014 | |
| Phase 3 | | | | |
| Audit Engagement | Departmental System | Detail | No of Hours | Date completed |
| Labour Relations | Corporate Services | The following controls and processes have been checked: 1. Trial 2. Compliance with code of conduct 3. Staff Wellness Program | 160 | July 2014 |



| Description | | No of Hours | Date completed |
|-----------------|------------------------------|--|-----------------------|
| | | 4.Labour forum | |
| Budgets | Financial Services | The following controls and processes have been checked. 1. Monthly Budget reporting 2.Trained staff 3. Compliance with deadlines. 4.Budget planning schedule | 120 August 2014 |
| Environment | Planning | The following controls and processes have been checked. 1.River Management 2.Law Enforcement 3.Cooperation with stakeholders 4.Prosecution | 160 September 2014 |
| Driving License | Community Safety and Housing | The following controls and processes have been checked. 1. Qualified Personnel 2. Compliance with legislation 3. System controls 4. Documentation controls | 160 October 2014 |
| Buildings | Technical and Civil Services | The following controls and processes have been checked. 1.Buildings maintenance plan 2.Staff capacity 3.Budget 4.Conservation 5.Sub contractors | 160 November 2014 |
| IDP | Municipal manager | The following controls and processes have been checked. 1.Updated master planning 2.Approved process plan 3.Performance management system 4. Budget process | 160 January 2015 |



| Description | | | No of Hours | Date completed |
|---|-------------------------------|--|--------------|----------------|
| Committee and board of support services | Corporate Services | The following controls and processes have been checked. 1. Municipal Manager approval 2. Year plan 3. Collaborator 4. Departmental management 5. Reminding emails | 160 | February 2015 |
| Cemeteries | Technical and Civil Services | The following controls and processes have been checked. 1. Identifying alternative site 2. Planning ahead 3. Work programs 4. Access control 5. Staff capacity | 160 | March 2015 |
| Expenses | Financial Services | The following controls and processes have been checked. 1. Internal control 2. Disciplinary procedures actions | 120 | April 2015 |
| Law Enforcement | Community, Safety and Housing | The following controls and processes have been checked. 1. Legislation 2. Law Enforcement 3. Awareness 4. Involvement of the community through platforms | 120 | May 2015 |
| Follow-up audits | Various | Follow up on audits above | 120 | June 2015 |
| Total Hours | | | 1 740 | |

Table 48.: Internal Audit Coverage Plan

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



| Function | Date/Number |
|--|---------------|
| Risk analysis completed/reviewed | November 2014 |
| Risk based audit plan approved for 2015/16 financial year | 28 May 2015 |
| Internal audit programme drafted and approved | 10 |
| Number of audits conducted and reported on | 10 |
| Audit reports included the following key focus areas: | |
| Internal controls Accounting procedures and practices Risk and risk management Performance management Loss control Compliance with the MFMA and other legislation | |

Table 49.: Internal Audit Functions

2.11 By-laws

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 by-laws currently in force and not amended during the financial year:

| By-laws in force and not amended in 2014/2015 |
|--|
| Waste Water Management |
| Electricity Supply |
| Commonage |
| Disposal of solid waste |
| Sport Facilities |
| Airfields |
| Water and Sanitation |
| Cemeteries and crematoria |
| Air pollution |
| Fencing and Fences |
| Impoundment of animals |
| Irrigation water |
| Outdoor advertising |
| Public Amenities |
| Public Buses and Taxi's |
| Prevention of Public Nuisance and Public Nuisances arising from the keeping of animals |
| Roads and Streets |



| By-laws in force and not amended in 2014/2015 |
|--|
| Street trading |
| Storm water management |
| Water supply, sanitation and industrial effluent |
| Fire works |
| River Management |
| Heritage resources and cultural institutions |
| Order rules relating to meetings |
| Fire safety |
| Events |

Table 50.: By-laws in force and not amended

Below is a list of all the by-laws reviewed and adopted with amendments, during the financial year:

| By-laws revised | Date adopted/reviewed by Council | Public Participation Conducted Prior to adoption of By-Laws Yes/No | Date of Publication in Government Gazette |
|------------------------|---|---|--|
| Liquor trading hours | 26/05/2015 | Yes | 30/06/2015 |

Table 51.: By-laws adopted with amendments

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

| Policies developed/ revised | Date adopted | Approved by Council Yes/No |
|--|---------------------|-----------------------------------|
| Indiensneming op n 5/8 basis | August 2015 | Yes |
| E mail policy | March 2015 | Yes |
| Record management policy | March 2015 | Yes |
| Saal beleid | May 2015 | Yes |
| Opleidings en ontwikkelingsbeleid | June 2015 | Yes |
| Verlofbeleid | June 2015 | Yes |
| Eiendomsadministrasiebeleid | June 2015 | Yes |
| Corporate governance of ICT policy framework | June 2015 | Yes |
| Cash management Policy | May 2015 | Yes |
| Asset Management Policy | 28 May 2015 | Yes |
| Liquidity Policy | 28 May 2015 | Yes |
| Borrowing funds and reserves Policy | 28 May 2015 | Yes |

| Policies developed/ revised | Date adopted | Approved by Council Yes/No |
|--|---------------|-------------------------------|
| Municipal Supply Chain Management Policy | 28 May 2015 | Yes |
| Property Rates Policy | 28 May 2015 | Yes |
| Credit Control and Debt Collection Policy | 28 May 2015 | Yes |
| Principals and Policy on tariffs and free basic services | 28 May 2015 | Yes |
| Selfoontoelae en gebruik deur amptenare | Augustus 2014 | Yes |
| Indiensneming op n 5/8 basis | August 2015 | Yes |

Table 52.: Policies

2.12 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:

| Communication activities | Yes/No |
|--|--|
| Communication unit | Yes |
| Communication strategy | Yes, the communication strategy forms part of the communication policy |
| Communication Policy | Yes |
| Communication Satisfaction Survey | Yes |
| Functional complaint management systems | No |
| Newsletters distributed at least quarterly | Yes – monthly newsletter |

Table 53.: Communication Activities

2.13 Website

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

| Documents published on the Municipal website | Published Yes/No |
|---|---|
| Current annual and adjustments budgets and all budget-related documents, including SDBIP | Yes |
| Tariff policy | Yes |
| Credit control policy | Yes |
| Rates policy | Yes |
| SCM policy | Yes |
| Annual report for 2013/14 | Yes |
| Annual Financial Statements for 2013/14 | Yes |
| All service delivery agreements for 2014/15 | All service delivery agreements received from the departments were placed on the Hessequa website |
| All supply chain management contracts above the prescribed value for 2014/15 | Yes |
| Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2014/15 | Yes |
| All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2014/15 | Yes |

Table 54.: Website Checklist



2.14 Supply Chain Management

2.14.1 Competitive Bids in Excess of R200 000

a) Bid Committee

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

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|-----------------------------|--------------------------|----------------------------|
| 34 | 45 | 38 |

Table 55.: Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

| Member | Attendance |
|--------------------|-------------|
| H. Visser | 27 (79.41%) |
| F. Bergh | 29 (85.29%) |
| A. Riddles | 32 (94.12%) |
| A. Carelse | 28 (82.35%) |
| R. Bent (Seconded) | 2 (100%) |

Table 56.: Attendance of members of bid specification committee

The attendance figures of members of the bid evaluation committee are as follows:

MR. R.R. WESSO - TECHNICAL SERVICES

| Member | Attendance |
|-----------------|------------|
| R. Wesso | 5 |
| R. Van Rooi | 6 |
| A. Carelse | 19 |
| S. Kennedy | 3 |
| N. Daries | 3 |
| N. La Grange | 15 |
| B. van Deventer | 1 |
| A. Hansen | 1 |
| H. Thesner | 4 |
| J. Vermeulen | 4 |
| J. Solomons | 4 |

MS. L. VILJOEN - FINANCIAL SERVICES



| Member | Attendance |
|-----------------|------------|
| A. Carelse | 5 |
| C. Oosthuizen | 2 |
| P. Mostert | 2 |
| T. Maddison | 1 |
| J. Heunis | 3 |
| N. La Grange | 5 |
| B. Van Deventer | 1 |
| L. Saayman | 2 |

Ms. A.M GRIESEL - CORPORATE SERVICES

| Member | Attendance |
|---------------|------------|
| M. Cronje | 1 |
| L. Kleynhans | 1 |
| A. Carelse | 12 |
| S. Geldenhuys | 1 |
| N. La Grange | 11 |
| A. Kleynhans | 7 |
| J. Morwagaye | 1 |
| J.S. Smit | 1 |
| E. Smit | 1 |
| D. Joubert | 1 |

MR. C. ONRUST – SOCIAL DEVELOPMENT, HOUSING & PROTECTION SERVICES

| Member | Attendance |
|--------------|------------|
| C. Onrust | 1 |
| A.R. Voss | 1 |
| N. Muller | 1 |
| N. Esau | 1 |
| M. Dyason | 1 |
| A. Carelse | 3 |
| N. La Grange | 2 |
| N. Daries | 1 |

MR. H. VISSER – PLANNING AND ENVIRONMENTAL SERVICES

| Member | Attendance |
|--------------|------------|
| S. Carelse | 3 |
| A. Carelse | 3 |
| N. La Grange | 3 |



MR. J. JACOBS – INFORMATION TECHNOLOGY

| Member | Attendance |
|-----------------|------------|
| J. Kleinhans | 2 |
| N. La Grange | 1 |
| A. Carelse | 1 |
| H.J. Pienaar | 1 |
| B. van Deventer | 1 |

Table 57.: Attendance of members of bid evaluation committee

The attendance figures of members of the bid adjudication committee are as follows:

| Member | Attendance |
|--|-------------|
| L. Viljoen | 3 (7.9%) |
| T. Maddison | 38 (100%) |
| R. Bent | 36 (94.74%) |
| L. Saayman | 34 (89.47%) |
| J. Booysen (acted as secondi when there was no quorum present) | 6 (100%) |

Table 58.: 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 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 (Vat Excl.) |
|------------------|--|-------------------------|---|----------------------------------|
| HES-EL 03/1415 | SUPPLY AND DELIVERY OF 1 NEW FREFUSE COMPACTOR | Technical Services | SHORTS NISSAN CC | 1 222 809.00 |
| HES-SSPO 08/1415 | UPGRADING OF ALOERIDGE STORMWATER IN RIVERSDALE | Technical Services | MOVE IT CIVILS | 1 222 980.00 |
| HES-EL 07/1415 | IMPLEMENTATION OF ENERGY SAVING MESURES AND INITIATIVES FOR HESSEQUA MUNICIPALITY: HEAT PUMP INSTALLATION | Technical Services | GARDEN ROUTE COOLING CC | 1 529 501.00 |
| HES-WRS 05/1415 | UPGRADING OF STILL BAY WWTW & ALBERTINIA WWTW INLET WORKS | Technical Services | KHUBEKA CONSTRUCTION | 3 695 015.5 |
| HES-EL 08/1415 | IMPLEMENTATION OF ENERGY SAVING MESURES AND INITIATIVES FOR HESSEQUA MUNICIPALITY: AIR-CONDITIONING INSTALLATION | Technical Services | ANIL M JESSA CC T/A DHANESH ELECTRICAL & MECHANICAL | 752 677.00 |



| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded (Vat Excl.) |
|------------------|--|-------------------------|--------------------------------|----------------------------------|
| HES-EL 09/1415 | IMPLEMENTATION OF ENERGY SAVING MESURES AND INITIATIVES FOR HESSEQUA MUNICIPALITY: STREET AREA AND BUILDING LIGHTING LAMPS | Technical Services | MDL ELECTRICAL | 570 175.00 |
| HES-FIN 05/1415 | MANAGEMENT OF SHORT TERM INSURANCE PORTFOLIO | Financial Services | INDWE RISK SERVICES (PTY) LTD | 900 970.00 |
| HES-EL 04/1415 | SUPPLY AND DELIVERY OF ONE NEW SIX CUBIC METER TIPPER TRUCK | Technical Services | SHORTS NISSAN CC | 687 074.95 |
| HES-SSPO 10/1415 | CONSTRUCTION OF A NEW SIDEWALK IN KWANOKUTHULA (EPWP) | Technical Services | SR CIVIL CONTRACTORS (PTY) LTD | 465 758.05 |
| HES-FIN 03/1415 | TARIFF STRUCTURE INVESTIGATION AND REVIEW AND UPDATED OF THE PROERTY RATES; CREDIT CONTROL AND DEB COLLECTION; TARIFF POLICIE4S AND BY-LAWS AND THE IDIGENT SUPPORT POLICY | Technical Services | I @ CONSULTING (PTY) LTD | 441 500.00 |

Table 59.: Ten highest bids awarded by bid adjudication committee

c) Awards Made by the Accounting Officer

Bids awarded by the Accounting Officer are as follows:

| Bid number | Title of bid | Directorate and section | Value of bid awarded R (EXCL. VAT) |
|----------------|--|-------------------------|-------------------------------------|
| HES-EL 01/1415 | SUPPLY, INSTALLATION AND COMMISSIONING STILL BAY WEST 66/11KV SUBSTATION | Technical Services | 15 757 523.76 |

Table 60.: Awards made by Accounting Officer

d) Objections lodged by aggrieved bidders

Four (4) objections were lodged by aggrieved bidders on awards made in terms of regulation 49 of the Municipal Finance Management Act: Supply Chain Management Regulations of 2005 of which zero (0) the objections were successful.

e) Awards Made to Historically Disadvantaged Individuals (HDI's), IN GENERAL and Enterprises within the HESSEQUA Municipal Area

The following tables details the value of competitive bids awarded to historically disadvantaged individuals (HDI owners) in general, as well as enterprises within the Hessequa municipal area during the 2014/13 financial year:

| Number of contracts awarded | Number of contracts awarded to wholly or partly owned HDI companies | Amount of contracts awarded to wholly or partly owned HDI companies | Number of contracts awarded to local companies | Amount of contracts awarded to local companies) |
|-----------------------------|---|---|--|---|
| 46 | 37 | 1 929 176.77 | 11 | 1 678 138.15 |

Table 61.: HDI Bid Awards

2.14.2 Deviations from normal procurement processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

| Type of deviation | Number of deviations | Value of deviations R | Percentage of total deviations value |
|---------------------------|----------------------|-----------------------|--------------------------------------|
| <R2 000 | 283 | R 263 949 | 2.22% |
| Sole Supplier | 0 | R 0 | 0% |
| Emergency | 47 | R 33 445 | 0.28% |
| Exceptional Circumstances | 236 | R 230 504 | 1.94% |
| R2 000 – R30 000 | 178 | R 1 537 697 | 12.96% |
| Sole Supplier | 6 | R 75 356 | 0.64% |
| Emergency | 20 | R 159 161 | 1.34% |
| Exceptional Circumstances | 152 | R 1 303 180 | 10.98% |
| R30 000 – R200 000 | 47 | R 2 811 500 | 24.77% |
| Sole Supplier | 4 | R 141 281 | 1.32% |
| Emergency | 11 | R 311 106 | 4.34% |
| Exceptional Circumstances | 32 | R 2 359 113 | 19.11% |
| >R200 000 | 4 | R 7 125 241 | 60.05% |
| Exceptional Circumstances | 4 | R 7 125 241 | 60.05% |
| | 486 | R 11 738 387 | 100% |

Table 62.: Summary of deviations

Chapter 3:

Service Delivery Performance



CHAPTER 3

3.1 Overview of Performance within Hessequa Municipality

Performance Management is a process which measures the implementation of the municipality's strategy. It is also a management tool to assist the municipality with planning, monitoring, measuring and reviewing of performance indicators to ensure effective and efficient service delivery.

3.1.1 LEGISLATIVE REQUIREMENTS

The Municipal Systems Act (MSA) 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (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 Service Delivery Budget Implementation Plan (SDBIP).

In terms of section 46(1) (a) a municipality must prepare for each financial year a performance report reflecting –

- i. The performance of the municipality and of each external service provider during that financial year;
- ii. A comparison of the performances referred to in paragraph (i) with targets set for and performances in the previous financial year; and
- iii. Measures taken to improve performance.

3.1.2 PERFORMANCE MANAGEMENT WITHIN HESSEQUA MUNICIPALITY

A) Performance Management System

The Performance Management System (PMS) of the municipality is the institutional system that is employed to develop, monitor and evaluate performance of the municipality. The performance management process of Hessequa Municipality is integrated with the IDP and budget. The IDP is the municipal planning stage and the performance management is the implementation, monitoring and evaluation of the IDP.

The reviewed 2012 – 2017 IDP and the Budget for 2014/15 was approved by Council on 27 May 2014. The SDBIP for 2014/15 was approved by the Executive Mayor on 04 June 2014. Performance agreements with Senior Managers were signed on 31 July 2014 and placed on the municipal website.

Key Performance Indicators (KPI's) are developed for the Municipal Manager and each Senior Manager reporting to the Municipal Manager. The KPI's are annual measures relating to either a Service Delivery Target or a Financial Revenue or Expenditure target.



Hessequa Municipality utilizes an electronic web based system on which the users update actual performance on a monthly basis, documenting the actual performance, performance comment and remedial actions in the instances where performance targets were not met. A portfolio of evidence is maintained to support actual performance results updated.

B) Monitoring and Evaluation of Performance within Hessequa Municipality

Performance is monitored and evaluated via the SDBIP and the process can be summarised as follows:

- Two formal performance evaluations (in terms of the signed performance agreements – Mid Year and Final);
- Two informal performance evaluations (quarter 1 and 3); and
- Internal Audit compiles quarter performance reports. The findings are reported to the Performance Audit Committee, bi-annually

3.2 Actual Strategic and Municipal Performance for 2014/15

3.2.1 OVERVIEW OF 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 aims to provide an overview on the strategic achievement of the municipality in terms of strategic intent and deliverables as stated in the IDP.

In the paragraphs below the performance achieved is illustrated according to the strategic objectives as set out in the IDP.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi’s) of the SDBIP is measured:

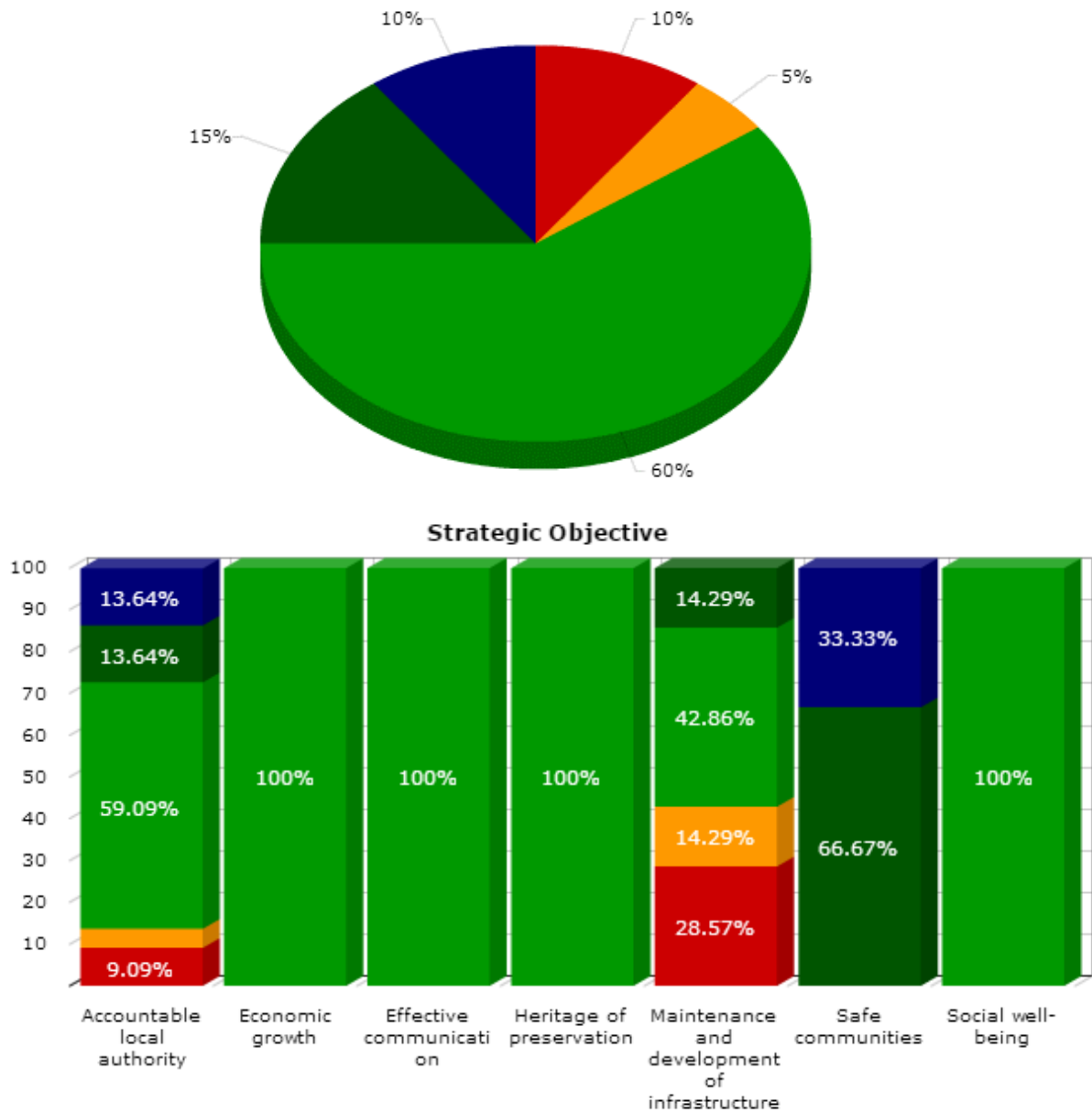
| Category | Color | Explanation |
|--------------------------|------------|---|
| KPI's Not Yet Measured | Grey | KPIs with no targets or actuals in the selected period. |
| KPI's Not Met | Red | 0% >= Actual/Target < 75% |
| KPI's Almost Met | Yellow | 75% >= Actual/Target < 100% |
| KPI's Met | Green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

Figure 1.: SDBIP Measurement Categories



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The graphs below display the overall performance, per strategic objective (as set out in the IDP) for the 2014/15 financial year:



Graph 1.: Overall performance per National Key Performance Area



3.2.2 DETAIL PERFORMANCE PER STRATEGIC OBJECTIVE FOR 2014/15

Accountable Local Authority

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | | |
|------|--|---------------------|------------------|-----|-----|-----|---------------------------------|--------|---|---------------------|--|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Corrective Measures | |
| TL1 | Development of a Performance Management Policy | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None | |
| TL2 | Development of Integrated Strategic Framework | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None | |
| TL3 | Establishment of ICT Disaster Recovery(DR) Site | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None | |
| TL4 | Annual Software licensing audit | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None | |
| TL5 | Submission of ICT Governance Framework for approval by Council | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None | |
| TL6 | Implementation of Domain Group Policies | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None | |
| TL7 | Development of Area Plans for Kwanokuthula, Melkhoutfontein and Bitouville | Number of | 0 | 2 | 0 | 0 | 2 | 4 | B | None | |
| TL8 | Compiling the IDP 2014/2015 Executive Summary | Number of | 0 | 0 | 1 | 0 | 1 | 1 | G | None | |
| TL12 | Maintain a Vacancy Rate of less than 10% of budgeted staff establishment | % Vacancy Rate | 10% | 10% | 10% | 10% | 10% | 6.23% | B | None | |



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| | | | | | | | | | | |
|------|---|--|-----|-----|-----|-----|-----|--------|----|------|
| TL13 | Organisational Review of Resorts and Public Safety Functions | Number of reports submitted to Portfolio Committee Meeting | 0 | 0 | 0 | 1 | 1 | 1 | G | None |
| TL17 | Review of Client Service Standards | Number of review reports submitted to Portfolio Committee Meeting | 1 | 0 | 0 | 0 | 1 | 1 | G | None |
| TL18 | Submit a Liquidity Report of the Municipality to the Financial Portfolio Committee by end November 2014. | Number of liquidity reports submitted to Portfolio Committee | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL19 | Submit a report on Borrowing Funds and Reserves to the Financial Portfolio Committee | Number of borrowing and reserve funds reports submitted to Portfolio Committee | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL20 | Management of Income thresholds higher than 95% | % Income | 95% | 0% | 0% | 0% | 95% | 98.25% | G2 | None |
| TL22 | Evaluate land use applications within 60 days after receipt of all outstanding and relevant information and documents | % applications evaluated | 90% | 90% | 90% | 90% | 90% | 100% | G2 | None |



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| | | | | | | | | | | |
|------|--|---------------------------|-----|-----|-----|-----|-----|--------|----|---|
| TL23 | Approve/reject building plans within 30 days for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information required is correctly submitted | % of plans evaluated | 90% | 90% | 90% | 90% | 90% | 99.08% | G2 | None |
| TL27 | Submission of reviewed Human Settlements Plan to Executive Mayoral Committee | Number of | 0 | 0 | 0 | 1 | 1 | 0 | R | The Human Settlements Plan will be revised with assistance of the Provincial Human Settlements and Environmental Planning Departments |
| TL28 | Development of a HCE Implementation Plan | Number of | 1 | 0 | 0 | 0 | 1 | 1 | G | None |
| TL29 | Development of a database of all outstanding transfers of pre - 1994 housing schemes, in the Hessequa region | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL35 | Limit Water losses to 30% | % unaccounted water | 0% | 0% | 0% | 30% | 30% | 34.50% | R | The first step to lower the total volume of water losses is to ensure that all bulk measuring devices are in place and in good working order. A current programme is in place where all bulkmeters are replaced or installed. Longterm measures include a pipe replacement programme as well as meters at all consumering points. |
| TL36 | Limited Electricity losses to 10% | % unaccounted electricity | 0% | 0% | 0% | 10% | 10% | 9.68% | B | None |
| TL40 | Monthly Head and Subs progress meetings | Number of meetings held | 3 | 2 | 2 | 3 | 10 | 8 | O | Only 8 meetings took place in 2014/15 financial year. A contributing factor was the resignation of the Head Civil Planning and Project Management |

Table 63.: Actual performance for 2014/15 for the strategic objective : Accountable Local Authority



Safe Communities

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|---|--|------------------|----|----|-----|---------------------------------|--------|----|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL24 | Achieve an average of 80% Formal Provincial audits on the Licensing Agency Services | Average % achieved | 0% | 0% | 0% | 80% | 80% | 93.30% | G2 | None |
| TL25 | Traffic safety initiatives per quarter | Number of initiatives per quarter | 3 | 3 | 3 | 3 | 12 | 13 | G2 | None |
| TL26 | Number of integrated vehicle checkpoints per quarter | Number of integrated vehicle checkpoints per quarter | 1 | 1 | 1 | 1 | 4 | 13 | B | None |

Table 64.: Actual performance for 2014/15 for the strategic objective : Safe Communities

Effective Communication

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|-----|-----|---------------------|------------------|----|----|----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |



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| | | | | | | | | | | |
|------|--|--|---|---|---|---|---|---|---|------|
| TL16 | Complete a Public Communication Survey and submit the report to the Portfolio Committee by end November 2014 | Number of reports submitted to Portfolio Committee Meeting | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
|------|--|--|---|---|---|---|---|---|---|------|

Table 65.: Actual performance for 2014/15 for the strategic objective: Effective Communication

Social Wellbeing

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|---|---------------------|------------------|----|----|----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL30 | Establishment of the Hessequa Social Development Advisory Forum | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL31 | Social Development Summit | Number of | 1 | 0 | 0 | 0 | 1 | 1 | G | None |
| TL32 | Review of the Social Development Plan | Number of | 0 | 0 | 0 | 1 | 1 | 1 | G | None |

Table 66.: Actual performance for 2014/15 for the strategic objective: Social Wellbeing



Heritage of Preservation

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|---|-------------------------|------------------|----|----|----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL21 | Review of the State of the Environment Report (SOER) by June 2015 | Number of SOER reviewed | 0 | 0 | 0 | 1 | 1 | 1 | G | None |

Table 67.: Actual performance for 2014/15 for the strategic objective: Heritage of Preservation

Maintenance and Development of Infrastructure

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|--|--|------------------|-----|-----|-----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL14 | 95% Expenditure of approved budget for maintenance of Municipal properties | % budget spent | 15% | 40% | 60% | 95% | 95% | 93.60% | O | None |
| TL15 | Development of a Municipal Property Maintenance Plan | Number of reports submitted to Mayoral Committee | 0 | 0 | 1 | 0 | 1 | 1 | G | None |



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| | | | | | | | | | | |
|------|---|------------------------|-----|-----|-----|-----|-----|--------|---|--|
| TL33 | 90% Expenditure of the approved Capital Budget (Technical Department) | % capital budget spent | 15% | 40% | 60% | 90% | 90% | 67.17% | R | <p>The high underspending on the 2014/15 capital budget can be attributed to the following factors:</p> <ol style="list-style-type: none"> 1. In the Gazette No 38613 of December 2014 Hessequa Municipality received R22 million flood damage funds plus an additional R 3,462 million MIG funding. The communication from National Treasury in March 2015 specifically stated that municipalities with additional allocation qualify for an automatic rollover should they fail to spend the additional funds by the end of the 2014/15 financial year. The said communication was however received after approval of the municipal adjustment budget in February 2015, that included the R22 million plus R 3 462 million. The funds were subsequently rollover to the 2015/16 budget 2. The Municipality intended to call for tenders for consulting Engineers in June 2014 with the express intention of having construction tenders appointed by October 2014. The latter unfortunately didn't realise due to appeals lodged on a previous similar tender which led to the said tender only closing in October 2014. Further appeals on the second consulting engineering tender lead to the appointment of consultants being confirmed in December 2014. The impact of the late appointment of the consulting engineers lead to the late appointment of contractors which significantly impacted on the ability to spending the capital budget. <p>The scenario above eventually required the municipality to appropriate a large sum of the 2014/15 capital budget to the 2015/16 budget and all the projects are correctly under construction with no indication of a repeat of the underspending in 2015/16.</p> |
|------|---|------------------------|-----|-----|-----|-----|-----|--------|---|--|



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| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|---|------------------------------|------------------|-----|-----|-----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL34 | 80% Expenditure of the approved Operational Budget (Technical Department) | % Operational budget spent | 20% | 40% | 60% | 80% | 80% | 91% | B | None |
| TL37 | Provision of waste disposal facility operation license | Number of | 0 | 0 | 0 | 3 | 3 | 3 | G | None |
| TL38 | Extension of cemeteries Albertinia and Heidelberg | Number of projects completed | 0 | 0 | 0 | 2 | 2 | 2 | G | None |
| TL39 | Temporary jobs created through EPWP (as measured in Full Time Equivalent / FTE's) | Number of jobs created | 5 | 5 | 10 | 15 | 35 | 43 | B | None |

Table 68.: Actual performance for 2014/15 for the strategic objective: Maintenance and Development of Infrastructure



Economic Growth

| Ref | KPI | Unit of Measurement | Quarterly Target | | | | Overall Performance for 2014/15 | | | |
|------|--|---------------------|------------------|----|----|----|---------------------------------|--------|---|----------------------------------|
| | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Departmental Corrective Measures |
| TL9 | Compile a SMME Framework for small, medium and micro enterprises and implementation Plan and submit to Portfolio Committee | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL10 | Compile a Commonage Framework and submit to Portfolio Committee | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None |
| TL11 | Compile a Destination Marketing Plan and submit to Portfolio Committee | Number of | 0 | 1 | 0 | 0 | 1 | 1 | G | None |

Table 69.: Actual performance for 2014/15 for the strategic objective: Economic Growth



3.2.3 OVERVIEW OF PERFORMANCE PER DIRECTORATE

The performance statistics in the table below and all the graphs on in the following sub paragraphs include performance in terms of the SDBIP for the 2014/15 financial year and where applicable, in comparison to the 2013/14 financial year.

| Directorates | Financial Year | Total KPIs | KPIs Extremely Well Met | KPIs Well Met | KPIs Met | KPIs almost Met | KPIs not Met |
|--|----------------|------------|-------------------------|---------------|-----------|-----------------|--------------|
| Municipal Manager | 2014/15 | 11 | 1 | | 10 | | |
| | 2013/14 | 40 | 1 | 2 | 30 | 1 | 6 |
| Corporate Services (Admin, HR, Property Administration, Communication, Library & Legal Services) | 2014/15 | 6 | 1 | | 4 | 1 | |
| | 2013/14 | 35 | 4 | 10 | 16 | 1 | 4 |
| Social & Economic Development, Protection Services & Housing | 2014/15 | 9 | 1 | 2 | 5 | | 1 |
| | 2013/14 | 50 | 13 | 6 | 22 | 1 | 8 |
| Financial Services | 2014/15 | 3 | | 1 | 2 | | |
| | 2013/14 | 27 | - | 5 | 17 | 4 | 1 |
| Planning & Environment | 2014/15 | 3 | | 2 | 1 | | |
| | 2013/14 | 15 | 1 | 3 | 3 | 8 | - |
| Technical Services | 2014/15 | 8 | 1 | 1 | 2 | 1 | 3 |
| | 2013/14 | 73 | 10 | 7 | 22 | 15 | 19 |

Table 70.: Summary of total performance per Directorate

3.2.4 SERVICE PROVIDERS 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
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- 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



Hessequa Municipality rates Service Providers using a 1-5 point scale, as set out below;

| Service Rating | Explanation |
|----------------|------------------------|
| 1 | Excellent Service |
| 2 | Good Service |
| 3 | Satisfactory Service |
| 4 | Bad Service |
| 5 | Recommend Blacklisting |

Table 71.: Service Provider rating categories

During the year under review the municipality appointed two service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality. The details of the service providers as set out in the table below:

| Service Provider | Service Agreement / Tender | Rating | Comments |
|--|--------------------------------------|--------|---|
| Henque Waste – Recyclable Waste Removal | HES –WRS 04/1213 | 2.64 | We receive positive feedback from the public regarding the services rendered by Henque Waste. They are prompt with the supply of recycle statistics which enables us to report and budget more efficiently. |
| FFA Fire Operations (PTY) Ltd – Hessequa Fire Services | BAC: 24/10/2014 Collab no: 834941 | 2 | On average the services rendered was of a very good standard |

Table 72.: Section 76 (b) Service providers for 2014/15

All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.4 MUNICIPAL FUNCTIONS

The municipal function areas for the 2014/15 financial year are indicated below:

| Municipal Function | Municipal Function Yes / No |
|---|-----------------------------|
| Constitution Schedule 4, Part B functions: | |
| Air pollution | Yes |
| Building regulations | Yes |
| Child care facilities | No |
| Electricity and gas reticulation | Yes |
| Fire fighting services | No |
| Local tourism | Yes |



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| Municipal Function | Municipal Function Yes / No |
|---|--|
| Municipal airports | No |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | Yes |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | Yes |
| 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 |
| Constitution Schedule 5, Part B functions: | |
| Beaches and amusement facilities | Yes |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlours and crematoria | Yes |
| Cleansing | Yes |
| Control of public nuisances | Yes |
| Control of undertakings that sell liquor to the public | Yes |
| Facilities for the accommodation, care and burial of animals | Yes |
| Fencing and fences | Yes |
| Licensing of dogs | Yes |
| Licensing and control of undertakings that sell food to the public | No |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | Yes |
| Municipal abattoirs | Yes |
| 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 73.: Functional Areas



3.3 COMPONENT A: BASIC SERVICES

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

3.3.1 WATER PROVISION

A) Introduction to Water Provision

Hessequa Municipality is in terms of the Water Act of 1998, the WSA of the region and therefore accountable and responsible for ensuring that water services are provided to consumers. Water is provided by the municipality to 6 towns and two settlements, Vermaaklikheid and Denedal Garcia. The Overberg Water Board provides the towns of Witsand, Slangrivier and Heidelberg with bulk water; however the municipality is still responsible for ensuring provision of water services within the area of their jurisdiction and is accountable to their citizens.

In addressing sustainable water services to the consumer, there are three major goals that the municipality should aim to achieve.

These are:

- Delivery of sustainable water services;
- Integrated water resource management and
- Efficient and effective water services institutional arrangements

| Water Service Delivery Levels | | |
|--|----------------|----------------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| <u>Water: (above min level)</u> | | |
| Piped water inside dwelling or yard | 13 349 | 10 936 |
| Using public tap (within 200m from dwelling) | 399 | 455 |
| Other water supply (within 200m) | 0 | 0 |
| <i>Minimum Service Level and Above sub-total</i> | 13 748 | 11391 |
| <i>Minimum Service Level and Above Percentage</i> | 100 | 100 |
| <u>Water: (below min level)</u> | | |
| Using public tap (more than 200m from dwelling) | 0 | 0 |



| Water Service Delivery Levels | | |
|--|--------------|--------------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| Other water supply (more than 200m from dwelling) | 0 | 0 |
| No water supply | 0 | 0 |
| <i>Below Minimum Service Level sub-total</i> | 0 | 0 |
| <i>Below Minimum Service Level Percentage</i> | 0 | 0 |
| Total number of households | 13748 | 11391 |
| <i>Include informal settlements</i> | | |

Table 74.: Water Service Delivery levels: Households

| Employees: Water and Sewerage | | | | | |
|--|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 30 | 33 | 32 | 1 | 3% |
| 4 - 6 | 31 | 30 | 30 | 0 | 0% |
| 7 - 9 | 7 | 4 | 4 | 0 | 0% |
| 10 - 12 | 4 | 5 | 5 | 0 | 0% |
| 13 - 15 | 1 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 73 | 72 | 71 | 1 | 1% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 75.: Employees : Water Services

| Capital Expenditure 2014/15: Water | | | | |
|---------------------------------------|-----------------|--------------------|-------------------------------|--|
| R | | | | |
| Capital Projects | Adjusted Budget | Actual Expenditure | Variance from adjusted budget | Comments |
| Water meters | 550 000 | 0 | (550 000) | There are still enough water meters in stock and therefore no water meters was purchased in the 2014/15 financial year. Funds was shift to the 2015/16 financial year. |
| Replace low pressure water line | 201 122 | 28 893.62 | (172, 228.38) | Due to the Upgrading of the water networks project across Hessequa Municipality being a three year project only R 32 946 (VAT incl) was spent on professional fees and construction will commence in the 2015/16 financial year. |
| Upgrading of water supply | 405 038 | 58 188.64 | (346, 849.36) | Due to the Upgrading of the water networks project across Hessequa Municipality being a three year projects only R 66 349.61 (VAT Incl) was spent on professional fees and construction will commence in the 2015/16 financial year. |
| Replacement of Water aqueduct/conduit | 201 122 | 28 893.62 | (172, 228.38) | Due to the Upgrading of the water networks project across Hessequa Municipality being a three year projects only R 32 946 (VAT incl) was spent on professional fees and construction will commence in the 2015/16 financial year. |
| Upgrading of Network | 173 189 | 24 880.71 | (148, 308.29) | Due to the Upgrading of the water networks project across Hessequa Municipality being a three year projects only R 28 370 (VAT Incl) was spent on professional fees and construction will commence in the 2015/16 financial year. |
| Replacement of Water aqueduct/conduit | 201 122 | 28 893.62 | (172, 228.38) | Due to the Upgrading of the water networks project across Hessequa |

| Capital Expenditure 2014/15: Water | | | | |
|------------------------------------|-----------------|--------------------|-------------------------------|--|
| R | | | | |
| Capital Projects | Adjusted Budget | Actual Expenditure | Variance from adjusted budget | Comments |
| | | | | Municipality being a three year projects only R 32 946 (VAT incl) will be spend on professional fees and construction will commence in the 2015/16 financial year. |
| Melkhoutfontein New Bulk Water | 2 300 000 | 131 578.95 | (2, 168, 421.05) | The consultant Engineer is currently busy with the design and only R150 000 (VAT incl) was spend on fees in the 2014/15 financial year. The remaining balance of R 2150 000 (VAT incl) was transferred to the 2015/16 FY and Construction will only commence in 2015/16. |
| Decalcification of household water | 46 200 | 46 200 | 0 | |

Table 76.: Capital Expenditure 2014/15: Water

3.3.2 Waste Water (Sanitation) Provision

A) Introduction to Sanitation Provision

In addressing sustainable Sanitation services delivery to the consumer, there are three major goals that the municipality should be aim to achieve. These are:

- Integrated sanitation resource management;
- Efficient and effective sanitation services;
- Institutional arrangements and
- Ensure continuous service delivery at the required standards.

| Sanitation Service Delivery Levels | | |
|--|---------|---------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| <i>Sanitation/sewerage: (above minimum level)</i> | | |



| Sanitation Service Delivery Levels | | |
|--|----------------|----------------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| Flush toilet (connected to sewerage) | 13 358 | 11 520 |
| Flush toilet (with septic tank) | 1 713 | 1 713 |
| Chemical toilet | 0 | 0 |
| Pit toilet (ventilated) | 74 | 74 |
| Other toilet provisions (above minimum service level) | 0 | 0 |
| <i>Minimum Service Level and Above sub-total</i> | 15 145 | 13 307 |
| <i>Minimum Service Level and Above Percentage</i> | 100 | 100 |
| <i>Sanitation/sewerage: (below minimum level)</i> | | |
| Bucket toilet | 0 | 0 |
| Other toilet provisions (below minimum service level) | 0 | 0 |
| No toilet provisions | 0 | 0 |
| <i>Below Minimum Service Level sub-total</i> | 0 | 0 |
| <i>Below Minimum Service Level Percentage</i> | 0 | 0 |
| Total households | 15145 | 13307 |
| <i>Including informal settlements</i> | | |

Table 77.: Sanitation Service Delivery level

3.3.3 Electricity

A) Introduction to Electricity

The Hessequa Municipality adopted a Green Vision in 2008 with three key objectives, one which is to be energy independent and carbon neutral by 2020.

Focus areas are

- To ensure that all residents have access to electricity by eradicating backlogs with the assistance of the MIG program
- To reduce consumption by implementing the Energy Efficiency and Demand Side Management Program, through consumer awareness and incentive programs
- To establish renewable energy sources in Hessequa to reduce our carbon footprint and become energy neutral.
- To identify appropriate mechanisms through which council may develop its own assets and assist the private sector to establish renewable energy projects in Hessequa which will generate an income stream to council which will compensate for loss of revenue as a result of increased energy efficiency.

We are driving the process on three levels:

- With our own resources- municipal land, grants, own funds.
- Combined resources-strategic partnerships with knowledge partners, of the government departments and the private sector.
- Creating an enabling environment - encouraging and supporting private economic initiatives: incentives, access to land and services, rebates etc.

| Electricity Service Delivery Levels | | |
|--|----------------|----------------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| <i>Energy: (above minimum level)</i> | | |
| Electricity (at least minimum service level) | 4 333 | 4250 |
| Electricity - prepaid (minimum service level) | 10 224 | 9869 |
| <i>Minimum Service Level and Above sub-total</i> | 14 557 | 14119 |
| <i>Minimum Service Level and Above Percentage</i> | 100 | 100 |
| <i>Energy: (below minimum level)</i> | | |
| Electricity (< minimum service level) | 0 | 0 |
| Electricity - prepaid (< min. service level) | 0 | 0 |



| Electricity Service Delivery Levels | | |
|---|--------------|---------------|
| Households | | |
| Description | 2014/15 | 2013/14 |
| | Actual | Actual |
| | No. | No. |
| Other energy sources | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level Percentage | 0 | 0 |
| Total number of households | 14557 | 14 356 |

Table 78.: Electricity Service Delivery Levels

| Employees: Electricity Services | | | | | |
|---|-----------|-----------|-----------|---------------------------------|-----------------------------------|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalent) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 0 | 1 | 1 | 0 | 0% |
| 4 – 6 | 28 | 27 | 24 | 3 | 11% |
| 7 – 9 | 6 | 6 | 5 | 1 | 16% |
| 10 – 12 | 8 | 7 | 7 | 0 | 0% |
| 13 – 15 | 0 | 2 | 1 | 1 | 50% |
| 16 – 18 | 0 | 0 | 0 | 0 | 0% |
| 19 – 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 42 | 43 | 38 | 5 | 12% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 79.: Employees : Electricity

| Capital Expenditure 2014/15: Electricity | | | | |
|--|------------------------|---------------------------|--------------------------------------|---|
| Capital Projects | Adjusted Budget | Actual Expenditure | Variance from Adjusted budget | Comments |
| Upgrading 11 KV Main sub-station - Riversdal | 439 300 | 426 574.44 | (12, 725.56) | The budget was amended in February 2015 |
| Upgrading of network - Riversdal | 511 500 | 502 707.56 | (8, 792.44) | The budget was amended in February 2015 |
| Installation of 66/11 KV Main sub-station - Stilbaai | 16 500 000 | 3 706 764.99 | (12 793 235) | The project was amended and due to the transformer not being delivered on site before 30 June 2015, only R 3 706 764 was spent. |
| Upgrading of network - Stilbaai - West/East | 558 800 | 545 868.93 | (12, 931.07) | The budget was amended in February 2015 |
| Upgrading 11 KV Main sub-station - Heidelberg | 442 000 | 428 869.80 | (13, 130.2) | The budget was amended in February 2015 |
| Upgrading of sub-stations - Heidelberg | 231 300 | 227 245.29 | (4, 054.71) | The budget was amended in February 2015 |
| Upgrading of network - Heidelberg | 355 900 | 349 772.34 | (6,127.66) | The budget was amended in February 2015 |
| Upgrading of sub-stations - Station Road / Theronville | 245 200 | 239 138.67 | (6, 061.33) | The budget was amended in February 2015 |
| Kwanokuthula Electrification | 545 000 | 0 | (545 000) | The balance will be spent in the 2015/16 financial year. |
| Upgrading of sub-stations - Witsand | 245 200 | 239 138.67 | (6, 061.33) | The budget was amended in February 2015 |

Table 80.: Capital Expenditure 2014/15 : Electricity Services

3.3.4 Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

A) Introduction to Waste Management

The SA Constitution states that the people of South Africa have the right to an environment that is not detrimental to human health and Local Government is assigned the responsibility for refuse removal, refuse dumps and solid waste disposal. Therefore, all the towns in the municipal area have a solid waste programme in place and all households are serviced once a week and all businesses at least three times a week. Recycling at source is encouraged throughout the area.

The Waste Management goal is to optimize the waste management strategy to ensure continuous cost effective services by also encouraging waste minimization and recycling activities to enhance in proper management services.

Hessequa Municipality has also adopted its Green Vision to be a Zero Waste Society by 2020 and since 2008 been in partnership with a private concern for the recycling of all waste. The Hessequa Integrated Waste Management plan was completed and approved by Council in April 2014.

| Solid Waste Service Delivery Levels | | |
|--|-------------------|----------------|
| Description | Households | |
| | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| <i>Solid Waste Removal: (Minimum level)</i> | | |
| Removed at least once a week | 13 715 | 14 601 |
| <i>Minimum Service Level and Above sub-total</i> | 13 715 | 14 601 |
| <i>Minimum Service Level and Above percentage</i> | 100 | 100 |
| <i>Solid Waste Removal: (Below minimum level)</i> | | |
| 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 |
| <i>Below Minimum Service Level sub-total</i> | 0 | 0 |
| <i>Below Minimum Service Level percentage</i> | 0 | 0 |
| Total number of households | 15 873 | 14 601 |

Table 81.: Solid Waste Service Delivery Levels



3.3.5 HOUSING

A) *Introduction to Housing*

Hessequa Municipality consists of several towns: Riversdale, Albertinia, Gouritsmond, Heidelberg, Slangrivier, Melkhoutfontein, Stilbaai, Jongensfontein and Witsand. Housing projects have been successfully completed in Albertinia, Gouritsmond, Riversdale, Heidelberg and Slangrivier in previous financial years.

During the period under reporting, the following projects were completed:

Melkhoutfontein North Housing Project

The first phase for the installation of civil engineering services was approved by the Western Cape provincial department of Human Settlements, and comprised the formalisation of an informal settlement in Melkhoutfontein, Stilbaai.

One hundred and seventy (170) serviced sites were created – each with its own water and sanitation facilities. The upgrade were done in line with the new A-Grade standard/level of civil engineering services comprising of tarred roads, kerbing, subsoil stormwater drainage, water reticulation, sanitation and electricity.

Kwanokuthula Housing Project

This project was approved by the Western Cape department of Human Settlements for forty one (41) serviced sites and top structures (houses). The civil engineering services were also done according to the new A-Grade standard comprising of tarred roads, kerbing, electricity, water and sanitation network to each house connected to the municipal services network.

Both the abovementioned projects were completed in conjunction with the municipality's housing Implementing Agent, ASLA and their team of professionals. Additional project applications for the towns of Heidelberg, Melkhoutfontein and Riversdale (GAP), were formulated and submitted to the Provincial Department of Human Settlements for their consideration.

| Percentage of Households Provided with access to basic housing | | | |
|---|---|--|---|
| Year end | Total households Provided (including in formal and informal settlements) | Households in formal settlements provided | Percentage of households provided with access to basic housing |
| 2013/14 | 455 | 250 | 54 |
| 2014/15 | 41 | 41 | 100 |

Table 82.: *Percentage of Households with access to basic housing*



The following table shows the increase/decrease in the number of people on the housing demand database. The demand for housing opportunities was **6 298** for the 2013/2014 financial year and for the 2014/2015 financial year a total of **7811 as per collaborator**

| Financial year | No of housing units on waiting list | % Housing waiting list increase/decrease from previous year |
|----------------|-------------------------------------|---|
| 2012/13 | 6317 | |
| 2013/14 | 6298 | -0.30 |
| 2014/15 | 7811 | 24% |

Table 83.: Housing Waiting List

Hessequa became part of the data cleaning project of the Western Cape department of Human Settlement. This is a progressive process that entails the “cleaning” of data on the housing demand database duplicated, removing of data of those that passed away, as well as removing of beneficiaries already assisted with housing opportunities. Based on the data “cleansing” exercise, the provincial database reflects a demand of **6 298** housing opportunities as at end June 2014.

| Financial year | Allocation | Amount spent | % spent | Number of houses built | Number of sites serviced |
|----------------|------------|--------------|---------|------------------------|--------------------------|
| 2012/13 | 16 800 | 16 800 | 100 | 250 | 250 |
| 2013/14 | 0 | 0 | 0 | 0 | 0 |
| 2014/15 | 11 108 536 | 11 108 536 | 100 | 41 | 170 |

Table 84.: Houses built in 2014/15

| Employees: Housing | | | | | |
|--------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| 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 | 0 | 0 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |

| Employees: Housing | | | | | |
|---|-----------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 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% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 85.: Employees : Housing and LED

3.3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

A) Introduction to Free Basic Services and Indigent Support

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution. To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs. The customer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Hessequa Municipality.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R3 500** per month will receive the free basic services as prescribed by national policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past financial year:

| Financial year | Number of households | | | | | | | | |
|----------------|------------------------------|------------------------|------|------------------|------|-----------------------|------|---------------------------|------|
| | Total no of HH (Census 2011) | Free Basic Electricity | | Free Basic Water | | Free Basic Sanitation | | Free Basic Refuse Removal | |
| | | No. Access | % | No. Access | % | No. Access | % | No. Access | % |
| 2014/15 | 14 487 | 4 968 | 34.3 | 4 782 | 33.6 | 4 879 | 33.7 | 4 943 | 34.1 |

Table 86.: Free basic services to indigent households



| Electricity | | | | | | | | | |
|----------------|---------------------|-------------------|-----------|-------------------------|-------------------|-------|---------------------------|-------------------|---------|
| Financial year | Indigent Households | | | Non-indigent households | | | Households in Eskom areas | | |
| | No. of HH | Unit per HH (kwh) | Value | No. of HH | Unit per HH (kwh) | Value | No. of HH | Unit per HH (kwh) | Value |
| | | | R | | | R | | | R |
| 2014/15 | 4 397 | 50kWh | 1 989 115 | N/A | N/A | N/A | 571 | 50kWh | 241 525 |

Table 87.: Free basic Electricity services to indigent households

| Water | | | | | | |
|----------------|---------------------|------------------|-----------|-------------------------|------------------|-------|
| Financial year | Indigent Households | | | Non-indigent households | | |
| | No. of HH | Unit per HH (kl) | Value | No. of HH | Unit per HH (kl) | Value |
| | | | R | | | R |
| 2014/15 | 4 782 | 6kl | 4 805 348 | N/A | N/A | N/A |

Table 88.: Free basic Water to indigent households

| Sanitation | | | | | | |
|----------------|---------------------|----------------|-----------|-------------------------|-----------------------|-------|
| Financial year | Indigent Households | | | Non-indigent households | | |
| | No. of HH | R value per HH | Value | No. of HH | Unit per HH per month | Value |
| | | | R | | | R |
| 2014/15 | 4 879 | | 5 847 800 | N/A | N/A | N/A |

Table 89.: Free basic Sanitation to indigent households

| Refuse Removal | | | | | | |
|----------------|---------------------|-------------------------|-----------|-------------------------|-----------------------|-------|
| Financial year | Indigent Households | | | Non-indigent households | | |
| | No. of HH | Service per HH per week | Value | No. of HH | Unit per HH per month | Value |
| | | | R | | | R |
| 2014/15 | 4 943 | Once a week | 4 472 249 | N/A | N/A | N/A |

Table 90.: Free basic Refuse Removal services to indigent households

| Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered | | | | |
|---|----------------|---------------------|---------------------|---------------------------------|
| Services Delivered | 2013/14 | 2014/15 | | |
| | Actual | Budget R'000 | Actual R'000 | Variance to Budget R'000 |
| Water | 5 489 | 4 917 | 4 805 | 111 |
| Waste Water (Sanitation) | 5 858 | 6 248 | 5 848 | 401 |
| Electricity | 2 107 | 2 478 | 2 231 | 247 |
| Waste Management (Solid Waste) | 4 526 | 4 4842 | 4 472 | 370 |
| Total | 17 980 | 18 485 | 17 356 | 1 129 |

Table 91.: Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered

The purpose of the Indigent Policy is to ensure that the subsidy scheme for indigent households forms part of the financial management system of Hessequa Municipality and to ensure that the same procedure is followed for each individual case. The policy also emanates from the objectives determined in Council's anti-corruption policy.

It is therefore against the above background that the Hessequa Municipality undertakes to promote the following principles:-

- To ensure that the portion for free basic services allocated as part of the equitable share received annually will be utilized for the benefit of the poor only and not to subsidize rates and services charges of those who can afford to pay;
- To link this policy with the Municipality's Integrated Development Plan (IDP),
- Local Economic Development (LED) initiatives and poverty alleviation programmes;
- To promote an integrated approach of free basic service delivery; and
- To engage the community in the development and implementation of this policy.



3.4 COMPONENT B: ROAD TRANSPORT

This component includes:

- roads;
- transport; and
- Waste water (stormwater drainage).

The Hessequa Local Integrated Transport Plan (HLITP) was reviewed in February 2013 and subsequently approved by Council. Funding for projects identified in the HLITP is subject to provincial funding through the Public Transport Fund. No funding was received from the Province the past few years and the issue was raised often at the N2 Working Group chaired by the Provincial Department of Transport.

3.4.1 Roads

A) Introduction to Roads

Only proclaimed main road projects were successfully completed the past year. Backlogs remain a major challenge and the maintenance funding is not sufficient to address structural failures of pavement condition. The funding shortages at municipal level for the maintenance of its roads networks were raised at provincial and national forums and there is a drive by all spheres of government to re-look the funding model for municipal roads.

B) Service Delivery Performance Information

| Gravel Road Infrastructure: Kilometres | | | | |
|--|--------------------|------------------------------|------------------------------|--------------------------------|
| Year | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2011/12 | 32 | 1.4 | 1.5 | 32 |
| 2012/13 | 42 | 10 | 0.4 | 32 |
| 2013/14 | 42 | 0 | 0 | 42 |
| 2014/15 | 42 | 0 | 0 | 42 |

Table 92.: Gravel road infrastructure

| Tarred Road Infrastructure: Kilometres | | | | | |
|--|--------------------|---------------|------------------------------|-------------------------------|----------------------|
| Year | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2011/12 | 231 | 0.4 | 12.7 | 2.0 | 231 |
| 2012/13 | 231 | 0 | 10.0 | 3.0 | 231 |
| 2013/14 | 231 | 0 | 0 | 2.7 | 231 |



| Tarred Road Infrastructure: Kilometres | | | | | |
|--|--------------------|---------------|------------------------------|-------------------------------|----------------------|
| Year | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2014/15 | 231 | 0 | 0 | 0 | 231 |

Table 93.: Tarred road infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

| Cost of Construction/Maintenance:R'000 | | | | | | |
|--|--------|-------------|------------|-----|-----------|------------|
| Year | Gravel | | | Tar | | |
| | New | Gravel- Tar | Maintained | New | Re-worked | Maintained |
| 2011/12 | 150 | 4 000 | 110 | 0.5 | 15.2 | 900 |
| 2012/13 | 5 000 | 150 | 3 000 | 1.5 | 9 000 | 2 000 |
| 2013/14 | 0.0 | 0.0 | 360 | 0.0 | 2 462 | 321 |
| 2014/15 | 0.0 | 0.0 | 137 | 0.0 | 0.00 | 1 233 |

Table 94.: Cost of construction / maintenance of roads

| Employees: Roads | | | | | |
|---|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2013/14 | | 2014/15 | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 16 | 16 | 15 | 1 | 6% |
| 4 - 6 | 44 | 43 | 39 | 4 | 9% |
| 7 - 9 | 14 | 14 | 12 | 2 | 14% |
| 10 - 12 | 3 | 4 | 4 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 76 | 77 | 70 | 7 | 9% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 95.: Employees : Roads



| Capital Expenditure 2014/15: Road Transport | | | | |
|---|------------------------|---------------------------|--------------------------------------|---|
| R | | | | |
| Capital Projects | 2014/15 | | | |
| | Adjusted budget | Actual Expenditure | Variance from adjusted budget | Comments |
| Upgrading of Sidewalks - Paving | 856 800 | 687 892 | (168, 908.14) | The tender prices for the sidewalk project come in much lower than the original cost estimate, thus led to a unspent balance of R 74 000 . The remaining unspent balance is for social and environmental project. |
| Upgrading of Streets - Slangrivier | 0 | 0 | 0 | The project didn't start due to changes in the MIG Priorities |
| Stormwater & Kerbing - Riversdal Rehabilitation of pipes | 0 | 0 | 0 | The project didn't start due to changes in the MIG Priorities |
| STORMWATER ALOERIDGE - RIVERSDAL | 1 736 764 | 1 521 883,20 | (214, 880.80) | It a saving on the project |
| Repair of Streets damaged by floods - Kwanokuthula | 2 491 949 | 0 | (2 491 949) | Hessequa Municipality received flood damage funds only in January 2015 and therefore the funds was rolled over to the 2015/16 financial year |
| Repair Streets damaged by floods - Oosthuizen Str | 1 442 100 | 0 | (1 442 100) | Hessequa Municipality received flood damage funds only in January 2015 and therefore the funds was rolled over to the 2015/16 financial year |
| Repair Major Stormwater damaged by floods - R/D | 7 515 761 | 0 | (7 515 761) | Hessequa Municipality received flood damage funds Only in January 2015 and therefore the funds was rolled over to the 2015/16 financial year |
| Repair Stormwater damaged by floods - Martin Johnson | 10 718 768 | 0 | (10 718 768) | Hessequa Municipality received flood damage funds only in January 2015 and therefore the funds was rolled over to the 2015/16 financial year |
| Repair of Streets damaged by floods | 227 500 | 227 500 | 0 | Budgeted amount spent. |
| Repair Stormwater | 126 000 | 67 126.00 | (58, 874) | Construction will only commence in the 2015/16 |



| | | | | |
|---|---------|------------|--------------|---|
| damaged by floods | | | | Financial year and therefore only fees was spend in the 2014/15 year. The project was later adjusted to only spend R86 000 in the 2014/15 year. |
| New Paved Streets - Jongensfontein (300m) | 80 000 | 30 172.98 | (49, 827.02) | Construction will only commence in the 2015/16 Financial year and therefore only fees was spend in the 2014/15 year. |
| 1 X 5m3 Tipper - Public Works | 700 000 | 687 074.95 | (12 925.05) | The tipper was purchased and the variance is a saving. |
| Reseal Main Road | 985104 | 0 | (985 104) | The project is managed by Province |

Table 96.: Capital Expenditure 2014/15 : Road Transport

3.4.2 Waste Water (Stormwater Drainage)

A) Introduction to Stormwater Drainage

The principles and procedures for stormwater management establishment and formalization were focused on:

- The hydrological modelling of urban and rural drainage regions;
- The hydraulic analysis of conduits and natural waterways;
- The compilation of management scenarios;
- To identify, prioritize, find solutions and costing to upgrade sub-standard systems and
- Maintenance management

B) Service Delivery Information

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

| Stormwater Infrastructure: Kilometres | | | | |
|---------------------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
| Year | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| 2011/12 | 80.4 | 1.0 | 1.0 | 80.4 |
| 2012/13 | 81.4 | 0.7 | 0 | 82.1 |
| 2013/14 | 82.1 | 0 | 0 | 82.1 |
| 2014/15 | 82.1 | 0 | 0.15 | 82.1 |

Table 97.: Stormwater Infrastructure

| Stormwater Infrastructure cost: R'000 | | | |
|---------------------------------------|------|----------|------------|
| Year | New | Upgraded | Maintained |
| 2014/15 | 0.00 | 1 716 | 232 |

Table 98.: Cost of construction / maintenance of stormwater systems

| Capital Expenditure 2014/15: Waste Water Management | | | | |
|---|-----------------|--------------------|-------------------------------|---|
| R | | | | |
| Capital Projects | 2014/15 | | | |
| | Adjusted Budget | Actual Expenditure | Variance from Adjusted budget | Comments |
| Upgrading of Bulk Sewerage | 1 964 043 | 0 | (1 964 043) | The Project formed part of the Consulting Engineers tender which had an appeal which led to final appointment by end of February 2015. The tender was only advertised in May 2015 and therefore the funds could not be spend and was transferred to the 2015/16 financial year. |
| Refurbishment Sewerage Works (Riversdale) | 840 970 | 220 226.79 | (620 743.21) | The funding was for counter funding for a MIG Project. |
| Refurbishment Sewerage Works (Riversdale) | 5 647 325 | 5 010 347.23 | (636,977.77) | Project is completed. |
| Upgrading of Sewerage Works (Stilbay) | 1 500 000 | 780 365.06 | (719 634.94) | The project was adjusted to only spend R750 000 in the 2014/15 financial year and the remaining R750 000 was transferred to the 2015/16 financial year |
| Upgrading of Sewerage Works | 200 000 | 0 | (200 000) | The adjusted R 200 000 was transferred to the 2015/16 financial year. |
| Melkhoutfontein Bulk Sewer | 2 300 000 | 131 578.95 | (2 168 421.02) | The consultant Engineer is currently busy with the design and was only R150 000 (VAT Incl) spend on fees in the 2014/15 financial year. The remaining balance of R 2150 000 was transferred to the 2015/16 FY and will Construction only commence in 2015/16. |

Table 99.: Capital Expenditure 2014/15: Waste Water Management

3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

The Department of Development Planning consists of the following three sections namely:

- Town Planning
- Building Control
- Environmental Management

The department focus primarily on the planning, design, implementation and management of public interventions in the development and use of land from site to supranational level. The intentions of these interventions are to widen choice, promote equity and ensure sustainable development. Individuals, groups and communities generate within society and economic activities, which place demand on the use of land. This department is concerned with the arrangement and allocations of these land uses and must ensure that development will take place in a healthy and orderly way to the social and economic advantage of the community.

3.5.1 PLANNING

A) Introduction to Planning

The following spatial development strategies have been formulated to correspond with the spatial development objectives:

- Consolidate and integrate spatial development by developing land in proximity to public transport facilities and existing services.
- Identifying zones of opportunity according to land needs.
- Pro-actively manage land use and set appropriate levels of service to achieve sustainability.
- Implement the principles of integrated Environmental Management
- Identify resources and manage land use in valuable resource areas.

The main focus on service delivery is the processing of land use applications and building plans and to investigate illegal building activities. With the introduction of a new GIS system and software, most land use applications and building plans can be processed within two weeks and finalized within three months.

B) Service Delivery Information

| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail | Formalization of Townships | | Rezoning | | Built Environment | |
| | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 |
| Applications received | 64 | 2 | 17 | 20 | 679 | 612 |



| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail | Formalization of Townships | | Rezoning | | Built Environment | |
| | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 |
| Determination made in year of receipt | 19 | 0 | 8 | 10 | 679 | 612 |
| Determination made in following year | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications withdrawn | 2 | 1 | 0 | 1 | 0 | 0 |
| Applications outstanding at year end | 39 | 0 | 9 | 10 | 0 | 0 |

Table 100.: Application for Land Use Development

| Employees: Planning and Environmental Services | | | | | |
|--|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2012/13 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 6 | 1 | 5 | 83.33% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | 5 | 2 | 2 | 0 | 0% |
| 10 - 12 | 1 | 3 | 3 | 0 | 0% |
| 13 - 15 | 2 | 4 | 3 | 1 | 25% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 10 | 16 | 10 | 6 | 37% |

Employees and Posts numbers are as at 30 June (includes 0 additional people on learnership)

Table 101.: Employees: Planning

3.5.2 LOCAL ECONOMIC DEVELOPMENT

A) Performance Highlights


Performance highlights with regard to the implementation of the LED strategy for 2014/2015 financial year are:


| Highlights | Description |
|---|---|
| Incentive Policy | <p>APPROVAL OF INCENTIVE POLICY, providing financial and non-financial incentives to attract new business to the area and expand local businesses to stimulate economic growth and creating employment opportunities was approved by Council on 02 December 2014.</p> |
| SMME Development & Training initiatives | <p>WORKS SKILLS PLACEMENT PROGRAMME</p> <p>Collaboration between the Municipality, the Department of Economic Development & Tourism and two local businesses in Heidelberg, where twenty (20) local unemployment youth were placed obtain life skills and work readiness training. During the six month placement period at the businesses, the learners received a stipend of R1500.00 per month.</p>  |
| | <p>SMME ENTREPRENEURS WEEK</p> <p>Entrepreneurs week held in partnership with the Department of Economic Development, SARS, Dept of Trade and Industry, National Youth Development Agency (NYDA), SEFA by having small business seminars across Hessequa Municipal Area focussing on business readiness, tender training, access to finance and human resource management.</p> |


Table 102.: LED Highlights

| | |
|--|--|
| | <p>AHI ENTREPRENEURIAL TRAINING</p> |
|--|--|



| | |
|----------|---|
| | <p>An entrepreneurial training week was held in Albertinia, a partnership between the Municipality, Albertinia Business Chambers and Afrikaanse Handelsinstituut. The focus of the five day training programme was to train local entrepreneurs, where after training certificates was issued to all twenty five participants whom completed the programme. Local participants were placed post the training programme with local businesses as part of the mentoring support post the training.</p>  |
| | <p>INFORMAL TRADING SURVEY</p> <p>A survey was conducted on informal traders in Heidelberg and Riversdale. The aim of the survey was to identify type of informal traders, identification of needs i.e. business infrastructure, access to financial and non-financial resources, proposed amendments to municipal informal by-law, in order to identify interventions to support informal traders to enter the formal economy of Hessequa.</p> |
| | <p>SMALL FARMERS SURVEY</p> <p>A survey was conducted in all towns in small scale farmer activities. The aim of the survey was to identify type of farming activity, identification of needs i.e. infrastructure, access to financial and non-financial resources, in order to identify interventions to support small farmers with farming activities.</p> |
| | <p>SEDA SMME TRAINING & INFORMATION TRAININGSESSIONS</p> <p>SEDA in partnership with Hessequa Municipality, held a number of training and information sessions with local entrepreneurs, specifically start-up businesses on basic business skills and provided information on services and support offered by SEDA. i.e. business plan development, marketing, access to finance etc.</p> |
| | <p>ENTREPRENEURS WEEK</p> <p>An Entrepreneurs week was held during October 2014 in collaboration with Department of Economic Development, SARS, Department of Trade & Industry, NYDA, SEFA and the Dept of Labour, whereby a range of seminars were presented on financial readiness, tender training and business plan development.</p> |
| <p>.</p> | <p>NATIONAL YOUTH DEVELOPMENT PROGRAMME</p> <p>An on-going development programme for youth entrepreneurs facilitated in joint effort between Hessequa Municipality and the NYDA. The purpose of the Entrepreneurial</p> |

| | |
|-----------------------------------|--|
| | <p>Development Programme is to equip youth emerging SMME's with skills and knowledge to become self-employed and build sustainable businesses.</p> |
| | <p>CAREER GUIDANCE EXHIBITION</p> <p>A total of 20 external stakeholder departments committed themselves to the project and contributed to a successful series of exhibitions i.e. South Cape Nursing College, PETROSA, Department of Health, Working on Fire, Department of Social Development, Independent Electoral Commission, SARS, Department of Agriculture, Forestry and Fisheries, Cape Peninsula University of Technology, Droom, LGSETA, CHIETA, PSETA, Department of Correctional Services, Department of Justice, UNISA, South Cape College, Department of Agriculture, and National Youth Development Agency. The event was attended by both current students and out of school youth, looking for career development opportunities. The information given at the exhibition stalls were absorbed with great enthusiasm, and the motivational talks from local role models gave many participants new perspective on their lives. There was a great need for career information from students, while out of school youth indicated the need for skills training, learnerships, jobs and self-employment opportunities.</p>   |
| | <p>CONTRACTOR DEVELOPMENT TRAINING</p> <p>Contractor Development training session was held in partnership with the Supply Chain Management Section, with local contractors focussing on compliance, health and safety, tendering and tender processes, costing & pricing and human resource management. The training was attended by 37 local contractors from the local area of Hessequa.</p>  |
| <p>Establishment of LED Forum</p> | <p>The LOCAL ECONOMIC DEVELOPMENT FORUM was established in November 2014, whereby an interim committee was elected. LED Forum established to create a platform</p> |

| | |
|---|--|
| | <p>for constructive dialogue between Municipality and private sector, to identify strategic interventions to stimulate economic development in the area.</p> |
| <p>Red Tape Reduction Process</p> | <p>RED TAPE can be defined as the non – essential procedures, forms, licences and regulations that add to the cost of dealing with government, or anything obsolete, redundant, wasteful or confusing that diminishes the competitiveness, which stands in the way of economic growth and job creation or waste of taxpayers time and money. The aim of the RED Tape Process is to create an enabling business environment, to foster economic growth and the creation of jobs. A Municipal Red Tape Reduction process was completed in February 2015, to address red tape at municipal level. A report on red tape challenges was compiled and recommendations which was tabled to Council. During the 2015/2016 financial year the action plan for implementation will be developed to cut red tape at municipal level.</p> |
| <p>Slangrivier Transformation Process</p> | <p>Hessequa Municipality forms part of the TRANCRAA Stakeholders Forum, which was established by the Department of Rural Development and Land Reform, consisting of all the community property associations nationally and per province, the various local municipalities, representatives from the Department and other stakeholders which would be co-opted should and when the needs arise. The purpose of the representation is to coordinate the local transformation process of Slangrivier. In collaboration with the Department of Rural Development and Land Reform, the local interim transformation committee of Slangrivier and the Municipality, the transformation process was revived earlier in 2015. To date a range of sessions was facilitated by the Department of Rural Development with Council, senior management on the roles and responsibilities of the Municipality with regards to the transfer of land.</p> |
| <p>Tourism Branding & Marketing</p> | <p>The official travel and tourism website of Hessequa Tourism: explorersgardenroute.co.za developed and launched. Working on developing the ‘industry resources’ page with tools for local business to help grow their tourism offerings and provide information, forms, etc. in one place explorersgardenroute.co.za/travel-trade</p> |
| | <p>N2 WELCOMING SIGNAGE Both welcoming boards have been erected at the borders to market the new brand and logo of Explorers Garden Route.</p>  |

REGIONAL DESK MAP PADS

Regional desk maps pads designed inhouse and distributed showcasing tourism activities in Hessequa Region as part of the marketing campaign to market Explorer's Garden Route.



REGIONAL DL BROCHURES

Designed in house with short generic sentence of each ton.

HEIDELBERG
Wine & wine experiences
From hill and wine experiences an abundant time with numerous hiking and fishing in one of the most scenically preserved regions of the Western Cape. Experience wine, organic, smoking, long walks, interesting art, antiques and handmade furniture.

SLANGRIVIER
Adventure Amakusany
Visit the famous Slangrivier Nature Park with its pristine trail life, in like the Blue Caves and Cape Slangrivier trails.

MELKHOUTFONTEIN
Historical breakfast
More than a fisherman's village, this is a community with a proud heritage that lives to cook and tell tales of days gone by. Visit the Anglican Church and enjoy the famous breakfast and lunches.

STILBAAI
Fish traps at fynbos rest
Rich in ecological beauty with the beauty of the Dinosaur Cave and ancient fish traps, here you will also find fynbos that grows nowhere else on earth and every type of outdoor activities to suit for the whole family.

WITSAND
Water adventure route
The whole history of southern Africa, when hundreds of blue granite cut each year in coffee and food while you can view from here. The Riversdale offers unlimited potential for water enthusiasts - from fishing, kite-surfing, stand up paddleboarding and much more.

RIVERSDALE
Sleeping beauty breakfast
Found peace in the shadow of the spectacular Sleeping Beauty, a well known peak in the Langberg Mountains. A wealth of outdoor activities, gourmet and lifestyle options await you.

www.explorersgardenroute.co.za



BASIC CUSTOMER CARE SERVICE TRAINING

Basic customer service training provided to local businesses, across Hessequa. In total 79 participants attended from local business from various sectors. The aim of the workshop focused on basic customer care skills in order to successfully deal and communicate with customers in a professional manner. Delegates gained basic understanding, knowledge and skills in communicating as well the foundation blocks to building relationships with customers.

B) Challenges: LED

Challenges with regard to the implementation of the LED strategy are:

| Description | Actions to address |
|--|---|
| Key challenge is the absence of a long term strategic framework providing direction to harness socio-economic development. | Focus in 2015/2016 financial year, in collaboration with the Strategic Services Section, to drive the process of developing a long term strategic framework guiding |

| Description | Actions to address |
|-------------|--|
| | municipal and civil society's interventions with the aim to harness socio-economic development in the Hessequa Municipal Area. |

Table 103.: Challenges: LED

C) LED Strategy

Hessequa Municipality through a PACA Process developed the LED Strategy, whereby seventeen initiatives were identified clustered into five themes i.e. sectoral (i.e. tourism, agriculture, property development), smme support & development, responsible and enabling public sector. Through the establishment of the LED Forum, the Municipality in collaboration with the external stakeholders, implement the initiatives. The LED Strategy is a working progress document and will be reviewed in the 2015/2016 financial year as part of aligning the document to the long term strategic development plan for Hessequa.

| 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 | 0 | 0 | 0 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 20% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 3 | 3 | 3 | 0 | 0% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 104.: Employees: LED and Tourisms



3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

Hessequa Municipality, in collaboration with the Provincial Library Service of the Western Cape provides a comprehensive library service to the people in the area. The Library Service strives to improve the quality of life of all inhabitants, change and uplift communities and promote literacy.

The Library Service endeavours to promote awareness of the benefits of library use within the whole community and continuously promotes a reading and learning culture with free access to information. The 10 formal library service points and 4 Wheelie Wagons make great effort to develop an educated society through programs that enhance literacy and culture including lifelong learning.

The museum service aims to promote respect for cultural diversity in South Africa and appreciation of our natural heritage. The museum service therefore sets out to build understanding and pride of our diverse heritage through the affiliated museums. Hessequa comprise of 2 official private sector driven museums and 1 Africana Centre managed by the municipality, which develops and promotes exhibitions and programs for educational purposes and the public interest.

Hessequa comprise of sporting facilities in all of its towns and is primarily used to host and promote competitive sporting events and secondary used to optimize social behaviour through sport and recreation especially for the school going youth through the MOD Centre program of the department of Cultural Affairs and Sport.

3.6.1 LIBRARIES

A) *Highlights: Libraries*

| Highlights | Description |
|--|---|
| Mandela Day, July 2014 | Outreach activities ranged from clean-up campaigns, food donations, visits to schools, old age homes, storytelling sessions and soup and sandwiches. |
| September 2014 International Day for People with Disabilities | A discussion was held on the topic of disabled people and their needs. Disabled people as well as some of their relatives did the presentation. |
| February 2015 Provincial Cultural Awards | Albertinia Public Library received an award for the best small public library in the Western Cape. |
| February 2015 Ministerial award | Anneline Kistor from the Vermaaklikheid Wheelie Wagon received the ministerial award for her service, dedication and leadership within the community. |



| Highlights | Description |
|---|--|
| March 2015 South African Library Week | South African Library Week was celebrated from 14 – 21 March 2015 with the theme; Connect @ your library. A wide range of activities were presented. |
| April 2015 World Book Day | World Book Day was celebrated with a competition for the best designed bookmark by learners of the Christ-like Academy. Library orientation classes dealing with the aspects of using a library were offered. |
| May 2015 Africa Day | Film festival in collaboration with the Provincial Library Service. Films were shown to Grade 6 and 7 learners from the three primary schools in Riversdale as well as the senior citizens from the old age homes. |
| May 2015 Readers Day | The SV Petersen Leesdag was held with presentations by the authors, Abraham de Vries, Marie Heese and Elias Nel |
| June 2015 SALGA Western Cape PEC Engagement – Eden District Municipalities, Brenton-on-Sea, Knysna | The Municipal Manager, mr J Jacobs, gave a presentation on the future of libraries |

Table 105.: Libraries Highlights

B) Service Statistics for Libraries

| Type of service | 2014/2015 | 2013/14 |
|----------------------|-----------|---------|
| Library members | 15236 | 15 048 |
| Items circulated | 462 463 | 457 502 |
| Exhibitions held | 571 | 585 |
| Internet users | 6130 | 3 236 |
| Literacy initiatives | 2900 | 1616 |

Table 106.: Service Statistics for 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 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 23 | 20 | 16 | 4 | 20% |
| 7 - 9 | 1 | 6 | 6 | 0 | 0% |
| 10 - 12 | 1 | 2 | 2 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 28 | 31 | 27 | 4 | 12.9% |
| <i>Employees and Posts numbers are as at 30 June.</i> | | | | | |

Table 107.: Employees: Libraries

3.6.2 CEMETERIES

A) Highlights: Cemeteries

| Highlights | Description |
|-------------------------------|--|
| Heidelberg cemetery extension | Aim Consulting Services prepared the final report for the approval of the EIA by the Dept or Environmental Affairs to extend the cemetery at erf 557 Heidelberg. |
| Albertinia cemetery extension | The Council negotiate to buy 3.57ha of land from owner of the farm Lentelus at Albertinia to extend the existing cemetery. |

Table 108.: Cemeteries Highlights

B) Challenges: Cemeteries

| Description | Actions to address |
|--|---|
| Environmental Authorization takes too long for approved. | Department of Environmental Affairs needs to provide Environmental Authorization quicker. |

Table 109.: Challenges: Cemeteries

3.6.3 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

A) *Introduction to Child Care, Aged Care and Social Programmes*

In Hessequa the aspects/programs/interventions for child- and aged care, falls under the ambit of the broader social development programs rolled out through the Thusong Centre program.

The municipality partner with various stakeholders, organizations and sector departments to assist with child care and Early Childhood Development (ECD) if and when required, for example; with registrations, capacity building, making available suitable land, as well as financial assistance.

The Youth Development Programme aims to enable youth to take responsibility for a positive lifestyle and to contribute through skills development, behaviour modification, recreation and to participate in family and community activities, as well as for their own mental health and emotional well-being. The programme operates from premise of encouraging positive behaviour through integrated social development programs utilizing social inclusion of "out of school" and "in school" youth to become responsible citizens through sport, life skills training, internships, etc. Hessequa municipality embraced the Chrysalis program of the provincial department of Public Safety as a conduit to achieve life skills development of youth. The youth are placed within the various departments in the municipality to further prepare them for the job market.

Emphasis is also on people with disabilities, drug abuse, gender and HIV/AIDS. Partnerships are also formed with relevant stakeholders to ensure bigger impact.

B) *Highlights: Child Care, Aged Care and Social Programmes*

| Highlights | Description |
|--|--|
| Thusong Centre Mobile outreach Programme | <p>The Thusong Centre Mobile Community outreach programme was the only Municipal outreach programme that reached a 100% target within the Western Cape. The aim of the programme is ;</p> <ul style="list-style-type: none"> To build communities and to change lives; To bring government services to communities especially to our rural areas; To build partnerships with national, provincial and local service providers; To give effect to the principles of "Batho Pele "we <i>belong, we care, we serve.</i> <p>Six outreach programs were conducted in the 2014/2015 financial year. These areas included, Slangrivier, Heidelberg,</p> |



| Highlights | Description |
|--------------------------------|---|
| | <p>Riversdale, Melkhoutfontein and Albertinia. The number of citizens that was reached through this initiative was four thousand eight hundred and twelve (4812).</p> <p>The success of this program lies within the fact that all our partners/ roll players are committed to bring along change within our communities;</p> <p>The Hessequa municipality are committed to continue with this program because we can see the impact this program makes within the lives of our people.</p> |
| <p>Hessequa Sport programs</p> | <p><i>"Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else can. Sport can awaken hope where there was previously only despair."</i> (Nelson Mandela, Laureus World Sports Awards Ceremony 2000)</p> <p>Our people love sport. Its values –fitness, fair play, teamwork and the pursuit of excellence are universal. At its best, it brings people together no matter what their origin, background, religious beliefs or economic status.</p> <p>When young people participate in sport or have access to physical education, they can build up their health and self-esteem, use their talents to the fullest, learn the ideals of teamwork and tolerance, and be drawn away from the dangers of drugs and crime.</p> <p>That is why the Department of Community services is turning more and more often to sport for help in our work in development and in our effort to achieve our goals.</p> <p>The sporting programs that the department conducted in this financial year included;</p> <p>Chess, Rugby, Netball, Mini Cricket, Golden Games, Athletics, Indigenous games, Table tennis, Soccer and Holiday programs. More than two thousand citizens could be reached through this programme.</p> <p>Initiatives that target the youth and unemployed are expected to contribute to crime prevention. Sport alone cannot prevent conflict or build peace. However, it can contribute to broader, more comprehensive efforts in a range of important ways. Sport can bridge relationships across social, economic and cultural divides within society, and build a sense of shared identity and fellowship among groups that might otherwise be inclined to</p> |



| Highlights | Description |
|------------|--|
| | <p>threaten each other with distrust, hostility or violence. The Department recognizes sport as a socially acceptable way for the youth to spend their time and energy without getting into trouble on the streets. The expression 'a child on court is a child out of court' has special relevance in this regard. The Department would like to provide for participation opportunities as an alternative to taking drugs and pursuing anti-social activities. Violence is often the result of deep-seated frustration and idleness. Such frustration can easily be redirected through sport, and this is a key focus of the Departments sporting programme.</p> |

Table 110.: Child Care, Aged Care and Social Programmes Highlights

C) Challenges: Child Care, Aged Care and Social Programmes

| Description | Actions to address |
|--|---|
| <p>The lack of funding will always be a big challenge in addressing social needs.</p> | <p>As department it will be impossible to address social needs alone. That is why it is important to partner with relevant stakeholders in addressing these needs. If you share resources a more effective service can be delivered and a bigger impact will be made.</p> |
| <p>Inter Departmental Relationships: Many challenges, internally, derive from poor inter departmental relationships. Poor relationships between departments, hampers effective service delivery. In our department , because of the nature of our work, it is necessary that we must get the buy in of other departments like Technical services, Co-operate services, Local economic development etc.</p> | <p>It is important that this challenge be addressed on management level.</p> |

Table 111.: Child Care, Aged Care and Social Programmes Challenges

D) Service Statistics for Child Care, Aged Care and Social Programmes

| Description | 2014/15 |
|---|---|
| <p>Municipal Outreach Programs (Jamboree's)</p> | <p>Six mobile programs has been conducted; Slangrivier (twice) (864) Heidelberg (1363) Alberinia (1150)</p> |



| Description | 2014/15 | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|--|-------|------------------|-----------|-----|-------------|-----|----------------|-----|-----------------------------|------|---------------|-----|------------|-----|------------|-----|----------|-----|-----------|-----|--------------|-------------|
| | Melkhoutfontein (563) Riversdale (872) The total number of people reached : 4812 | | | | | | | | | | | | | | | | | | | | | | |
| Delivery of water tanks | The amount of 132 water tanks was delivered over this period. | | | | | | | | | | | | | | | | | | | | | | |
| Hessequa Pro20 Rugby tournament | The Hessequa Pro20 rugby tournament took place on the 8 and 15 November 2014. This event formed part of the build-up to the Hessequa Rugby cup tournament, with eight participating teams; Rural, Slangrivier, Heidelberg, Riversdale Blues, Riversdale, Hessequa Municipality, Albertinia, Melkhoutfontein. | | | | | | | | | | | | | | | | | | | | | | |
| Sport and Coaching Clinics | <p>There was two MOD centres (Mass opportunity Development and Growth centres) established within Hessequa, one in Heidelberg and Riversdale. The aim of these centres is to promote</p> <ul style="list-style-type: none"> • Mass Participation – Providing school sport coaching for the masses; • Opportunity and access : Creating sport based access and opportunity for all; • Development and Growth : Developing and growing basic skills; <p>Sport : Providing school sport</p> <p>These coaching clinics are conducted daily with + - 40 learners participating on a daily basis.</p> <p>The sporting codes include chess, Hockey, Rugby, netball, Volleyball, indigenous sport, athletics, cricket, football and table tennis.</p> <p>During the Hessequa Rugby Cup 800 learners participated in the rugby development programme.</p> <p>During the opening of the Albertinia sport stadium mini cricket and Rugby clinics was conducted by South Western Districts.</p> | | | | | | | | | | | | | | | | | | | | | | |
| Life Skills Programs/ Nation Building | <p>Thusong E-Centre programme conducting basic computer training, C.V writing, access to internet etc.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">Number of visits</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">July 2014</td> <td style="text-align: center;">355</td> </tr> <tr> <td style="text-align: center;">August 2014</td> <td style="text-align: center;">551</td> </tr> <tr> <td style="text-align: center;">September 2014</td> <td style="text-align: center;">603</td> </tr> <tr> <td style="text-align: center;">October 2014 - January 2015</td> <td style="text-align: center;">1419</td> </tr> <tr> <td style="text-align: center;">February 2015</td> <td style="text-align: center;">459</td> </tr> <tr> <td style="text-align: center;">March 2015</td> <td style="text-align: center;">602</td> </tr> <tr> <td style="text-align: center;">April 2015</td> <td style="text-align: center;">678</td> </tr> <tr> <td style="text-align: center;">May 2015</td> <td style="text-align: center;">681</td> </tr> <tr> <td style="text-align: center;">June 2014</td> <td style="text-align: center;">443</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: center;">5791</td> </tr> </tbody> </table> | Month | Number of visits | July 2014 | 355 | August 2014 | 551 | September 2014 | 603 | October 2014 - January 2015 | 1419 | February 2015 | 459 | March 2015 | 602 | April 2015 | 678 | May 2015 | 681 | June 2014 | 443 | TOTAL | 5791 |
| Month | Number of visits | | | | | | | | | | | | | | | | | | | | | | |
| July 2014 | 355 | | | | | | | | | | | | | | | | | | | | | | |
| August 2014 | 551 | | | | | | | | | | | | | | | | | | | | | | |
| September 2014 | 603 | | | | | | | | | | | | | | | | | | | | | | |
| October 2014 - January 2015 | 1419 | | | | | | | | | | | | | | | | | | | | | | |
| February 2015 | 459 | | | | | | | | | | | | | | | | | | | | | | |
| March 2015 | 602 | | | | | | | | | | | | | | | | | | | | | | |
| April 2015 | 678 | | | | | | | | | | | | | | | | | | | | | | |
| May 2015 | 681 | | | | | | | | | | | | | | | | | | | | | | |
| June 2014 | 443 | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 5791 | | | | | | | | | | | | | | | | | | | | | | |



| Description | 2014/15 |
|--|--|
| <p>Hessequa Youth Development Programme</p> | <ul style="list-style-type: none"> ❖ Due to the fact that all the Socio – Economic challenges, has a direct impact on the youth; our office are fully aware of the importance to capacitate the youth with the necessary skills, knowledge and hope for tomorrow. ❖ For the financial year we've managed to successfully held the following programmes and activities: ❖ School Holiday program during June-July 2014 where we reached 400 kids. ❖ An Eight week HIV/AIDS Peer Educator course for Heidelberg with 21 participants and Riversdale with 18 participants. ❖ World Aids Day event, with 70 participants; where the HIV/AIDS Peer educator course learners, receives their certificates. ❖ The Special Community Church service for Matriculates and students, get bigger every year. We've manage to reach +- 300 Youngsters during October 2014. ❖ Our office exceed our previous attendance during our annual Hessequa Chess Championships, in November 2014; with 11 Schools and 120 learners who participate in the championships. ❖ Our office succeed in reach 152 High school learners in Heidelberg and Melkhoutfontein, with our teenage pregnancy awareness program, during February 2015. ❖ For the past financial year, 16 Daughters and 12 Sons, went through the Chrysalis program successfully. ❖ During May this year, our office successfully coordinate and facilitates, a Hessequa Youth Camp for 40 learners and 9 Chrysalis students. ❖ The office in partnership with the Local Economic Development Office, successfully held a Career Exhibition for every town within Hessequa as a Youth month initiative. We've manage to reach 707 youngsters. |
| <p>Early Childhood Development within Hessequa</p> | <ul style="list-style-type: none"> ❖ The office cannot put more emphasis on the importance of Early Childhood Development, within Hessequa. We are fully aware of the fact that, these level are the most important level, for creating a healthy community. ❖ During March 26, 2015 we've manage to held an Early Childhood Development summit, with various Early Childhood participants within the whole Hessequa. We have succeed to zoom into the challenges ECD Centres facing, roles and responsibilities of various role-players and the legal requirements for registering ECD Centres. <p>With the intervention of various role-players, we have managed to open the doors of Lukhanyo Creche.</p> |
| <p>People with Disabilities initiative</p> | <ul style="list-style-type: none"> ❖ The office understands the challenges people with disabilities area facing, for that reason People with disabilities are part of the various initiatives and programmes on our annual calendar. ❖ During October 2014, we've manage to held a People with Disability awareness program, for 60 participants; as part of the building up to |



| Description | 2014/15 |
|--|---|
| | November 2014 as People with Disability awareness month and the 16 days of activism, against violence on women and children. |
| Hessequa Social Development Advisory Forum | ❖ The office manage to hold a successful Hessequa Social Development Summit, with the aim to gather all the Social Development role-players and zoom into the Social Development issues within Hessequa. The ultimate outcome of the summit was to, establish a Hessequa Social Development Advisory Forum. It is good to report that the Advisory forum is up and running. |
| Older person initiative | ❖ One of the most important target groups is our Older persons. Our office manage to successfully hold the Older Persons sports day on the 24 September of each year. From this year on, we will take part in the Regional, Provincial and National Golden Games. For the Region Golden Games which were held in Mosselbay on May 26 th ; 28 Older Persons took part. |
| Planning | ❖ Due to limited funds and human resources within our office, we could not zoom into Older Persons programmes and Substance Abuse. These two important initiatives will form part of our priorities for 2015/2016. |
| Special events hosted | <p>Sporting/ Cultural Events:</p> <p>The opening of the Albertinia sport stadium was on 1 May 2015 with a provincial rugby game between SWD eagles and Border.</p> <p>The Hessequa municipality hosted the Regional Domino tournament on 27 July 2014 with participating teams from Boland, SWD and Hessequa.</p> <p>The Hessequa Municipality hosted successful Arts Cape productions on the 1st and 2nd October 2014. Training courses for local community choirs was also conducted.</p> <p>The Eden Drama Festival took place on 8 August 2014 to promote drama within our local communities.</p> <p>The Hessequa Rugby Cup tournament forms part of the Municipalities yearly tournaments which take place in February, March every year.</p> <p>The Hessequa Schools athletics fund raising event took place on 13 March 2015 with more than 200 athlete's participating.</p> |

Table 112.: Service statistics for Child Care, Aged Care and Social Programmes

| Employees: Child Care, Aged Care, Social Programmes | | | | | |
|--|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| 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 | 2 | 2 | 0 | 0% |
| 7 - 9 | 0 | 6 | 1 | 5 | 83% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |
| 13 - 15 | 0 | 1 | 0 | 1 | 100% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 5 | 11 | 5 | 6 | 54% |
| <i>Employees and Posts numbers are as at 30 June</i> | | | | | |

Table 113.: Employees: Child Care, Aged Care and Social Programmes

3.7 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes:

- Pollution control
- Biodiversity and landscape
- Coastal protection

3.7.1 INTRODUCTION TO ENVIRONMENT PROTECTION

Hessequa Municipality developed an Air Quality Control plan as well as a Climate Change Adaptation Plan during the 2013/14 financial year, for both these plans 2014/15 was their first year of implementation. It should be noted that both plans were adopted by Council and an Air Quality Management Officer as well as a Climate Change Management Officer was appointed as a direct result of the adoption of these plans. We are also in the process of addressing the dune management issue for our region. During 2014/15 two dune management plans was submitted to the Department of Environmental Affairs and Development Planning (DEA&DP) for approval.

River control on our four rivers took on the form of access control points and physical patrols on the estuaries itself in order to ensure compliance with environmental legislation and municipal bylaws. The inauguration of National Estuary Management Protocol in 2014 means that the Breede River (Estuary)

now falls under the mandate of DEA&DP and the management authority for the Gouritz Estuary is Eden District Municipality (EDM).

The municipality has a range of nature reserves with an assortment of critically endangered biomes and we are in the process of registering it under the Stewardship Program as rolled out by Cape Nature. DEA&DP awarded Hessequa Municipality as the Best Municipality within the Western Cape with regards to Bio-diversity and Coastal Management for the third consecutive year, during the annual Greenest Municipality Awards. The Greenest Municipality Competition entails the submission of a questionnaire with associated evidence to proof that projects (as indicated in questionnaire) was done. The themes covered by the competition includes Biodiversity and Coastal Management, Climate Change, Leadership, Water and Waste. All municipalities within the Western Cape are invited to enter and for 2014 19 municipalities entered excluding the districts and Metro, in this regards Hessequa Municipality came second overall. The municipality also registered nine Eco-Schools during 2014/15.

3.7.1.1 *POLLUTION CONTROL*

The Hessequa Municipality has Air Quality By-laws which was adopted and approved by Council and which is currently being enforced by Eden District Municipality in conjunction with Hessequa. Hessequa Municipality also have a dedicated air quality officer (approved by Council) as well as an approved Air Quality Management Plan, therefore completing the municipality's air quality infrastructure as required under the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004) (AQMA). In terms of section 15(2) of the Act each municipality must include in its Integrated Development Plan (IDP) contemplated in chapter 5 of the Municipal Systems Act, an air quality management plan (AQMP), this has also been done.

Other initiatives under air quality management was the designing, printing and distribution of an Air Quality Management Flyer and Brochure. These two documents are available on the municipal internet site.

The Hessequa Municipality in conjunction with Eden District Municipality: District Air Quality Unit recently embarked on an air quality project, namely the Clean Fire Campaign. The project was identified due to poor air quality in especially the informal settlements, caused by fires used for household purposes such as cooking and heating.

This project rolled out in Albertinia and Riversdale during the week of 13-17 April 2015. The project entailed the selection of peer educators by the Hessequa Municipality: Environmental Services. Twenty Peer educators were recruited through a selection process.

SA Teacher was the appointed service provider to educate peer educators on air pollution, the health effects thereof and how the communities that are largely dependent on fires for household purposes, can reduce the effects of fires on the environment and their health.

3.7.1.2. *BIO-DIVERSITY AND LANDSCAPE*

As previously mentioned the municipality is in the final stages of registering our nature reserves under the Cape Nature Stewardship Program.

Follow-up and alien clearance projects totals approximately 350ha on municipal land including the Pauline Bohnen and Werner Frehse Nature Reserves. In addition to the aliens cleared, erosion control projects were also rolled out in areas with hiking trails such as those in the municipal nature reserves. For 2014/15 the municipality again invested large amounts of resources into the expansion of the Tuin-op-die-Brak. The municipality entered two environmental orientated competitions one the Arbour City awards (National) and the Greenest Municipality Awards (Provincial). We won the category for Biodiversity and Coastal Management (best municipality in the Western Cape in managing these biomes) and came second overall.

The municipality successfully revised their 2008 State of the Environment Report (SOER) in 2014/15 which is now called the 2015 Revised SOER. In addition a booklet which was distributed to the relevant municipal departments regarding the National Environmental Management Act: Listed Activities was also developed. The rationale behind the booklet is to ensure that Building Control, Town Planning and the Technical Department can make informed decisions with regards to what activities is allow and which are not. The booklet has also been made available on the municipal website. Another booklet which was developed was the "INDIGENOUS VEGETATION INFORMATION & MANAGEMENT GUIDELINE" which strives to direct the municipality in the management of indigenous vegetation which includes relevant guidelines and a list of protected trees relevant to our area. This guideline was also distributed to the relevant departments and made available to the public on the municipal website.

2014/15 also saw the launching of the municipality's #100000TreeCampaign which is mostly internet based. The campaign strives to plant 100 000 indigenous trees within the municipal area, with the cooperation and assistance of the community. Community members are encouraged to register all the indigenous trees they plant and make it part of the tally.

Coastal Protection

A Maintenance Management Plan for work to the Kraaltjie (slipway) was compiled and submitted to DEA&DP, an Environmental Authorizations was accordingly obtained in the 2014/15 financial year and actual construction commenced in May 2015. Another Maintenance Management Plan was compiled for the Jongensfontein 'Swemstrand' and Environmental Authorization was also obtained for a period of 5 years.

Environmental Authorization was obtained from the department to construct a Jetty in Gouritsmond in 2012. The Jetty was demolished by a flood in January 2014 and reconstructed in November 2014 by the municipality.



The western bank of the Goukou estuary for a distance of 1.7 km from the mouth of the river was stabilized by the municipality during April – June 2015 as the area experienced serious erosion problems. Continuous maintenance to the Lappiesbaai dunes also took place.

3.8 COMPONENT F: SECURITY AND SAFETY

This component includes:

- traffic;
- law enforcement;
- fire and
- disaster management

3.8.1 INTRODUCTION TO SECURITY AND SAFETY

The department Protection Services consists of the following sections:

- Traffic law enforcement
- Traffic agency services
 - Motor registrations
 - Licensing
 - Roadworthiness
- Law enforcement (by-laws)
 - Municipal Animal pound
 - Technical services (road maintenance)
- Disaster management
- Fire Brigade Services (contracted service)

3.8.2 TRAFFIC SERVICES AND LAW ENFORCEMENT

A) *Highlights: Traffic Services and Law Enforcement*

| Highlights | Description |
|--|--|
| 1 st Prize for Traffic exhibition – Riversdale show grounds | Uniform disciplines showcase their gadgets and provide useful information to public |
| Learners License Scholar Patrol project fully operational in 4 schools | Students were taught and tested for learners license, at no cost to them and officials did it afterhours without numeration |
| Scholar Patrol project fully operational in 3 schools | Scholar patrol is now established and will soon be implemented in most of Hessequa's schools, the schools that first targeted was, Panorama, Bertie Barnard and Albertinia Primary |
| Training of Law Enforcement Officers to Traffic Wardens | We had officers that was trained as Law Enforcement Officers and was only able to enforce the Municipal By-laws, they were |

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| | |
|---|--|
| | sent to City of Cape Town Metro to be trained as Traffic Wardens that enable them to still enforce the Municipal By – laws but also enforce part of the National Road Traffic Act 93 of 1996 (NRTA) |
| The Roadworthy Centre achieving a 100% audit report from the Provincial Department of Transport | The Roadworthy Centre will get an unscheduled inspection from the Provincial or National Department of Transport, to see that the centre is in compliance with National and Provincial. If the centre is not compliant they, the National Department of Transport, can close the centre and that can lead to disruption on service delivery. |
| Hessequa Career Exhibition | The Hessequa Career exhibition was held throughout the Hessequa region. All towns Stilbay, Albertinia, Heidelberg Slangrivier and Riversdale were visited in conjunction with other Government and non government organisations. Protection services were discussed as career as well as giving advice on traffic related matters. |

Table 114.: *Traffic Services and Law Enforcement Highlights*

B) *Challenges: Traffic Services and Law Enforcement*

| Description | Actions to address |
|---|--|
| Unable to address all law offences and other municipal by-laws due to personnel constraints. | Appoint more law enforcement officers and funding for additional vehicles |
| Unable to serve all the towns within the Hessequa region due to personnel and vehicle shortages | Appoint more law enforcement officers and funding for additional vehicles |
| Poor morale of traffic officers | Training of personnel (K53 -DRIVING LICENSE), EO (Examiners of Vehicles), Advance Driving, Self-defence courses. |

Table 115.: *Traffic Services and Law Enforcement Challenges*

C) *SERVICE STATISTICS FOR TRAFFIC SERVICES AND LAW ENFORCEMENT*

| No. | Details | 2014/15 |
|-----|---|------------|
| | | Actual No. |
| 1 | Number of by-law infringements attended | 404 |
| 2 | Number of officers in the field on an average day | 5 |
| 3 | Number of officers on duty on an average day | 9 |

Table 116.: *Service Statistics: Law Enforcement*

| Additional Performance Information for Traffic Services and Law Enforcement | | |
|---|---------|---------|
| Type of service | 2014/15 | 2013/14 |
| Animals impounded | 789 | 45 |
| Motor vehicle licenses processed | 22 381 | 19 999 |
| Learner driver licenses processed | 1 352 | 1 132 |
| Driver licenses processed | 2 489 | 3 650 |
| Driver licenses issued | 575 | 2 587 |



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| | | |
|--|---|--|
| Fines issued for traffic offenses | 3173 | 2 720 |
| R-value of fines collected | 1330200 | 929 111 |
| Operational call-outs | 30 | 9 |
| Roadblocks held | 5 | 6 |
| Complaints attended to by Traffic Officers | 212 | 34 |
| Special Functions–Escorts | 24 | 11 |
| Awareness initiatives on public safety | <p>School project = Daantjie kat 12 interventions.</p> <p>Schools are visited to inform scholars on traffic safety</p> <p>Pianting and training of toddlers on junior traffic training centre</p> <p>Eden Soup drive =3</p> <p>Show grounds traffic exhibition =1</p> <p>The show ground have an annual exhibition in Riversdale and we have been part of the exhibition for the passed years. We have this year, 2015 won the first price for the most informative exhibition.</p> <p>December and Easter welcoming =2</p> <p>Smoke emission tests =1</p> <p>Scholar patrols =20</p> | <p>School projects (Danny Cat) =8</p> <p>School projects (learners training and classes) per school =3</p> <p>School project = Daantjie kat</p> <p>Eden Soup drive =3</p> <p>Show grounds traffic exhibition =1</p> <p>December and Easter welcoming =2</p> <p>Smoke emission tests =1</p> <p>Scholar patrols =20</p> <p>Driver of the Year (DOTY)</p> |

Table 117.: Additional performance information for Traffic Services and Law Enforcement

| Employees: Traffic Services and Law Enforcement | | | | | |
|--|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2012/13 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 3 | 3 | 3 | 0 | 0% |
| 4 - 6 | 8 | 9 | 9 | 0 | 0% |
| 7 - 9 | 14 | 7 | 7 | 0 | 0% |
| 10 - 12 | 5 | 10 | 10 | 0 | 0% |
| 13 - 15 | 1 | 2 | 2 | 0 | 0% |
| 16 - 18 | 0 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 31 | 32 | 32 | 0 | 0% |
| Employees and Posts numbers are as at 30 June | | | | | |

Table 118.: Employees: Traffic Services and Law Enforcement

The Fire Brigade Services for the 2014/15 financial year was partially rendered by Eden District Municipality via a service level agreement from July 2014 till September 2014. Assistance under the



agreement made provision for the rendering of a service in instances of structural fires, road traffic accidents and commonage fires.

From October 2014, the service was rendered by a service provider called FFA Operations (Pty) Ltd, until end June 2015. The contract were also extended with 1 month until end of July 2015

Negotiations were initialised with Eden for assistance to establish a Hessequa Fire Brigade services internally, but was not successful. A request was also forwarded to the Minister of Local Government, Western Cape, to appoint a category of authorised persons to conduct an investigation into the establishment of a Hessequa Fire Brigade Services. The request was approved by the Minister and the investigation was conducted during April 2014. The CAPS report was received and contained recommendations based on the prescripts of the relevant SANS Codes.

The implementation of an internal fire brigade services proved to be a costly exercise for the municipality, and a phased approach will have to be followed to eventually establish a fully fledge service as required by legislation and SANS Codes. A well-motivated input will be referred to the 2016/17 budgetary process. Further negotiations will also be undertaken with Eden District municipality in order to conclude a Mutual Aid Agreement, as well as other potential government structures, including PetroSA. The provincial government will also be engaged for further assistance in this regard.

3.8.3 DISASTER MANAGEMENT

During the period of July 2014 and end of June 2015 we did not have any major Disaster incidents in the Hessequa Municipal area. We had normal rains and the challenges was that we had request for informal structural integrity that was compromised, and we had to assist by providing material to mitigate the problem of roof leakages.

Schools were visited to promote the awareness of disasters with special emphasis being placed on veldt fires as these are common in our region.

3.9 COMPONENT G: SPORT AND RECREATION

This component includes:

- community parks;
- sports fields;
- sports halls;
- stadiums;
- swimming pools; and
- Camp sites.



3.9.1 SPORT AND RECREATION

A) Introduction

The extent of the existing infrastructure for parks and resorts are summarized in the following table:

| Asset | Unit | Number |
|----------------|-------------------------|--------|
| Parks | Play parks | 32 |
| Sports Grounds | Community sport grounds | 7 |
| Camp Site | Resorts for public | 6 |
| Swimming Pools | Community pools | 3 |

Table 119.: Summary of existing assets: Sport and Recreation

B) Highlights: Sport and Recreation

| Highlights | Description |
|---|---|
| Marketing and uplifting of resorts. Maintenance and extension of facilities. Awards | <p>All the resort become members of Western Cape Resort Association. Hessequa website promotes the Resorts.</p> <p>The Council approved much more capital projects in the 2014/15 capital budget as in the past - R1.3m Previously about R400 000. (Facilities can be upgraded.)</p> <p>The periodic inspections and maintenance of play parks and other recreational facilities improves.</p> <p>A new extension of Riversdale cemetery was developed and Albertinia and Heidelberg cemeteries are in the process of being extension.</p> <p>The use of contractors to manage the cleaning and security of resorts and blue flag beaches during peak season was implemented and cost effective.</p> <p>Hessequa Municipality is the first Municipality in South Africa that have all their beaches on the Blueflag program</p> <p>Hessequa Municipality submitted the Application for the Greenest Municipality Competition and Arbor City Award.</p> |

Table 120.: Sport and Recreation Highlights

C) Challenges: Sport and Recreation

| Description | Actions to address |
|--|--|
| Budget and upgrading. Communication | <p>To improve the income (profits) of resorts in general and to get more tourists to visits our resorts and tourism attractions.</p> <p>To identify events and organize events that improve tourists amounts to our region and resorts for example bike events and festivals.</p> <p>To uplift our customer care / services of resorts and facilities in Hessequa</p> <p>Create opportunities for growth of visitors.</p> <p>Improve skills of workers.</p> <p>Electronic booking systems to all resorts.</p> <p>Approving of all 6 beaches by WESSA as blue flag beaches for 2014 season.</p> |



| Description | Actions to address |
|-------------|---|
| | (Upgrade and marketing to improve visitors) |

Table 121.: Challenges: Sport and Recreation

D) Service Statistic for Sport and Recreation

| Type of service | 2014/15 | 2013/2014 |
|--|-----------|-----------|
| Community parks | | |
| Number of parks with play park equipment | 32 | 28 |
| Number of wards with community parks | 8 | 8 |
| Swimming pools | | |
| Number of visitors per annum | + - 13800 | + - 12000 |
| R-value collected from entrance fees | R59 984 | + - 52000 |
| Camp sites/Resorts | | |
| Number of visitors per annum | 40 000 | 34 500 |
| R-value collected from visitation and/or accommodation fees | 9 173 389 | 7 500 000 |
| Sport fields | | |
| Number of wards with sport fields | 7 | 8 |
| Number of sport associations utilizing sport fields | 10 | 15 |
| R-value collected from utilization of sport fields | 19 369 | 26 000 |
| Sport halls | | |
| Number of wards with sport halls | 12 | 8 |
| Number of sport associations utilizing sport halls | 15 | 15 |
| R-value collected from rental of sport halls (community halls) | 238 848 | 280 000 |

Table 122.: Additional performance information for Sport and Recreation



| Employees: Parks 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 | 52 | 56 | 50 | 6 | 11% |
| 4 - 6 | 49 | 35 | 32 | 3 | 9% |
| 7 - 9 | 12 | 7 | 7 | 0 | 0% |
| 10 - 12 | 0 | 3 | 0 | 3 | 100% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 113 | 101 | 89 | 12 | 12% |
| Employees and Posts numbers are as at 30 June | | | | | |

Table 123.: Employees: Parks and Recreation

| Capital Expenditure 2014/15: Sport and Recreation | | | | |
|--|------------------------|---------------------------|--------------------------------------|---|
| R | | | | |
| Capital Projects | 2014/2015 | | | |
| | Adjusted Budget | Actual Expenditure | Variance from Adjusted budget | Comments |
| UPGRADING OF SPORT FACILITIES - THERONSVI | 1 627 918 | 1 422 133.66 | (205, 784.34) | The project was successfully completed |
| Upgrading of Theronville – Phase 1 | 543 364 | 543 364 | 0.00 | Project is complete |
| Upgrading of Theronville – Phase 1 | 847 917 | 444 956.14 | (402 960.86) | Project are completed. The balance are allocated toward Retention which will be paid out after 12 month liability period. |

Table 124.: Capital Expenditure 2014/15 : Sport and Recreation

3.10 COMPONENT H: SERVICE DELIVERY PRIORITIES FOR 2014/15

The main development and service delivery priorities for 2014/15 forms part of the Municipality's top layer SDBIP for 2014/15 and are indicated in the table below:

3.10.1 AN ACCOUNTABLE LOCAL AUTHORITY

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|--|--|-------|---------------|
| TL1 | Development of a Performance Management Policy | Number of | All | 1 |
| TL2 | Development of Integrated Strategic Framework | Number of | All | 1 |
| TL3 | Establishment of ICT Disaster Recovery(DR) Site | Number of | All | 1 |
| TL4 | Annual Software licensing audit | Number of | All | 1 |
| TL5 | Submission of ICT Governance Framework for approval by Council | Number of | All | 1 |
| TL6 | Implementation of Domain Group Policies | Number of | All | 1 |
| TL7 | Development of Area Plans for Kwanokuthula, Melkhoutfontein and Bietouville | Number of | 2; 8 | 2 |
| TL8 | Compiling the IDP 2014/2015 Executive Summary | Number of | All | 1 |
| TL12 | Maintain a Vacancy Rate of less than 10% of budgeted staff establishment | % Vacancy Rate | All | 10% |
| TL13 | Organisational Review of the Municipal Manager's Office and Resorts | Number of reports submitted to Portfolio Committee Meeting | All | 1 |
| TL17 | Review of Client Service Standards | Number of review reports submitted to Portfolio Committee Meeting | All | 1 |
| TL18 | Submit a Liquidity Report of the Municipality to the Financial Portfolio Committee by end November 2014. | Number of liquidity reports submitted to Portfolio Committee | All | 1 |
| TL19 | Submit a report on Borrowing Funds and Reserves to the Financial Portfolio Committee | Number of borrowing and reserve funds reports submitted to Portfolio Committee | All | 1 |
| TL20 | Management of Income thresholds higher than 95% | % Income | All | 95% |



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| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|--|---------------------------|-------|---------------|
| TL22 | Evaluate land use applications within 60 days after receipt of all outstanding and relevant information and documents | % applications evaluated | All | 90% |
| TL23 | Approve/reject building plans within 30 days for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information required is correctly submitted | % of plans evaluated | All | 90% |
| TL27 | Submission of reviewed Human Settlements Plan to Executive Mayoral Committee | Number of | All | 1 |
| TL28 | Development of a HCE Implementation Plan | Number of | All | 1 |
| TL29 | Development of a database of all outstanding transfers of pre - 1994 housing schemes, in the Hessequa region | Number of | All | 1 |
| TL35 | Limit Water losses to 30% | % unaccounted water | All | 30% |
| TL36 | Limited Electricity losses to 10% | % unaccounted electricity | All | 10% |
| TL40 | Monthly Head and Sups progress meetings | Number of meetings held | All | 10 |

Table 125.: Service Delivery Priority for 2014/15 : An Accountable Local Authority

3.10.2 ECONOMIC GROWTH

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|--|---------------------|-------|---------------|
| TL9 | Compile a SMME Framework for small, medium and micro enterprises and implementation Plan and submit to Council | Number of | All | 1 |
| TL10 | Compile a Commonage Framework and submit to Portfolio Committee | Number of | All | 1 |
| TL11 | Compile a Destination Marketing Plan and submit to Council | Number of | All | 1 |

Table 126.: Service Delivery Priority for 2014/15: Economic Growth



3.10.3 EFFECTIVE COMMUNICATION

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|--|--|-------|---------------|
| TL16 | Complete a Public Communication Survey and submit the report to the Portfolio Committee by end November 2014 | Number of reports submitted to Portfolio Committee Meeting | All | 1 |

Table 127.: Service Delivery Priority for 2014/15: Effective Communication

3.10.4 HERITAGE OF PRESERVATION

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|---|-------------------------|-------|---------------|
| TL21 | Review of the State of the Environment Report (SOER) by June 2015 | Number of SOER reviewed | All | 1 |

Table 128.: Service Delivery Priority for 2014/15: Heritage of preservation

3.10.5 MAINTENANCE AND DEVELOPMENT OF INFRASTRUCTURE

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|--|--|-------|---------------|
| TL14 | 95% Expenditure of approved budget for maintenance of Municipal properties | % budget spent | All | 95% |
| TL15 | Development of a Municipal Property Maintenance Plan | Number of reports submitted to Mayoral Committee | All | 1 |
| TL33 | 90% Expenditure of the approved Capital Budget | % capital budget spent | All | 90% |
| TL34 | 80% Expenditure of the approved Operational Budget | % Operational budget spent | All | 80% |
| TL37 | Provision of waste disposal facility operation license | Number of | All | 3 |
| TL38 | Extension of cemeteries Albertinia en Heidelberg | Number of projects completed | 3; 6 | 2 |
| TL39 | Temporary jobs created through EPWP | Number of jobs created | All | 49 |

Table 129.: Service Delivery Priority for 2014/15: Maintenance and development of infrastructure

3.10.6 SAFE COMMUNITIES

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|---|--|-------|---------------|
| TL24 | Achieve an average of 80% Formal Provincial audits on the Licensing Agency Services | Average % achieved | All | 80% |
| TL25 | Traffic safety initiatives per quarter | Number of initiatives per quarter | All | 12 |
| TL26 | Number of integrated vehicle checkpoints per quarter | Number of integrated vehicle checkpoints per quarter | All | 4 |

Table 130.: Service Delivery Priority for 2014/15: Safe Communities

3.10.7 SOCIAL WELLBEING

| Ref | KPI | Unit of Measurement | Wards | Annual Target |
|------|---|---------------------|-------|---------------|
| TL30 | Establishment of the Hessequa Social Development Advisory Forum | Number of | All | 1 |
| TL31 | Social Development Summit | Number of | All | 1 |
| TL32 | Review of the Social Development Plan | Number of | All | 1 |

Table 131.: Service Delivery Priority for 2014/15: Social Wellbeing



Chapter 4:

Organisational Development

Performance



CHAPTER 4

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 Municipal Systems Act of 2000. These key performance indicators are linked to the *Municipal Transformation and Organisational Development* National Performance Area:

Municipal Transformation and Organisational Development.

| KPA & Indicators | Municipal Achievement | 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 | 36 | 28* |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.8% based on personnel budget | 0.85% based on personnel budget |

Table 132.: National KPIs- Municipal Transformation and Organisational Development

* Excludes white females as reflected in 2014/15

4.2 Introduction to the Municipal Workforce

The Hessequa Municipality currently employs 545 (including fixed term contract employees) officials, who individually and collectively contribute to the achievement of Municipality's objectives.

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 June | Actual June | Target June | Actual June | Target June | Actual June |
| 42 | 37 | 467 | 423 | 0 | 0 | 111 | 85 |

Table 133.: 2013/14 EE targets/Actual by racial classification

| Male | | | Female | | | Disability | | |
|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Target June | Actual June | Target reach | Target June | Actual June | Target reach | Target June | Actual June | Target reach |
| 385 | 381 | 98% | 235 | 164 | 69% | 4 | 4 | 100% |

Table 134.: 2014/15 EE targets/actual by gender classification

B) Employment Equity vs. Population

| Description | African | Coloured | Indian | White | Total |
|-------------------------------|---------|----------|--------|--------|--------|
| Population numbers | 3 905 | 36 069 | 199 | 12 233 | 52 406 |
| % Population | 7.5% | 68.8% | 0.4% | 23.3% | 100% |
| Number for positions filled | 37 | 423 | 0 | 85 | 545 |
| % for Positions filled | 6.7% | 77.6% | 0% | 15.6% | 100% |

Table 135.: EE population 2014/15

C) Occupational Levels - Categories

Below is a table that indicates the number of employees by race and gender within the specific occupational categories: (excluding councillors):

| Occupational categories | Posts filled | | | | | | | | Total |
|--------------------------------|--------------|----|---|----|--------|----|---|----|-------|
| | Male | | | | Female | | | | |
| | A | C | I | W | A | C | I | W | |
| Managers | 0 | 3 | 0 | 5 | 0 | 1 | 0 | 4 | 13 |
| Professionals | 1 | 12 | 0 | 13 | 1 | 9 | 0 | 11 | 47 |
| Technicians and Trade Workers | 2 | 39 | 0 | 12 | 0 | 0 | 0 | 0 | 53 |
| Clerical and Administrative | 0 | 7 | 0 | 1 | 2 | 32 | 0 | 15 | 57 |
| Community and Personal Service | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |



| Occupational categories | Posts filled | | | | | | | | Total |
|-------------------------|--------------|------------|----------|-----------|----------|------------|----------|-----------|------------|
| | Male | | | | Female | | | | |
| | A | C | I | W | A | C | I | W | |
| Sales Workers | 1 | 33 | 0 | 6 | 0 | 14 | 0 | 2 | 56 |
| Machinery and Drivers | 2 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| Elementary Workers | 22 | 176 | 0 | 5 | 4 | 47 | 0 | 0 | 254 |
| Total permanent | 28 | 304 | 0 | 42 | 7 | 103 | 0 | 32 | 516 |
| Fixed-term Contracts | 0 | 5 | 0 | 2 | 2 | 11 | 0 | 9 | 29 |
| Grand total | 28 | 309 | 0 | 44 | 9 | 114 | 0 | 41 | 545 |

Table 136.: Occupational Categories

D) Occupational Levels - Race

The table below categorizes the number of employees by race and gender within the occupational levels (excluding councillors):

| Occupational Levels | Male | | | | Female | | | | Total |
|--------------------------|-----------|------------|----------|-----------|----------|------------|----------|-----------|------------|
| | A | C | I | W | A | C | I | W | |
| Top Management | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 2 | 5 |
| Senior Management | 0 | 6 | 0 | 11 | 0 | 1 | 0 | 1 | 19 |
| Mid-Management/Prof. | 1 | 13 | 0 | 11 | 1 | 4 | 0 | 8 | 38 |
| Skilled Tech/Junior Man. | 1 | 25 | 0 | 9 | 0 | 6 | 0 | 5 | 46 |
| Semi-Skilled | 6 | 122 | 0 | 7 | 2 | 48 | 0 | 16 | 201 |
| Unskilled | 20 | 136 | 0 | 3 | 4 | 44 | 0 | 0 | 207 |
| Total permanent | 28 | 304 | 0 | 42 | 7 | 103 | 0 | 32 | 516 |
| Fixed-term Contracts | 0 | 5 | 0 | 2 | 2 | 11 | 0 | 9 | 29 |
| Grand Total | 28 | 309 | 0 | 44 | 9 | 114 | 0 | 41 | 545 |

Table 137.: Occupational Levels



4.2.2 VACANCY RATE

The approved organogram for the municipality had 656 posts for the 2014/15 financial year. This reflects the ideal number of post and not the number of posts budgeted for. The number of posts that are budgeted for in the financial year is dependent on municipal revenue and associated fiscal demands and are funded at the commencement of the financial year. The number of posts that were vacant and budgeted for, as well as the actual positions filled is indicated in the tables below by post level and functional level. 35 funded posts were vacant at the end of the financial year representing a vacancy rate of 6.4%. A vacancy rate above 10% is regarded as a risk. In Departments where work-study investigations are currently underway, vacancies are not immediately filled pending the outcomes of the work-study and organisational review reports.

Below is a table that indicates the filled and budgeted vacant posts within the municipality:

| Per Functional Level | | |
|--------------------------|------------|-------------------|
| Functional area | Filled | Vacant and Funded |
| Municipal Manager | 21 | 0 |
| Corporate Services | 88 | 5 |
| Technical Services | 321 | 28 |
| Community Services | 41 | 1 |
| Financial Services | 63 | 1 |
| Planning and Environment | 11 | 0 |
| Total | 545 | 35 |

Table 138.: Vacancy rate per post and functional level

The table below indicates the number of staff per level expressed as total positions and current funded vacancies.

| Salary Level | Number of current critical vacancies | Total posts as per organogram | Vacancy job title | Vacancies (as a proportion of total posts per category) |
|-----------------------------|--------------------------------------|-------------------------------|--|---|
| Municipal Manager | 0 | 1 | n/a | 0% |
| Chief Financial Officer | 0 | 1 | n/a | 0% |
| Other Section 57 Managers | 0 | 4 | n/a | 0% |
| Senior management | 3 | 22 | Head : Community Development Head: Planning and Project Management Head: Electrical Services | 13.6% |
| Professional/Highly Skilled | 1 | 39 | Labour Relations Officer | 2.5% |
| Total | 4 | 67 | | 5.9% |

Table 139.: Vacancy rate per salary level



4.2.3 TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. The turnover rate is determined by the following formula:

$$\left(\frac{\text{Number of employees who left during the year}}{(\text{Number of employees at the beginning of the year} + \text{Number of employees at the end of the year})/2} \right) \times 100$$

The turnover rate for 2014/2015 remained relatively consistent over the last two years at 6% and 5.7% respectively.

The table below indicates the turn-over rate over the last two years:

| Financial year | New appointments | Number of Terminations during the year | Turn-over Rate | |
|----------------|------------------|--|----------------|--|
| 2013/14 | 47 | 35 | 6.1% | $\left[\frac{35}{(597^* + 536)/2} \right] \times 100 = 6.1\%$ |
| 2014/15 | 23 | 31 | 5.7% | $\left[\frac{31}{(536 + 545)/2} \right] \times 100 = 5.7\%$ |

Table 140.: Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

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

4.3.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident at the workplace. The health and safety of employees is of paramount importance. The injury on duty cases decreased by 1 from 90 to 89. No serious injuries were reported. Health and Safety representatives are appointed in each workplace and are trained. Monthly reports are completed by the Safety Committee structures and progress is reported via a quarterly chairpersons' meeting and the Health and Safety Officer to the respective Managers to complete a feedback loop for reporting, acting upon and correcting unsafe work areas.

The table below indicates the total number of injuries on duty reported within the different departments:

| Directorates | 2013/14 | 2014/15 |
|-------------------|---------|---------|
| Municipal Manager | 0 | 0 |



| Directorates | 2013/14 | 2014/15 |
|--------------------|-----------|-----------|
| Corporate Services | 4 | 1 |
| Technical Services | 74 | 82 |
| Community Services | 8 | 2 |
| Financial Services | 4 | 3 |
| Planning | 0 | 1 |
| Total | 90 | 89 |

Table 141.: Injuries

4.3.2 SICK LEAVE

The number of sick leave days 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 must be taken. The management of sick leave has enjoyed specific attention in the last half of the review period. The total number of workdays lost due to sick leave during the 2014/15 financial year shows a decrease of 250.5 days compared to the previous financial year.

The table below indicates the total number sick leave days taken within the different directorates:

| Directorates | 2013/14 | 2014/15 |
|--------------------|----------------|-------------|
| Municipal Manager | 37 | 86.5 |
| Corporate Services | 395 | 471 |
| Technical Services | 2 410 | 2078.5 |
| Community Services | 255.5 | 311 |
| Financial Services | 383.5 | 247.5 |
| Planning | 15.5 | 24.5 |
| Total | 3 496.5 | 3219 |

Table 142.: Sick Leave

4.3.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent service conditions for staff.

The table below shows the HR policies that were approved and/or reviewed in this financial year.

| Name of policy | Date approved/ revised |
|-------------------------------------|------------------------|
| 5/8 th Employment Policy | 27 August 2014 |
| Cell-phone usage Policy | 27 August 2014 |
| Acting Policy | 2 April 2015 |
| Bereavement Policy | 2 April 2015 |
| Leave Policy | 26 June 2015 |
| Training and Development Policy | 26 June 2015 |

Table 143.: HR policies and plans



4.3.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) 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.

The table below shows the total number of S57 that received performance rewards:

| Race | Gender | Number of beneficiaries | Total number of employees received performance rewards | % Employees received performance rewards |
|--------------|--------|-------------------------|--|--|
| African | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| Asian | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| Coloured | Female | 0 | 0 | 0 |
| | Male | 2 | 2 | 100 |
| White | Female | 2 | 2 | 100 |
| | Male | 2 | 2 | 100 |
| Disability | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| Total | | 6 | 6 | 100 |

Table 144.: 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 SKILL DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), 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.



The table below shows the training interventions per occupational categories.

| Occupational categories | Gender | Training provided within the reporting period (2014/2015) | | | | | | |
|--------------------------------|--------|---|--------|---|--------|--------|--------|------------|
| | | Learnerships | | Skills programmes & other short courses | | Total | | |
| | | Actual | Target | Actual | Target | Actual | Target | % Variance |
| Managers | Female | - | - | 1 | 0 | 1 | 0 | - |
| | Male | - | - | 1 | 0 | 1 | 0 | - |
| Professionals | Female | - | - | 2 | 2 | 2 | 2 | 100.00% |
| | Male | - | - | 2 | 1 | 2 | 1 | 200.00% |
| Technicians and Trade Workers | Female | - | - | 0 | 0 | 0 | 0 | - |
| | Male | 13 | - | 52 | 52 | 65 | 63 | 103.17% |
| Clerical and Administrative | Female | - | - | 2 | 2 | 2 | 2 | 100.00% |
| | Male | - | - | 3 | 1 | 3 | 1 | 300.00% |
| Community and Personal Service | Female | - | - | 0 | 0 | 0 | 0 | - |
| | Male | - | - | 1 | 1 | 1 | 1 | 100.00% |
| Sales Workers | Female | 1 | 1 | - | - | 1 | 1 | 100.00% |
| | Male | - | - | 19 | 18 | 19 | 18 | 105.56% |
| Machinery and Drivers | Female | - | - | 0 | 0 | 0 | 0 | - |
| | Male | - | - | 27 | 25 | 27 | 25 | 108.00% |
| Elementary Workers | Female | - | - | 10 | 10 | 10 | 10 | 100.00% |
| | Male | 2 | - | 64 | 64 | 66 | 66 | 100.00% |
| Sub total | Female | - | - | 16 | 15 | 16 | 15 | 106.67% |
| | Male | - | - | 184 | 175 | 184 | 175 | 105.14% |
| Total | | 0 | 0 | 200 | 190 | 200 | 190 | 105.26% |

Table 145.: Skills Development

4.4.2 SKILL DEVELOPMENT – BUDGET ALLOCATION

The table below indicates that a total amount of R957 175 was allocated to the workplace skills plan and that 93.8% of the total amount was spent in the 2014/15 financial year. Unspent grants from the previous year was used for training, therefore more money was spent on training than was allocated

| Total personnel budget | Total Allocated | Total Spent | % Spent |
|------------------------|-----------------|-------------|---------|
| R | R | R | |
| 112 198 052 | 957 175 | 897 700 | 93.8104 |

Table 146.: Budget allocated and spent for skills development

4.4.3 MFMA COMPETENCIES

The Government Gazette of 14 March 2014 (37432) outlined that the Finance Minister Pravin Gordhan has extended the cut-off date by which municipalities are required to employ financially qualified



officials in terms of the Municipal Regulations on Minimum Competency Levels. The regulations, which were published in June 2007 in terms of the Municipal Finance Management Act, required municipalities to employ only officials with a designated higher education financial qualification and a required minimum competency level.

The exemption is for the period 1 April 2014 to 30 September 2015.

Municipalities will be required to implement the following conditions –

- (a) A financial official or supply chain management official who is employed by virtue of the exemption in paragraph 1(a) must attain the required qualification and competency levels by 30 September 2015. This requirement must be included in the official’s personal development plan, which forms part of his or her performance agreement.
- (b) Such an official appointed by virtue of the exemption in paragraph 1(b) must attain the required qualification and competency levels within 12 months from the date of appointment. The employment contract must stipulate that if the required levels are not attained within 12 months, the official’s employment will terminate automatically within one month after the end of the 12-month period.
- (c) A municipality or municipal entity must post the performance agreements and personal development plans, on its website.
- (d) A municipality must submit a report to the National Treasury on the implementation of these conditions in such format and on such dates as determined by the Treasury.

Three (3) senior managers have completed the required MMC competency levels whilst two (2) have partially completed the requirements.

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 | 108 601 (including Council) | 311 174 | 33.25 |
| | 103458 (excluding Council) | | 30.72 |
| | 113 656 (including Council) | 312 066 | 36.42 |



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| Financial year | Total Expenditure salary and allowances | Total Operating Expenditure | Percentage |
|----------------|---|-----------------------------|------------|
| | R'000 | R'000 | |
| 2014/15 | 107 866(excluding Council | | 34.56 |

Table 147.: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

| Financial year | 2013/14 | | 2014/15 | |
|--|-------------|--------|-----------------|---------------|
| | Description | Actual | Approved Budget | Actual |
| | | R'000 | | R'000 |
| Councillors (Political Office Bearers plus Other) | | | | |
| Basic Salary | 3 440 | | 3936 | 3901 |
| UIF, Medical and Pension Fund | 143 | | 164 | 167 |
| Vehicle | 1 194 | | 1366 | 1356 |
| Cellphone | 365 | | 392 | 367 |
| Housing | 0 | | | |
| Performance | 0 | | | |
| Other | 0 | | | |
| In-kind Benefits | 0 | | | |
| Sub Total | 5142 | | 5858 | 5791 |
| % increase/(decrease) | | | | 11.21% |
| Senior Managers of the Municipality | | | | |
| Salary | 3 938 | 3977 | 3977 | 4263 |
| UIF, Medical Aid- and Pension Contributions | 846 | 904 | 904 | 918 |
| Medical Aid Contributions | 0 | | | |
| Motor Vehicle Allowance | 409 | 390 | 390 | 372 |
| Cell phone Allowance | 52 | 52 | 52 | 114 |
| Housing allowance | 0 | | | |
| Performance Bonus | 725 | 769 | 769 | 706 |
| Other Benefits or Allowances | 2 051 | 415 | 415 | 78 |



CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

| | | | | |
|---|---------------|---------------|---------------|----------------|
| In-kind Benefits | 0 | | | |
| Sub Total | 8020 | 6507 | 6507 | 6451 |
| % increase/(decrease) | | | | -24.32% |
| Other Municipal Staff | | | | |
| Basic Salaries and Wages | 63 992 | 67571 | 76051 | 73733 |
| UIF, Medical Aid– and Pension Contributions | 16 158 | 19429 | 19509 | 16274 |
| Medical Aid Contributions | 0 | | | |
| Motor Vehicle Allowance | 6 905 | 3990 | 4024 | 3966 |
| Cell phone Allowance | 282 | 316 | 320 | 252 |
| Housing Allowance | 251 | 249 | 249 | 307 |
| Overtime | 3 916 | 3011 | 2981 | 2901 |
| Other benefits or allowances | 3 936 | 7335 | 6401 | 3981 |
| Sub Total | 95438 | 101901 | 109535 | 101414 |
| % increase/ (decrease) | | | 116042 | 5.89% |
| Total Municipality | 108602 | 114266 | 121900 | 113656 |
| % increase/ (decrease) | | | | 4.45% |

Table 148.: Personnel Expenditure



Chapter 5:

Financial Performance



CHAPTER 5

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

A Statement of Comparison

| HESSEQUA MUNICIPALITY | | | | | | |
|---|------------------------|--------------------|---------------------|---|---|------------------|
| STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2015 | | | | | | |
| Statement of Financial Performance | | | | | | |
| <small>Figures in Rand</small> | | | | | | |
| Revenue | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Revenue from non-exchange transactions | | | | | | Note 5Z |
| Property Rates | 62 412 084 | -500 000 | 61 912 084 | 60 793 273 | -1 118 811 | |
| Fines | 4 316 357 | 17 637 118 | 21 953 475 | 36 681 634 | 14 728 159 | Rev 1 |
| Licences and permits | 307 136 | 0 | 307 136 | 208 337 | -98 799 | |
| Income from agency services | 1 520 959 | 0 | 1 520 959 | 1 660 214 | 139 255 | |
| Donated Property, Plant & Equipment | 0 | | | 381 000 | 381 000 | |
| Government grants and subsidies | 72 299 100 | 32 091 012 | 104 390 112 | 73 077 921 | -31 312 191 | Rev 2 |
| Gain on revaluation of Investment Property | | | | 9 896 600 | 9 896 600 | Rev 6 |
| Revenue from exchange transactions | | | | | | |
| Service Charges | 172 449 789 | -191 723 | 172 258 066 | 161 217 271 | -11 040 795 | Rev 3 |
| Rental of facilities and equipment | 3 698 489 | | 3 698 489 | 4 023 975 | 325 486 | |
| Interest earned - external investments | 2 580 000 | | 2 580 000 | 6 051 531 | 3 471 531 | Rev 4 |
| Interest earned - outstanding receivables | 1 046 683 | | 1 046 683 | 1 390 519 | 343 836 | |
| Other income | 3 113 634 | 1 626 112 | 4 739 746 | 5 681 950 | 942 204 | |
| Gains on disposal of property, plant and equipment | 5 000 000 | 0 | 5 000 000 | 741 332 | -4 258 668 | Rev 5 |
| Total Revenue | 328 744 231 | 50 662 519 | 379 406 750 | 361 805 558 | -17 601 191 | |
| Expenditure | | | | | | |
| Employee related costs | 108 408 389 | 7 633 356 | 116 041 745 | 107 865 593 | -8 176 152 | Exp 1 |
| Remuneration of Councillors | 5 857 571 | | 5 857 571 | 5 791 455 | -66 116 | |
| Bad debts | 3 056 367 | 14 653 389 | 17 709 756 | 28 733 822 | 11 024 066 | Exp 2 |
| Collection costs | 1 604 474 | 1 112 612 | 2 717 086 | 2 501 108 | -215 978 | |
| Depreciation and amortisation | 21 794 896 | | 21 794 896 | 19 922 542 | -1 872 354 | Exp 3 |
| Repairs and maintenance | 20 349 256 | -7 201 065 | 13 148 191 | 11 836 798 | -1 311 393 | Exp 4 |
| Interest paid | 8 763 154 | | 8 763 154 | 9 851 156 | 1 088 002 | Exp 5 |
| Bulk purchases | 75 204 747 | | 75 204 747 | 73 946 463 | -1 258 284 | |
| Contracted services | 5 939 247 | 595 497 | 6 534 744 | 6 298 152 | -236 592 | |
| General expenses | 59 266 027 | 8 604 657 | 67 870 684 | 45 318 809 | -22 551 875 | Exp 6 |
| Total Expenditure | 310 244 128 | 25 398 446 | 335 642 574 | 312 065 898 | -23 576 677 | |
| Surplus/(Deficit) For The Year | 18 500 103 | 25 264 073 | 43 764 176 | 49 739 660 | 5 975 486 | |



CHAPTER 5 – FINANCIAL PERFORMANCE

| HESSEQUA MUNICIPALITY | | | | | | |
|--|--------------------|--------------------|--------------------|------------------------------------|--|----------------|
| STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2015 | | | | | | |
| Statement of Financial Position | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Figures in Rand | | | | | | |
| ASSETS | | | | | | Note 57 |
| Current Assets | 70 593 908 | 39 516 009 | 110 109 917 | 174 287 849 | 64 177 932 | |
| Inventory | 861 000 | -50 682 | 810 318 | 905 653 | 95 335 | |
| Trade receivables from exchange transactions | 9 561 785 | 6 585 229 | 16 147 014 | 16 750 566 | 603 552 | |
| Trade receivables from non-exchange transactions | 13 884 428 | 5 194 123 | 19 078 551 | 18 358 087 | -720 464 | |
| VAT Receivable | 1 473 420 | 564 771 | 2 038 191 | 1 351 217 | -686 974 | Fp1 |
| Bank, Cash and Cash Equivalents | 44 549 000 | 27 222 568 | 71 771 568 | 136 699 553 | 64 927 985 | Fp2 |
| Operating Lease Assets | 262 275 | 0 | 262 275 | 220 694 | -41 581 | |
| Current Portion of Long-term Receivables | 2 000 | 0 | 2 000 | 2 080 | 80 | |
| Non-Current Assets | 676 955 467 | -44 525 892 | 632 429 575 | 643 888 990 | 11 459 415 | |
| Property, Plant and Equipment | 636 099 468 | -52 863 324 | 583 236 144 | 584 495 461 | 1 259 317 | |
| Intangible assets | 313 000 | 13 557 | 326 557 | 363 545 | 36 988 | |
| Investment Property | 40 524 999 | 0 | 40 524 999 | 50 690 000 | 10 165 001 | Fp3 |
| Heritage Assets | 0 | 8 321 875 | 8 321 875 | 8 321 875 | 0 | |
| Long-term Receivables | 18 000 | 2 000 | 20 000 | 18 110 | -1 890 | |
| Total Assets | 747 549 375 | -5 009 883 | 742 539 492 | 818 176 839 | 75 637 347 | |
| LIABILITIES | | | | | | |
| Current Liabilities | 49 663 000 | 2 194 529 | 51 857 529 | 97 775 196 | 45 917 667 | |
| Consumer Deposits | 3 430 000 | 31 317 | 3 461 317 | 3 741 830 | 280 513 | |
| Provisions | 5 000 000 | 880 983 | 5 880 983 | 6 124 344 | 243 361 | |
| Creditors | 29 400 000 | 1 282 229 | 30 682 229 | 38 562 580 | 7 880 351 | Fp4 |
| Unspent Conditional Grants and Receipts | 1 755 000 | 0 | 1 755 000 | 37 734 862 | 35 979 862 | Fp5 |
| Operating Lease Liabilities | 0 | 0 | 0 | 52 742 | 52 742 | |
| Current Portion of Long-term Liabilities | 10 078 000 | 0 | 10 078 000 | 11 558 838 | 1 480 838 | Fp6 |
| Non-Current Liabilities | 173 651 882 | -19 643 414 | 154 008 468 | 192 237 165 | 38 228 697 | |
| Long-term Liabilities | 107 190 882 | -22 117 955 | 85 072 927 | 78 840 740 | -6 232 187 | Fp7 |
| Retirement Benefit Liabilities | 52 816 000 | 934 541 | 53 750 541 | 42 945 001 | -10 805 540 | Fp8 |
| Non-current Provisions | 13 645 000 | -154 000 | 13 491 000 | 68 679 302 | 55 188 302 | Fp9 |
| Trust Fund | | 1 694 000 | 1 694 000 | 1 772 122 | 78 122 | |
| Total Liabilities | 223 314 882 | -17 448 885 | 205 865 997 | 290 012 361 | 84 146 364 | |
| Total Assets and Liabilities | 524 234 493 | 12 439 002 | 536 673 495 | 528 164 478 | -8 509 017 | |
| NET ASSETS | 524 234 493 | 12 439 002 | 536 673 378 | 528 164 478 | -8 509 017 | |
| Statutory Funds | 13 807 000 | 109 441 | 13 916 441 | 245 694 | -13 670 864 | Fp10 |
| Accumulated Surplus | 510 427 493 | 12 329 561 | 522 756 937 | 527 918 784 | 5 161 847 | Fp11 |
| Total Net Assets | 524 234 493 | 12 439 002 | 536 673 495 | 528 164 478 | -8 509 017 | |



| HESSEQUA MUNICIPALITY | | | | | | |
|---|------------------------|--------------------|---------------------|---|---|------------------|
| STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2015 | | | | | | |
| Cash Flow from Operating Activities | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Figures in Rand | | | | | | Note 57 |
| Receipts | | | | | | |
| Ratepayers and other | 243 510 773 | 18 561 470 | 262 072 243 | 237 882 529 | -24 189 714 | Cf1 |
| Government grants and subsidies | 72 299 100 | 32 282 477 | 104 581 577 | 108 740 203 | 4 158 626 | |
| Payments | | | | | | |
| Suppliers and employees | -273 377 459 | -13 598 819 | -286 976 278 | -247 111 578 | 39 864 700 | Cf2 |
| Cash generated from operations | 42 432 414 | 37 245 128 | 79 677 542 | 99 511 154 | 19 833 612 | |
| Interest received | 3 365 000 | | 3 365 000 | 7 442 050 | 4 077 050 | Cf3 |
| Interest paid | -8 763 154 | | -8 763 154 | -9 851 155 | -1 088 001 | Cf4 |
| Net Cash from Operating Activities | 37 034 260 | 37 245 128 | 74 279 388 | 97 102 049 | 22 822 661 | |
| Cash flows from Investing Activities | | | | | | |
| Purchase of property, plant and equipment | -70 860 935 | -7 376 548 | -78 237 483 | -28 810 127 | 49 427 356 | Cf5 |
| Purchase of intangible assets | | | | -57 480 | -57 480 | |
| Sale of property, plant and equipment | 5 000 000 | | 5 000 000 | 2 382 287 | -2 617 713 | Cf6 |
| (Increase)/decrease in non-current receivables | | | 0 | 2 080 | 2 080 | |
| Net Cash flows from Investing Activities | -65 860 935 | -7 376 548 | -73 237 483 | -26 483 240 | 46 754 243 | |
| Cash flows from Financing Activities | | | | | | |
| New loans raised/(repaid) | 29 686 451 | -11 550 918 | 18 135 533 | 13 139 666 | -4 995 867 | Cf7 |
| (Decrease)/increase in consumer deposits | 12 000 | | 12 000 | 280 513 | 268 513 | |
| Increase in Trust Funds | | | 0 | 77 998 | 77 998 | |
| Net Cash from Financing Activities | 29 698 451 | -11 550 918 | 18 147 533 | 13 498 177 | -4 649 356 | |
| Net Increase / (decrease) in Cash and Cash Equivalents | 871 776 | 18 317 662 | 19 189 438 | 84 116 984 | 64 927 548 | |
| Cash and cash equivalents at the beginning of the year | 48 652 462 | 3 930 105 | 52 582 568 | 52 582 568 | 0 | |
| Cash and cash equivalents at the end of the year | 49 524 238 | 22 247 767 | 71 772 006 | 136 699 553 | 64 927 547 | Cf8 |

The table below shows the 5 most expensive consultancy arrangements for the 2014/15 financial year:

| Consultant arrangement | Cost R'000 | Result | Reason for this engagement |
|-------------------------|------------|---|--|
| Entsha Henra | 3 873 | Upgrade of Theronville Sport field | Sport Infrastructure |
| MDL Electrical | 4 642 | Upgrading of Electrical Networks | Upgrade & Strengthen Electrical networks |
| VE Reticulation PTY LTD | 2 214 | Upgrading of Stilbaai West 66/11KV substation | Upgrade Electrical networks |
| Clinkscles Maughan BRO | 713 | Energy Efficiency and Demand Management Electrical Networks | Energy saving measures |
| Hessequa Raadgewende | 620 | Upgrade of Water/Stormwater/ Roads Network | Civil Projects |

Table 150.: 5 Most expensive consultants for 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 | | | | | | |
|------------------------------------|---------|-----------------|-----------------|---------|------------------|-----------------|
| R'000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| Financial Performance | | | | | | |
| Property rates | 55 048 | 62 412 | 61 912 | 60 793 | (1 619) | (1 119) |
| Service charges | 148 435 | 172 450 | 172 258 | 161 217 | (11 233) | (11 041) |
| Investment revenue | 3 336 | 2 580 | 2 580 | 6 052 | 3 472 | 3 472 |
| Transfers recognised - operational | 45 385 | 51 637 | 60 901 | 58 769 | 7 131 | (2 132) |
| Other own revenue | 61 546 | 19 003 | 38 266 | 60 666 | 41 662 | 22 399 |

CHAPTER 5 – FINANCIAL PERFORMANCE

| Financial Summary | | | | | | |
|--|----------------|-----------------|-----------------|----------------|------------------|-----------------|
| R'000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| Financial Performance | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | 313 750 | 308 082 | 335 917 | 347 496 | 39 414 | 11 579 |
| Employee costs | 103 459 | 108 408 | 116 042 | 107 866 | -543 | (8 176) |
| Remuneration of councillors | 5 143 | 5 858 | 5 858 | 5 791 | (66) | (66) |
| Depreciation & asset impairment | 38 338 | 21 795 | 21 795 | 19 923 | (1 872) | (1 872) |
| Finance charges | 8 900 | 8 763 | 8 763 | 9 851 | 1 088 | 1 088 |
| Materials and bulk purchases | 67 246 | 75 205 | 75 205 | 73 946 | (1 258) | (1 258) |
| Transfers and grants | 0 | 0 | 0 | 0 | 0 | 0 |
| Other expenditure | 88 007 | 90 215 | 107 980 | 94 689 | 4 473 | (13 292) |
| Total Expenditure | 311 093 | 310 244 | 335 643 | 312 066 | 1 822 | (23 577) |
| Surplus/(Deficit) | 2576 | (2 162) | 275 | 35 431 | 37 592 | 35 156 |
| Transfers recognised - capital | 16 221 | 20 662 | 40 489 | 14 309 | (6 353) | (29 180) |
| Contributions recognised - capital & contributed assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Surplus/(Deficit) after capital transfers & contributions | 18 878 | 18 500 | 43 764 | 49 740 | 31 240 | 5 975 |
| Share of surplus/(deficit) of associate | 0 | 0 | 0 | 0 | 0 | 0 |
| Surplus/(Deficit) for the year | 18 878 | 18 500 | 43 764 | 49 740 | 31 240 | 5 975 |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 10 986 | 20 662 | 43 489 | 12 777 | (7 885) | (27 676) |
| Public contributions & donations | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | 10 275 | 39 765 | 28 214 | 11 264 | (28 501) | (16 950) |
| Internally generated funds | 2 502 | 10 434 | 9 571 | 4 827 | (5 608) | (4 744) |
| Total sources of capital funds | 23 763 | 70 861 | 81 274 | 28 868 | (41 993) | (49 370) |
| Financial position | | | | | | |
| Total current assets | 85 878 | 70 594 | 110 110 | 174 288 | 103 694 | 64 178 |
| Total non current assets | 579 282 | 676 955 | 632 430 | 643 889 | (33 066) | 8 423 |
| Total current liabilities | 54 798 | 49 663 | 51 858 | 97 775 | 48 112 | 45 918 |



CHAPTER 5 – FINANCIAL PERFORMANCE

| Financial Summary | | | | | | |
|---|----------------|------------------------|------------------------|----------------|-------------------------|------------------------|
| R'000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| Financial Performance | | | | | | |
| Total non current liabilities | 131 937 | 173 652 | 154 008 | 192 237 | 18 585 | 38 229 |
| Community wealth/Equity | 478 425 | 524 235 | 536 673 | 528 164 | 3 930 | (11 545) |
| Cash flows | | | | | | |
| Net cash from (used) operating | 40 996 | 37 034 | 74 279 | 97 102 | 60 068 | 22 823 |
| Net cash from (used) investing | -23 632 | (65 861) | (73 237) | (26 483) | 39 378 | 46 754 |
| Net cash from (used) financing | -9 837 | 29 698 | 18 148 | 13 498 | 16 200) | (4 649) |
| Cash/cash equivalents at the year end | 7 527 | 45528 | 71 772 | 136 700 | 87 175 | 64 928 |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 52 583 | 44 549 | 71 772 | 136 700 | 92 151 | 64 928 |
| Application of cash and investments | -10 323 | 20 304 | 9 555 | 34 281 | 13 977 | 24 726 |
| Balance - surplus (shortfall) | 42 260 | 24 245 | 62 217 | 102 419 | 78 174 | 40 202 |
| Asset management | | | | | | |
| Asset register summary (WDV) | 575 967 | 636 412 | 748 656 | 818 159 | 181 746 | 69 502 |
| Depreciation & asset impairment | 37 363 | 21 795 | 21 795 | 19 923 | (1 872) | (1 872) |
| Renewal of Existing Assets | 23 763 | 29 534 | 41 891 | 13 406 | (16 128) | (28 485) |
| Repairs and Maintenance | 10 901 | 20 349 | 13 213 | 11 837 | (8 512) | (1 376) |
| Free services | | | | | | |
| Cost of Free Basic Services provided | 22 307 | 18 485 | 18 485 | 17 356 | (1 129) | (1 129) |
| Revenue cost of free services provided | 22 307 | 23 592 | 23 592 | 23 265 | (328) | (328) |
| Households below minimum service level | | | | | | |
| Water | 0 | 0 | 0 | 0 | 0 | 0 |
| Sanitation/sewerage | 0 | 0 | 0 | 0 | 0 | 0 |
| Energy | 0 | 0 | 0 | 0 | 0 | 0 |
| Refuse | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

Table 151.: Financial Performance 2014/15

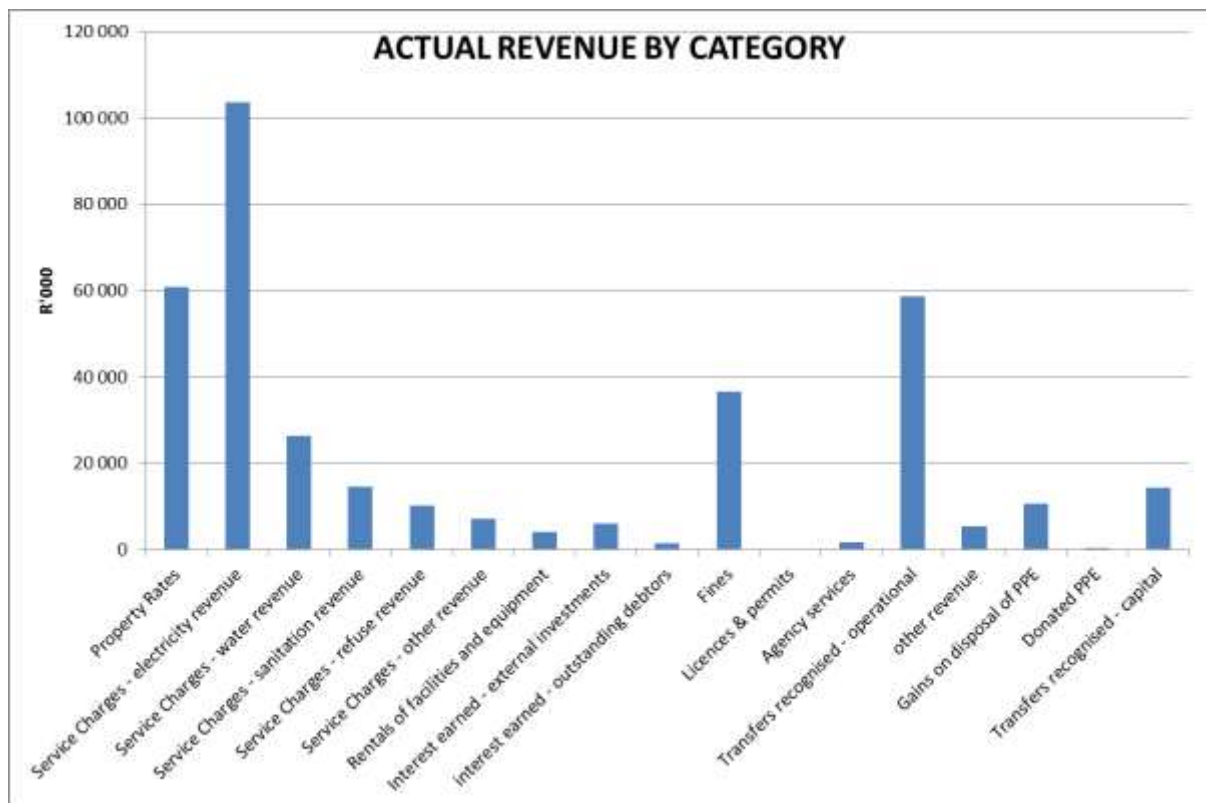
The table below shows a summary of performance against budgets:



| 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 | 293 858 | 329 971 | -36 113 | 112.29% | 292 019 | 311 174 | -19 155 | 106.56% |
| 2014/15 | 379 407 | 361 806 | -17 601 | 95% | 335 643 | 312 066 | -23 577 | 93% |

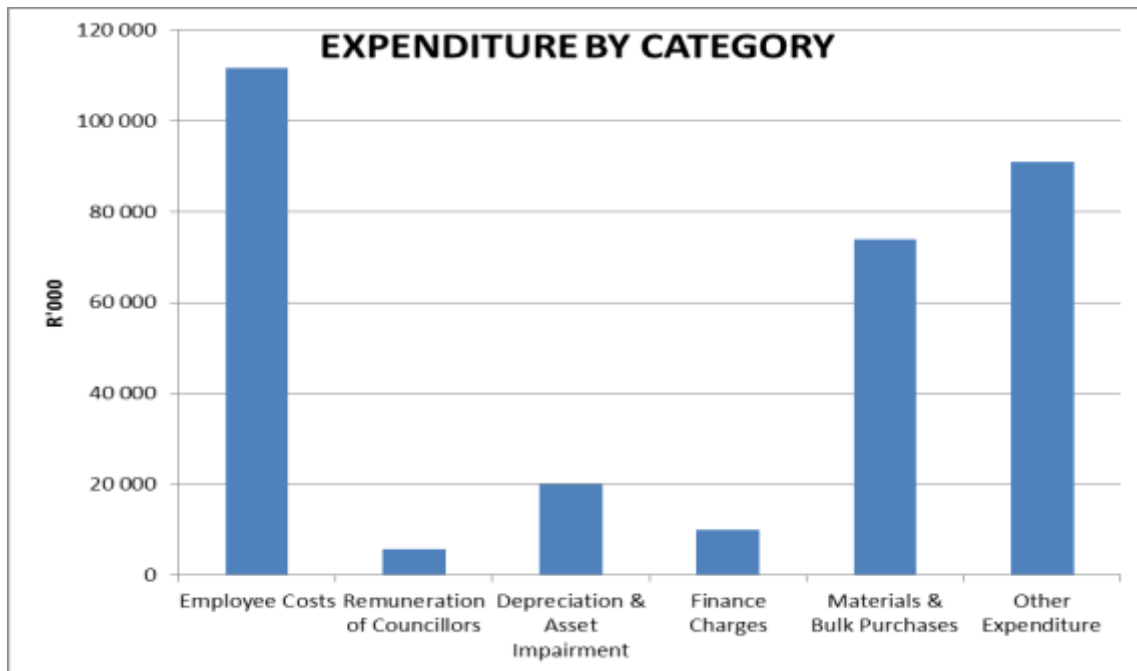
Table 152.: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2014/15.



Graph 3.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2014/15.



Graph 4.: 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 | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| | R'000 | | | | | |
| Vote1 - Executive and Council | 30 157 | 30 571 | 32 127 | 32 116 | 1 545 | (11) |
| Vote2 - Budget and Treasury Office | 62 331 | 68 030 | 68 216 | 70 815 | 3 499 | 3 313 |
| Vote3 - Corporate Services | 20 234 | 1 428 | 3 411 | 13 269 | 11 841 | 9 858 |
| Vote4 - Planning and Development | 2 584 | 6 181 | 6 352 | 2 921 | (3 259) | (3 431) |
| Vote5 - Public Safety | 32 514 | 7 115 | 24 930 | 39 607 | 32 492 | 14 677 |
| Vote6 - Health | 0 | | | | | |
| Vote7 - Community and Social Services | 5 425 | 6 382 | 6 404 | 5 801 | (581) | (603) |
| Vote8 - Sports and Recreation | 12 059 | 9 408 | 13 224 | 13 681 | 4 273 | 457 |
| Vote9 - Housing | 8 489 | 1 791 | 11 426 | 11 460 | 9 669 | 34 |



CHAPTER 5 – FINANCIAL PERFORMANCE

| | | | | | | |
|---|----------------|----------------|----------------|----------------|---------------|------------------|
| Vote 10 - Waste Management | 8 834 | 14 381 | 14 381 | 10 189 | 4 192 | 4 192 |
| Vote11 - Road Transport | 7 032 | 17 049 | 32 110 | 8 871 | (8 178) | (23 239) |
| Vote12 - Waste Water Management | 15 226 | 28 485 | 29 563 | 20 724 | (7 761) | (8 838) |
| Vote13 - Water | 23 707 | 28 238 | 30 579 | 27 097 | (1 141) | (3 483) |
| Vote14 - Electricity | 101 095 | 109 165 | 106 129 | 104 784 | (4 382) | (1 345) |
| Vote15 - Environmental Management | 284 | 520 | 555 | 470 | (50) | (85) |
| Total Revenue by Vote | 329 971 | 328 744 | 379 407 | 361 806 | 33 061 | -(17 601) |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

Table 153.: 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 | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| | R'000 | | | | | |
| Property rates | 55 048 | 62 412 | 61 912 | 60 793 | (1 619) | (1 119) |
| Property rates - penalties & collection charges | 0 | 0 | 0 | 0 | 0 | 0 |
| Service Charges - electricity revenue | 98 305 | 105 057 | 105 057 | 103 699 | (1 358) | (1 358) |
| Service Charges - water revenue | 22 320 | 27 556 | 27 364 | 26 265 | (1 291) | (1 100) |
| Service Charges - sanitation revenue | 12 798 | 19 109 | 19 109 | 14 257 | (4 852) | (4 852) |
| Service Charges - refuse revenue | 8 780 | 14 333 | 14 333 | 10 137 | (4 197) | (4 197) |
| Service Charges - other | 6 232 | 6 394 | 6 394 | 6 859 | 465 | 465 |
| Rentals of facilities and equipment | 3 624 | 3 698 | 3 698 | 4 024 | 325 | 325 |
| Interest earned - external investments | 3 336 | 2 580 | 2 580 | 6 052 | 3 472 | 3 472 |
| Interest earned - outstanding debtors | 949 | 1047 | 1047 | 1 391 | 344 | 344 |
| Dividends received | 0 | - | - | - | - | - |
| Fines | 29 855 | 4 316 | 21 953 | 36 682 | 32 365 | 14 728 |
| Licences and permits | 272 | 307 | 307 | 208 | (99) | (99) |
| Agency services | 1 550 | 1 521 | 1 521 | 1 660 | 139 | 139 |
| Transfers recognised - operational | 45 092 | 51 637 | 60 901 | 58 769 | 7 131 | (2 132) |
| Other revenue | 6 260 | 3 114 | 4 740 | 5 682 | 2 568 | 942 |
| Gains on disposal of PPE | 139 | 5 000 | 5 000 | 741 | (4 259) | (4 259) |
| Gains on Revaluation of Investment Property | | | | 9897 | 9897 | 9897 |



| | | | | | | |
|--|----------------|---------|---------|---------|--------|--------|
| Donated PPE | 18 897 | – | – | 381 | 381 | 381 |
| Environmental Protection | 0 | – | – | – | – | – |
| Total Revenue (excluding capital transfers and contributions) | 313 750 | 308 082 | 335 917 | 347 496 | 39 414 | 11 579 |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

Table 154.: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2014/15 financial year:

| Description R'000 | 2013/14 | 2014/15 | | 2014/15 Variance | | |
|---|----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| Operating Cost | | | | | | |
| Water | 6 068 | 8 594 | 10 378 | 7 187 | (1 407) | (3 191) |
| Waste Water (Sanitation) | -275 | 12 938 | 14 047 | 5 995 | (6 943) | (8 051) |
| Electricity | 18 049 | 12 850 | 13 021 | 14 165 | 1 316 | 1 144 |
| Waste Management | 325 | 2 720 | 2 613 | (2 604) | (5 325) | (5 218) |
| Housing | 109 | 36) | 17 | 128 | 164 | 111 |
| Component A: sub-total | 24 276 | 37 066 | 40 076 | 24 871 | (12 195) | (15 205) |
| Waste Water (Stormwater Drainage) | 0 | – | | | | |
| Roads | -25 708 | (18 241) | (3 823) | (25 064) | (6 823) | (21 241) |
| Transport | 0 | – | | | | |
| Component B: sub-total | -25 708 | (18 241) | (3 823) | (25 064) | (6 823) | (21 241) |
| Planning | -3 797 | (121) | (81) | (3 190) | (3069) | (3110) |
| Local Economic Development | 0 | (1204) | (1014) | (829) | 374 | 184 |
| Component C: sub-total | - 3797 | (1 325) | (1 094) | (4 019) | (2 695) | (2 925) |
| Community & Social Services | -4 034 | (3 960) | (4 029) | (3 665) | 295 | 365 |
| Environmental Protection | -648 | (576) | (498) | (427) | 149 | 70 |
| Health | | | | | – | – |
| Security and Safety | 156 | (5 874) | (3 611) | 3 611 | 9 485 | 7 223 |
| Sport and Recreation | -7 581 | (7 524) | (3 541) | (2 112) | 5 412 | 1 429 |
| Corporate Policy Offices and Other | 36 134 | 18 934 | 20 286 | 56 545 | 37 612 | 36 260 |
| Component D: sub-total | 24 027 | 1 000 | 8 606 | 53 952 | 52 953 | 45 347 |
| Total Expenditure | 18 798 | 18 500 | 43 764 | 49 740 | 31 240 | 5 975 |
| <i>In this table operational income (but not levies or tariffs) 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.</i> | | | | | | |

Table 155.: Operational Services Performance



5.2 Financial Performance per Municipal Function

5.2.1 Water Services

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Water | R'000 | | | | |
| Total Operational Revenue | 23 707 | 28 238 | 30 579 | 27 097 | -3 482 |
| Expenditure: | | | | | |
| Employees | 6 796 | 3 370 | 6 450 | 6 182 | -268 |
| Repairs and Maintenance | 933 | 4 097 | 1 125 | 1 063 | -62 |
| Other | 9 910 | 12 177 | 12 626 | 12 665 | 39 |
| Total Operational Expenditure | 17 639 | 19 644 | 20 201 | 19 910 | -291 |
| Net Operational (Service) Expenditure | 6 068 | 8 594 | 10 378 | 7 187 | -3 191 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 156.: Financial Performance: Water services

Waste Water (Sanitation)

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Waste Water | R'000 | | | | |
| Total Operational Revenue | 15 226 | 28 485 | 29 563 | 20 724 | -8 839 |
| Expenditure: | | | | | |
| Employees | 6 496 | 6 070 | 7 240 | 6 770 | -470 |
| Repairs and Maintenance | 936 | 2 219 | 1 109 | 1 048 | -61 |
| Other | 8 069 | 7 258 | 7 167 | 6 911 | -256 |
| Total Operational Expenditure | 15 501 | 15 547 | 15 516 | 14 729 | -787 |
| Net Operational (Service) Expenditure | -275 | 12 938 | 14 047 | 5 995 | - 8 052 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 157.: Financial Performance: Waste Water (Sanitation) services

Electricity

| Description | 2013/14 | 2014/15 | | | |
|--|----------------|-----------------|-----------------|----------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Electricity | R'000 | | | | |
| Total Operational Revenue | 101 095 | 109 165 | 106 129 | 104 784 | -1 345 |
| Expenditure: | | | | | |
| Employees | 8 629 | 6 813 | 9 730 | 8 958 | -772 |
| Repairs and Maintenance | 2 004 | 5 579 | 2 608 | 2 191 | -417 |
| Other | 72 413 | 83 924 | 80 770 | 79 469 | - 1 301 |
| Total Operational Expenditure | 83 046 | 96 316 | 93 108 | 90 618 | -2 490 |
| Net Operational (Service) Expenditure | 18 049 | 12 849 | 13 021 | 14 166 | 1 145 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 158.: Financial Performance: Electricity

Waste Management

| Description | 2013/14 | 2014/15 | | | |
|--|--------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Waste Management | R'000 | | | | |
| Total Operational Revenue | 8 834 | 14 381 | 14 381 | 10 189 | 280 |
| Expenditure: | | | | | |
| Employees | 6 237 | 6 518 | 6 564 | 6 566 | 2 |
| Repairs and Maintenance | 756 | 741 | 831 | 798 | -33 |
| Other | 1 516 | 4 401 | 4 372 | 5 429 | 1 057 |
| Total Operational Expenditure | 8 509 | 11 660 | 11 767 | 12 793 | 1 026 |
| Net Operational (Service) Expenditure | 325 | 2 721 | 2 614 | -2604 | -5218 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 159.: Financial Performance: Waste Management



5.2.5 Housing

| Description | 2013/14 | 2014/15 | | | |
|--|--------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Housing | R'000 | | | | |
| Total Operational Revenue | 8 489 | 1 791 | 11 426 | 11 460 | 34 |
| Expenditure: | | | | | |
| Employees | 0 | 0 | 0 | 0 | 0 |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0 |
| Other | 8 380 | 1 828 | 11 409 | 11 332 | -77 |
| Total Operational Expenditure | 8 380 | 1 828 | 11 409 | 11 332 | 111 |
| Net Operational (Service) Expenditure | 109 | -37 | 17 | 128 | 111 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 160.: Financial Performance: Housing

5.2.6 Roads

| Description | 2013/14 | 2014/15 | | | |
|--|----------------|-----------------|-----------------|----------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Roads | R'000 | | | | |
| Total Operational Revenue | 7 032 | 17 049 | 32 110 | 8 871 | -23 239 |
| Expenditure: | | | | | |
| Employees | 13 991 | 17 747 | 17 600 | 17 436 | -164 |
| Repairs and Maintenance | 3 465 | 3 759 | 3 682 | 3 443 | -239 |
| Other | 15 284 | 13 784 | 14 651 | 13 055 | -1 597 |
| Total Operational Expenditure | 32 740 | 35 290 | 35 933 | 33 934 | -2000 |
| Net Operational (Service) Expenditure | -25 708 | -18 241 | -3 823 | -25 063 | -21 240 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 161.: Financial Performance: Roads

5.2.7 Planning

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Planning & Development (Excluding LED) | R'000 | | | | |
| Total Operational Revenue | 2 584 | 6 181 | 6 352 | 2 921 | -3 431 |
| Expenditure: | | | | | |
| Employees | 4 918 | 4 935 | 4 910 | 5 337 | 427 |
| Repairs and Maintenance | 22 | 37 | 34 | 23 | -11 |
| Other | 513 | 1 330 | 1 489 | 751 | -738 |
| Total Operational Expenditure | 5 453 | 6 302 | 6 433 | 6 111 | -322 |
| Net Operational (Service) Expenditure | -2 869 | -121 | -81 | -3 190 | -3 109 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 162.: Financial Performance: Planning

5.2.8 Local Economic Development

| Description | 2013/14 | 2014/15 | | | |
|--|--------------|-----------------|-----------------|-------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Local Economic Development | R'000 | | | | |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 135 | 598 | 598 | 592 | -6 |
| Repairs and Maintenance | 0 | | | | |
| Other | 793 | 606 | 416 | 237 | -179 |
| Total Operational Expenditure | 928 | 1 204 | 1 014 | 829 | -185 |
| Net Operational (Service) Expenditure | -928 | -1 204 | -1 014 | -829 | 185 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 163.: Financial Performance: Local Economic Development



5.2.9 Community & Social Services

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Community & Social Services | R'000 | | | | |
| Total Operational Revenue | 5 425 | 6 382 | 6 404 | 5 801 | -603 |
| Expenditure: | | | | | |
| Employees | 5 549 | 7 087 | 7 087 | 6 676 | -411 |
| Repairs and Maintenance | 388 | 428 | 422 | 328 | -94 |
| Other | 3 522 | 2 827 | 2 924 | 2 462 | -462 |
| Total Operational Expenditure | 9 459 | 10 342 | 10 433 | 9 466 | -967 |
| Net Operational (Service) Expenditure | -4 034 | -3 960 | -4 029 | -3 665 | 364 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 164.: Financial Performance: Community & Social Services

5.2.10 Environmental Protection

| Description | 2013/14 | 2014/15 | | | |
|--|--------------|-----------------|-----------------|-------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Environmental Protection | R'000 | | | | |
| Total Operational Revenue | 284 | 520 | 555 | 470 | -85 |
| Expenditure: | | | | | |
| Employees | 3 | 3 | 3 | 4 | 1 |
| Repairs and Maintenance | 54 | 65 | 63 | 13 | -50 |
| Other | 875 | 1 028 | 987 | 881 | -106 |
| Total Operational Expenditure | 932 | 1 096 | 1 053 | 898 | -155 |
| Net Operational (Service) Expenditure | -648 | -576 | -498 | -428 | 70 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 165.: Financial Performance: Environmental Protection

5.2.11 Security and Safety

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Security & Safety | R'000 | | | | |
| Total Operational Revenue | 32 514 | 7 115 | 24 930 | 39 607 | 14 677 |
| Expenditure: | | | | | |
| Employees | 6 172 | 6 803 | 6 913 | 6 867 | -46 |
| Repairs and Maintenance | 483 | 741 | 709 | 636 | -73 |
| Other | 25 704 | 5 445 | 20 921 | 28 493 | 7 572 |
| Total Operational Expenditure | 32 359 | 12 989 | 28 543 | 35 996 | 7 453 |
| Net Operational (Service) Expenditure | 155 | 5 874 | -3 613 | 3 611 | 7 224 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 166.: Financial Performance: Security and Safety

5.2.12 Sport and Recreation

| Description | 2013/14 | 2014/15 | | | |
|--|---------------|-----------------|-----------------|---------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Sport & Recreation | R'000 | | | | |
| Total Operational Revenue | 12 059 | 9 408 | 13 224 | 13 681 | 457 |
| Expenditure: | | | | | |
| Employees | 9 327 | 10 154 | 10 163 | 9 340 | -823 |
| Repairs and Maintenance | 1 037 | 1 510 | 1 387 | 1 255 | -132 |
| Other | 9 276 | 5 268 | 5 215 | 5 199 | -16 |
| Total Operational Expenditure | 19 640 | 16 932 | 16 765 | 15 794 | -971 |
| Net Operational (Service) Expenditure | -7 581 | -7 524 | -3 541 | -2 113 | 1 428 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 167.: Financial Performance: Sport and Recreation



5.2.13 Corporate Policy Offices & Other

| Description | 2013/14 | 2014/15 | | | |
|--|----------------|-----------------|-----------------|----------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Variance to Budget |
| Corporate Policy Offices & Other | R'000 | | | | |
| Total Operational Revenue | 113 503 | 100 029 | 103 755 | 116 991 | 13 236 |
| Expenditure: | | | | | |
| Employees | 29 209 | 38 309 | 38 783 | 33 138 | -5 645 |
| Repairs and Maintenance | 823 | 1 173 | 1 180 | 1 039 | -141 |
| Other | 60 954 | 41 613 | 43 505 | 25 478 | -3 274 |
| Total Operational Expenditure | 90 986 | 81 095 | 83 468 | 59 655 | -9 060 |
| Net Operational (Service) Expenditure | 22 517 | 18 934 | 20 287 | 56 546 | 36 259 |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i> | | | | | |

Table 168.: Financial Performance: Corporate Policy Offices & Other



5.3 Grants

5.3.1 Grant Performance :

| Grant Performance | | | | | | |
|--|---------------|---------------|-----------------|---------------|------------------|-----------------|
| R'000 | | | | | | |
| Description | 2013/14 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Budget | Adjusted Budget | Actual | Original Budget | Adjusted Budget |
| Operating Transfers and Grants | | | | | | |
| National Government: | 31 238 | 42 659 | 40 371 | 40 278 | -2 381 | -93 |
| Equitable share | 28 189 | 29 993 | 29 993 | 29 993 | - | - |
| Municipal Systems Improvement | 890 | 819 | 820 | 934 | 1 15 | 114 |
| Finance Management | 1 258 | 1 333 | 1 333 | 1 450 | 117 | 117 |
| Energy Efficiency & Demand Management | | 3 509 | 845 | 885 | (2 624) | 40 |
| Expended Public Works programme (EPWP) | 129 | 335 | 478 | 346 | 11 | (132) |
| Disaster Recovery Grant | | 6 021 | 6 021 | 6 021 | - | - |
| Mig 5% | | 650 | 883 | 650 | - | (233) |
| Provincial Government: | 13 322 | 7 608 | 19 036 | 17 901 | (1 135) | (1 135) |
| Housing | 8 354 | 1 721 | 11 300 | 11 250 | (50) | (50) |
| Housing Consumer education | | | 1 | | (1) | (1) |
| Housing Correction Previous claims | | | 141 | | (141) | (141) |
| National Emergency Housing Programme | | | 50 | 50 | - | - |
| Tuin op die brak | | | 300 | 300 | - | - |
| Financial Support Grant | 292 | 163 | 997 | 864 | (133) | (133) |



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| | | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|----------------|
| Performance Management Grant | 125 | | | | - | - |
| Thusong Centre | 218 | | | | - | - |
| Capacity Building | | | 500 | 102 | (398) | (398) |
| Libraries, CDW, Road Maintenance | 4 333 | 5 724 | 5 746 | 5 336 | (411) | (411) |
| Other grant providers | 551 | 646 | 646 | 589 | (57) | (57) |
| Seta/Disaster Relief/Trade Union/HCE/ASLA | 551 | 569 | 569 | 569 | (0) | (0) |
| National Lottery fund | 0 | 77 | 77 | 20 | (57) | (57) |
| Total Operating Transfers and Grants | 45 111 | 50 914 | 60 055 | 58 293 | (4 049) | (1 762) |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 169.: Grant Performance for 2014/15

5.3.2 Conditional Grants (Excluding MIG)

| Conditional Grants: excluding MIG | | | | | | |
|--|--------------|-----------------|--------------|--------------|-----------------|-----------------------------------|
| R' 000 | | | | | | |
| Details | Budget | Adjusted Budget | Actual | Variance | | Major conditions applied by donor |
| | | | | Budget | Adjusted Budget | |
| FMG, MSIG, NEP, EPWP, DME, PGWC:LIBRARY GRANTS , PGWC: FINANCIAL SUPPORT GRANT | 8 296 | 9 155 | 9 437 | 1 140 | 281 | |
| Total | 8 296 | 9 155 | 9 437 | 1 140 | 281 | |

This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG). Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 170.: Conditional Grant (excl. MIG)

The municipality has spent all its grant money and meet the conditions thereof.

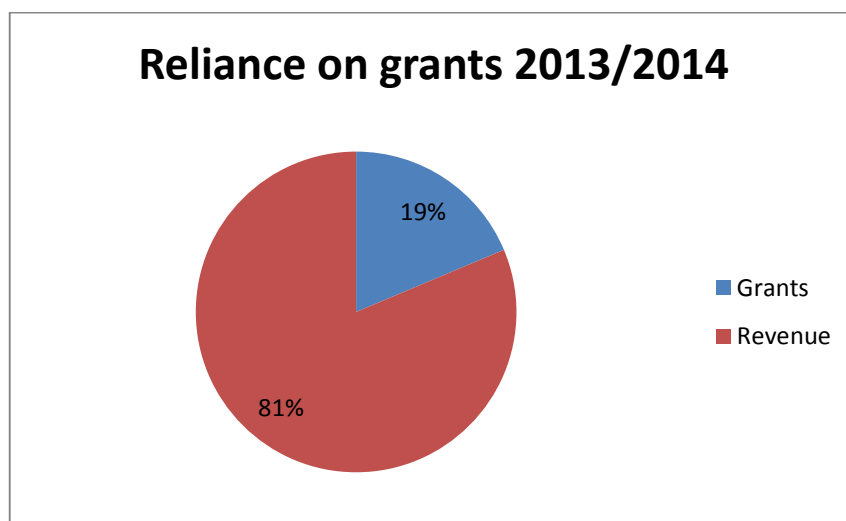
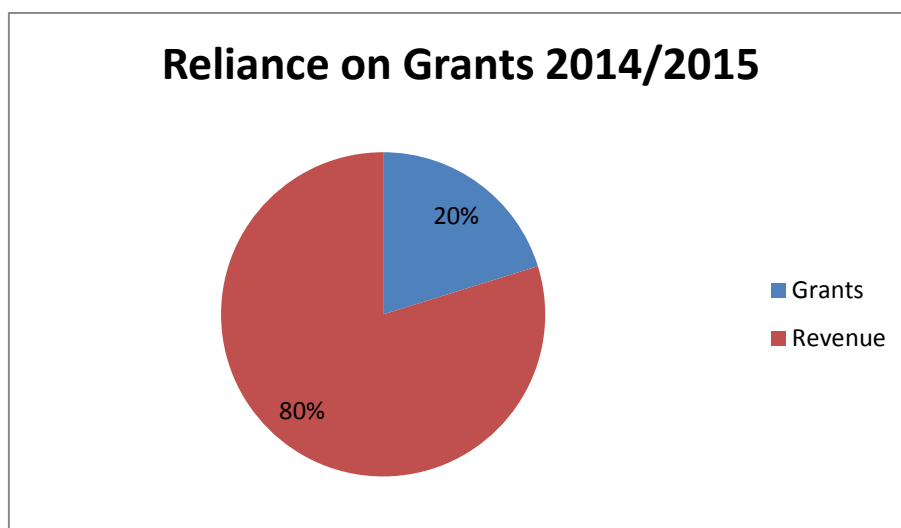


5.3.4 Level of Reliance on Grants & Subsidies

| Financial year | Total grants | Total | Percentage |
|----------------|------------------------|-------------------|------------|
| | and subsidies received | Operating Revenue | |
| | R'000 | R'000 | % |
| 2013/14 | 61606 | 329971 | 18.67% |
| 2014/15 | 73077 | 361806 | 20.20% |

Table 171.: Reliance on grants

The following graph indicates the municipality’s reliance on grants as percentage for the last two financial years.



Graph 5.: Reliance on grants

The Municipality’s dependency on Grants is more than the previous financial year.



5.4 Asset Management

The Municipality maintained its infrastructure and immovable assets.

5.4.1 Treatment of the Three Largest Assets

| Asset 1 | | |
|------------------------|--|----------------|
| Name | Stilbaai 66kV Power Line | |
| Description | To provide a reliable and sufficient source of electricity. | |
| Asset Type | Infrastructure | |
| Key Staff Involved | Manager Technical Services: R Wesso & Head: Civil Civil planning- Shahida Kennedy | |
| Staff Responsibilities | Project management | |
| Asset Value | 2013/14 | 2014/15 |
| | 0 | 3 076 |

Table 172.: Summary of Largest Asset

| Asset 2 | | |
|------------------------|--|----------------|
| Name | UPGRADING OF SEWERAGE WORKS - RIVERSDAL | |
| Description | Refurbish the existing Riversdale WWTW to a total design capacity of 2.3MI/d (ADWF) | |
| Asset Type | Infrastructure | |
| Key Staff Involved | Manager Technical Services: R Wesso & Head: Civil Civil planning- Shahida Kennedy | |
| Staff Responsibilities | Project management | |
| Asset Value | 2013/14 | 2014/15 |
| | 0 | 5 010 |

Table 173.: Summary of 2nd Largest Asset

| Asset 3 | | |
|------------------------|--|----------------|
| Name | UPGRADING OF SPORT FACILITIES -THERONSVILLE ALBERTINIA | |
| Description | To upgrade existing sport facilities up to league level. | |
| Asset Type | Infrastructure | |
| Key Staff Involved | Manager Technical Services: R Wesso & Head: Civil Civil planning- Shahida Kennedy | |
| Staff Responsibilities | Project management | |
| Asset Value | 2013/14 | 2014/15 |
| | 0 | 2 410 |

Table 174.: Summary of 3rd Largest Asset



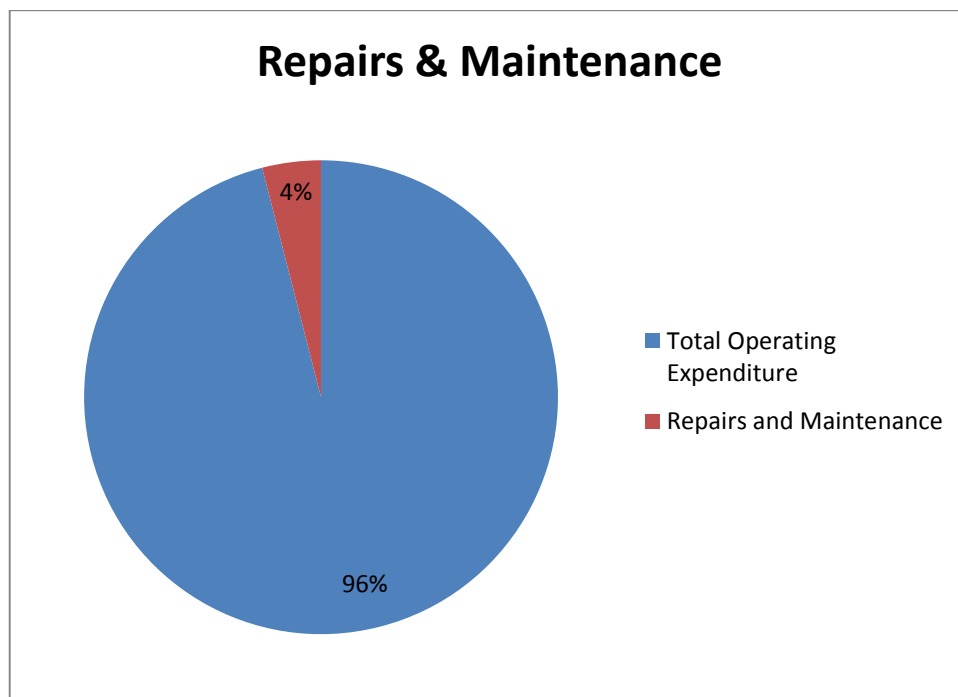
One of the recommendations in the approved financial plan of the Council is not to neglect the replacement of existing assets.

5.4.2 Repairs and Maintenance

| Description | 2013/14 | 2014/15 |
|-----------------------------|--------------|--------------|
| | R'000 | R'000 |
| Total Operating Expenditure | 311 174 | 312066 |
| Repairs and Maintenance | 10 901 | 11 837 |
| % of total OPEX | 3.50% | 3.79% |

Table 175.: Repairs & maintenance as % of total Operating Expenditure

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational expenditure.



Graph 6.: Repairs & Maintenances. Operational Expenditure

The repairs and maintenance costs above do not include employee costs associated with repairs and maintenance, since the municipality do not take these costs into account when calculating the total repairs and maintenance costs. The aforementioned will bring the percentage spend on repairs and maintenance costs closer to the norm of approximately 7%.

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

| Description | Basis of calculation | 2013/14 | 2014/15 |
|---|---|-----------------|---------------|
| | | Audited outcome | Audit outcome |
| Current Ratio | Current assets/current liabilities | 1.66 | 1.78 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.6 | 1.5 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 1.64 | 1.77 |

Table 176.: Liquidity Financial Ratio

| Financial year | Total Assets | Total Liabilities | Ratio |
|----------------|--------------|-------------------|--------|
| | R'000 | R'000 | |
| 2013/14 | 662 311 | 478 271 | 1.38:1 |
| 2014/15 | 818 178 | 290 012 | 2.82:1 |

Table 177.: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

| Description | Basis of calculation | 2013/14 | 2014/15 |
|--|---|-----------------|---------------|
| | | Audited outcome | Audit outcome |
| Cost Coverage | (Available cash + Investments)/monthly fixed operational expenditure | 2.72 | 7.06 |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 0.11 | 0.1 |
| Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 8 | 14.4 |

Table 178.: Financial Viability National KPAs

5.5.3 Creditors Management

| Description | Basis of calculation | 2013/14 | 2014/15 |
|-----------------------------|--|-----------------|---------------|
| | | Audited outcome | Audit outcome |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 100% | 100% |

Table 179.: Creditors Management



5.5.4 Borrowing Management

| Description | Basis of calculation | 2013/14 | 2014/15 |
|--|--|-----------------|---------------|
| | | Audited outcome | Audit outcome |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 6.05% | 6.42% |

Table 180.: Borrowing Management

5.5.5 Employee costs

| Description | Basis of calculation | 2013/14 | 2014/15 |
|----------------|--|-----------------|---------------|
| | | Audited outcome | Audit outcome |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 32.85% | 31.04% |

Table 181.: Employee Costs

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Analysis of Capital and operating expenditure

| R million | Original Budget | Adjusted Budget | Actual | Original Budget variance | Adjusted Budget Variance |
|---|-----------------|-----------------|---------------|--------------------------|--------------------------|
| Capital Expenditure | 70 861 | 81 274 | 28 868 | 41 993 | 52 406 |
| Operating Expenditure | 310 244 | 335 642 | 312 066 | 1 822 | 23 576 |
| Total expenditure (Capital) | 70 861 | 81 274 | 28 868 | 41 993 | 52 406 |
| Water and sanitation | 20 750 | 18 432 | 7 025 | -13 725 | 2 763 |
| Electricity | 27 692 | 21 681 | 7 845 | -19 847 | 1 845 |
| Housing | 0 | | 0 | 0 | 0 |
| Roads, Pavements, Bridges and storm water | 13 094 | 26 763 | 2 604 | -10 490 | 599 |
| Other | 9 325 | 14 398 | 11 394 | 2 069 | 1 274 |
| Total Finance Source - Capital | 70 861 | 81 274 | 28 868 | -41 993 | -52 406 |
| External Loans | 39 765 | 28 214 | 11 264 | -28 501 | -16 950 |
| Internal contributions | 10 434 | 9 571 | 4 827 | -5 608 | -4 744 |
| Grants and subsidies | 20 662 | 43 489 | 12 777 | -7 885 | -30 712 |
| Other | 0 | 0 | 0 | | |



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| R million | Original Budget | Adjusted Budget | Actual | Original Budget variance | Adjusted Budget Variance |
|--|-----------------|-----------------|---------------|--------------------------|--------------------------|
| Salaries, wages and allowances | 108 408 | 116 042 | 111 638 | 5 230 | -4 404 |
| External loans repaid | 8 763 | 8 763 | 8 587 | -176 | -176 |
| Operating Revenue | 328744 | 379407 | 361806 | 33062 | -17601 |
| Property rates | 62674 | 62174 | 60793 | -1881 | -1381 |
| Service charges | 172449 | 172258 | 161512 | -10937 | -10746 |
| Other own revenue | 93621 | 144975 | 139501 | 45880 | -5474 |
| Operating Expenditure | 310244 | 335643 | 312066 | 1821 | -23578 |
| Employee related costs | 108408 | 116042 | 107866 | -542 | -8176 |
| Provision for working capital | 3056 | 17710 | 28733 | 25677 | 11023 |
| Repairs and maintenance | 20349 | 13148 | 11837 | -8512 | -1311 |
| Bulk purchases | 75205 | 75205 | 73946 | -1259 | -1259 |
| Other expenditure | 103226 | 113538 | 89683 | -13543 | -23855 |
| | 109165 | 106128 | 104784 | 3 477 | -1 252 |
| Service charges: Electricity | 105057 | 105057 | 103699 | -1358 | -1358 |
| Grants & subsidies: Electricity | 4000 | 963 | 985 | -3015 | 22 |
| Other revenue: Electricity | 108 | 108 | 100 | -8 | -8 |
| | 96316 | 93107 | 90618 | -5698 | -2489 |
| Employee related costs: Electricity | 6813 | 9730 | 8958 | 2145 | -772 |
| Provision for working capital: Electricity | 1894 | 1894 | 2678 | 784 | 784 |
| Repairs and maintenance: Electricity | 5579 | 2608 | 2191 | -3388 | -417 |
| Bulk purchases: Electricity | 69816 | 69816 | 68621 | -1195 | -1195 |
| Other expenditure: Electricity | 12214 | 9059 | 8170 | -4044 | -889 |
| | 28238 | 30579 | 27097 | -1141 | -3482 |
| Service charges: Water | 27556 | 27364 | 26265 | -1291 | -1091 |
| Grants & subsidies: Water | 650 | 3183 | 800 | 150 | -2383 |
| Other revenue: Water | 32 | 32 | 32 | 0 | 0 |
| | 19644 | 20201 | 19910 | 266 | -291 |
| Employee related costs: Water | 3370 | 6450 | 6182 | 2812 | -268 |
| Provision for working capital: Water | 509 | 509 | 1003 | 494 | 494 |
| Repairs and maintenance: Water | 4097 | 1125 | 1063 | -3034 | -62 |
| Bulk purchases: Water | 5389 | 5389 | 5325 | -64 | -64 |
| Other expenditure: Water | 6279 | 6728 | 6337 | 58 | -391 |

Table 182.: Analysis of Capital and Operating Expenditure



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 | | | | | | |
|--|---------------|----------------------|-------------------|--------------|---------------------------|-----------------------|
| R'000 | | | | | | |
| Details | 2013/14 | 2014/15 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance | Actual to OB Variance |
| External loans | 10 275 | 39765 | 28214 | 11264 | -28501 | -16950 |
| Public contributions and donations | | | | | | |
| Grants and subsidies | 10 986 | 20662 | 43489 | 12777 | -7885 | -30712 |
| Other / CRR | 0 | 10434 | 9571 | 4827 | -5608 | -4744 |
| Total | 23 763 | 70861 | 81274 | 28868 | -41993 | -52406 |
| Percentage of finance | | | | | | |
| External loans | 43.24% | 56.12% | 34.71% | 39.02% | 67.87% | 32.34% |
| Public contributions and donations | 0.00% | | | | | |
| Grants and subsidies | 46.23% | 29.16% | 53.51% | 44.26% | 18.78% | 58.60% |
| Other | 10.53% | 14.72% | 11.78% | 16.72% | 13.35% | 9.05% |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 7 263 | 20750 | 18432 | 7025 | -13725 | -11407 |
| Electricity | 4 806 | 27692 | 21681 | 7845 | -19847 | -13836 |
| Housing | 0 | 0 | 0 | 0 | | |
| Roads and stormwater | 5 881 | 13094 | 26763 | 2604 | -10490 | -24159 |
| Other | 5 813 | 9325 | 14398 | 11394 | 2069 | -3004 |
| Total | 23763 | 70861 | 81274 | 28868 | -41993 | -52406 |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 30.56% | 29.28% | 22.68% | 24.33% | 32.68% | 21.77% |
| Electricity | 20.22% | 39.08% | 26.68% | 27.18% | 47.26% | 26.40% |
| Housing | 0.00% | | | | | |
| Roads and stormwater | 24.75% | 18.48% | 32.93% | 9.02% | 24.98% | 46.10% |
| Other | 24.46% | 13.16% | 17.72% | 39.47% | -4.93% | 5.73% |

Table 183.: Capital Expenditure by funding source

Funding of the capital budget consist of a mix of external loans, grants & subsidies and own funds. The effect of interest rates on external borrowings was taken into account with the compilation of the budget.

5.8 Capital Spending on the 5 Largest Projects

Projects with the highest capital expenditure in 2014/15

| Name of Project* | Current Year: 2014/15 | | Variance Current Year: 2014/15 | |
|--|-----------------------|-----------------|--------------------------------|----------|
| | | Approved Budget | Actual Expenditure | variance |
| REFURBISHMENT SEWERAGE WORKS | | 5 647 | 5 010 | -637 |
| INSTALLATION OF 66/11 KV MAIN SUB-STATIO | | 16 500 | 3 707 | -12 793 |
| HEAT PUMP INSTALLATIONS(ENERGY SAVING) | | 1 888 | 1 745 | -143 |
| STORMWATER ALOERIDGE - RIVERSDAL | | 1 737 | 1 522 | -215 |
| UPGRADING OF SPORT FACILITIES -THERONSVILE | | 1 628 | 1 422 | -206 |

Table 184.: Capital Expenditure on the 5 Largest Projects

| | |
|-------------------------------------|---|
| Name of Project | INSTALLATION OF 66/11 KV MAIN SUB-STATIO |
| Objective of Project | To provide a reliable and sufficient source of electricity. |
| Delays | None |
| Future Challenges | Time Constraints |
| Anticipated citizen benefits | 6045 (STILBAY (3513) + MHFT (2532)) |

Table 185.: Summary of Installation of 66/11 KV Main Sub-station Still Bay

| | |
|-------------------------------------|---|
| Name of Project | UPGRADING OF SEWERAGE WORKS - RIVERSDALE |
| Objective of Project | Refurbish the existing Riversdale WWTW to a total design capacity of 2.3MI/d (ADWF) |
| Delays | Approx 2 months delay while awaiting approval of additional funding |
| Future Challenges | No challenges whatsoever. None future challenges expected. |
| Anticipated citizen benefits | 16172 (Riversdal) |

Table 186.: Summary of Upgrading of Sewerage Works - Riversdale

| | |
|-------------------------------------|---|
| Name of Project | HEAT PUMP INSTALLATIONS (ENERGY SAVING) |
| Objective of Project | To upgrade existing sport facilities up to league level. |
| Delays | Approx. 3 months delay while awaiting approval of additional funding. |
| Future Challenges | Obtaining funding for phase 2 (Tennis, Netbal and Lighting) |
| Anticipated citizen benefits | 6372 (Albertinia) |

Table 187.: Summary of Heat Pump installations (energy saving)

| | |
|-------------------------------------|--|
| Name of Project | STORMWATER ALOERIDGE - RIVERSDALE |
| Objective of Project | Energy saving implements was installed to lower the usage of electricity |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | 52641 |

Table 188.: Summary of Upgrading of Stormwater Aloeridge - Riversdale

| | |
|-------------------------------------|---|
| Name of Project | UPGRADING OF SPORT FACILITIES -THERONSVILLE |
| Objective of Project | To upgrade the stormwater infrastructure of Aloeridge |
| Delays | Additional works caused delays of approximately 2 weeks |
| Future Challenges | None |
| Anticipated citizen benefits | 16172 |

Table 189.: Summary of Upgrading of Sport Facilities - Theronville

5.9 Basic Service and Infrastructure Backlogs – Overview

5.9.1 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

| Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs | | | | | |
|--|--|------------------------|---------------|----------------------|------------------------|
| R 000 | | | | | |
| Details | | Approved Budget | Actual | Variance from | |
| | | | | | Approved Budget |
| Infrastructure - Road transport | | 1737 | 1522 | | -215.00 |
| <i>Storm water</i> | | | | | |
| Infrastructure - Electricity | | 0 | 0 | | 0 |
| <i>Street Lighting</i> | | | | | |
| Infrastructure - Water | | 2300 | 132 | | -2168.00 |
| <i>Dams & Reservoirs</i> | | | | | |
| Infrastructure - Sanitation | | 9911 | 5142 | | -4769.00 |
| <i>Reticulation</i> | | | | | |
| Other: | | 1628 | 1422 | | -206.00 |
| Total | | 15576 | 8218 | | -7358 |

** 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 190.: Municipal Infrastructure Grant (MIG)

All MIG funds received are utilised to improve and provided services to previously disadvantaged areas.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Accurate cash flow projections will enable the Council to invest surplus funds at the best interest rate. Stricter measures have been implemented to ensure more accurate cash flow projections.

The collection of debtors influence the cash flow of the municipality and all the necessary steps are taken to increase debt recovery.

5.10 Cash Flow table:

| Cash Flow Outcomes | | | | |
|--|----------------|----------------|------------------------|----------------|
| R'000 | | | | |
| Description | 2013/14 | 2014/15 | | |
| | Actual | | Approved Budget | Actual |
| Cash flow from operating activities | | | | |
| Receipts | 280 867 | | 370019 | 353 710 |
| Ratepayers and other | 214 658 | | 262072 | 237528 |



| Cash Flow Outcomes | | | | |
|---|-----------------|----------------|------------------------|----------------|
| R'000 | | | | |
| Description | 2013/14 | 2014/15 | | |
| | Actual | | Approved Budget | Actual |
| Cash flow from operating activities | | | | |
| Government - operating | 45 703 | | 64129 | 59747 |
| Government - capital | 16 221 | | 40453 | 48993 |
| Interest | 4 285 | | 3365 | 7442 |
| Dividends | 0 | | | |
| Payments | -239 871 | | -295739 | 256 608 |
| Suppliers and employees | -230 971 | | -286976 | 246757 |
| Finance charges | -8 900 | | -8763 | 9851 |
| Transfers and Grants | | | | |
| Net cash from/(used) operating activities | 40 996 | | 74280 | 97102 |
| Cash flows from investing activities | | | | |
| Receipts | 138 | | 5000 | 2384 |
| Proceeds on disposal of PPE | 136 | | 5000 | 2382 |
| Decrease (Increase) in non-current debtors | | | | |
| Decrease (increase) other non-current receivables | 2 | | | 2 |
| Decrease (increase) in non-current investments | | | | |
| Payments | -23770 | | -78237 | -28867 |
| Capital assets | -23 770 | | -78237 | -28867 |
| Net cash from/(used) investing activities | -23 632 | | -73237 | -26 483 |
| Cash flows from financing activities | | | | |



| Cash Flow Outcomes | | | | |
|--|----------------|---------|-----------------|---------------|
| R'000 | | | | |
| Description | 2013/14 | 2014/15 | | |
| | Actual | | Approved Budget | Actual |
| Cash flow from operating activities | | | | |
| Receipts | 255 | | 28226 | 25 140 |
| Short term loans | 46 | | | |
| Borrowing long term/refinancing | 0 | | 28214 | 24781 |
| Increase (decrease) in consumer deposits | 209 | | 12 | 281 |
| Payments | -10 092 | | -10078 | 11 645 |
| Repayment of borrowing | -10 092 | | -10078 | 11 645 |
| Net cash from/(used) financing activities | -9 837 | | 18148 | 13 495 |
| Net increase/ (decrease) in cash held | 7 527 | | 19189 | 84114 |
| Cash/cash equivalents at the year begin: | 45 055 | | 52583 | 52583 |
| Cash/cash equivalents at the yearend: | 52 582 | | 71772 | 136697 |

Table 191.: Cash flow

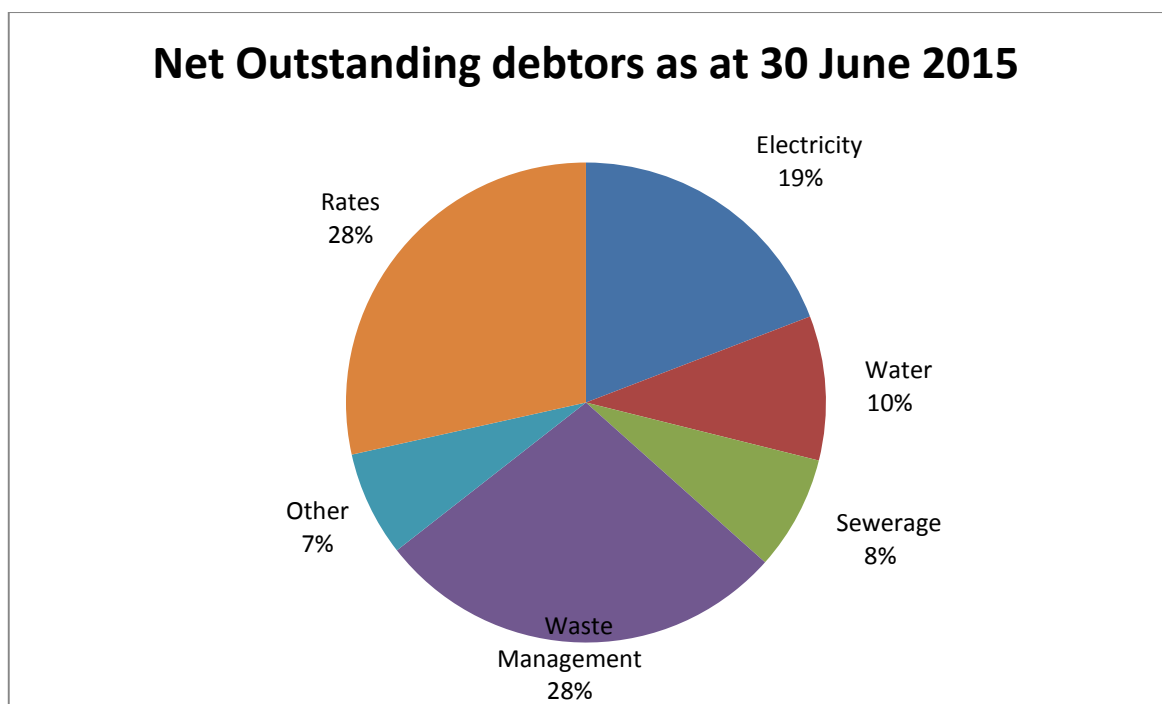
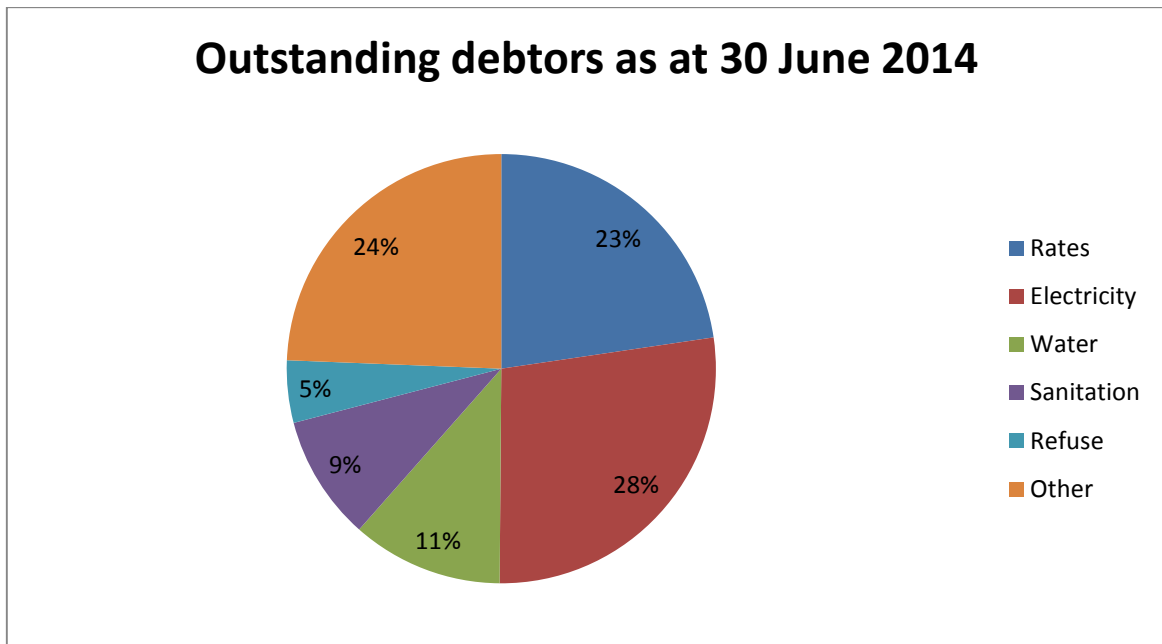
5.11 Gross Outstanding Debtors per Service

| Financial year | Rates | Trading services | Economic services | Housing rentals | Other | Total |
|------------------------------|---------------|-------------------------|-------------------------|-----------------|---------------|---------------|
| | | (Electricity and Water) | (Sanitation and Refuse) | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 2013/14 | 10425 | 17866 | 6487 | 0 | 11208 | 45986 |
| 2014/15 | 10000 | 19196 | 7807 | 0 | 17343 | 54346 |
| Difference | 425 | -1330 | -1320 | 0 | -6135 | -8360 |
| % growth year on year | -4.25% | 6.93% | 16.91% | 0% | 35.37% | 15.38% |

Note: Figures exclude provision for bad debt

Table 192.: Gross outstanding debtors per service

The following graphs indicate the total outstanding debt per type of service for 2013/14 and 2014/15.



Graph 7.: *Service debtors age analysis for the 2014/15 and 2013/14 financial years.*



5.12 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 | R'000 | R'000 | R'000 | R'000 |
| 2013/14 | 17406 | 2677 | 1008 | 24895 | 45986 |
| 2014/15 | 17827 | 3181 | 1470 | 31868 | 54346 |
| Difference | -421 | -504 | -462 | -6973 | -8360 |
| % growth year on year | 2.36% | 15.84% | 31.43% | 21.88% | 15.38% |

Note: Figures exclude provision for bad debt. - (Impairment i.r.o. Traffic Fines is included)

Table 193.: Service debtor age analysis

THERE IS A YEAR ON YEAR INCREASE IN OUTSTANDING DEBTORS; HOWEVER THE MUNICIPALITY MAINTAINED A COLLECTION RATE OF 98% WHICH IS WELL ABOVE THE NORM FOR MUNICIPALITIES.

5.13 Borrowing and Investments

The outstanding loan of R76 933 at the end of June 2014 do not reflect the 2014/2015 capital spending of approximately R12 million. The loan was only raised in the 2014/2015 financial year.

5.13.1 Actual Borrowings

| R'000 | | |
|--|---------------|---------------|
| Instrument | 2013/14 | 2014/15 |
| Long-Term Loans (annuity/reducing balance) | 76 933 | 90 256 |
| Total | 76 933 | 90 256 |

Table 194.: Actual Borrowings

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 Supply Chain Management

- The Municipality reviews the Supply Chain management Policy annually and complies with the legislative requirements.
- No councillors are members of any committee handling supply chain processes.
- Contract management and performance of suppliers are currently being done by SCM in conjunction with Managers.

5.15 GRAP Compliance

The municipality is GRAP compliant.



Chapter 6:

Auditor General Findings



CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2014/15

6.1 AUDITOR GENERAL REPORT 2014/15

| Auditor-General Report on Performance Information 2014/15 | |
|---|-----------------|
| No material findings was raised on the usefulness and reliability of the reported performance information for the selected objective, Maintenance and Development of all infrastructure and services. | No findings |
| Non-Compliance Issues | Findings |
| A procedure was performed to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matter in key legislation, as set out in the general notice in terms of the PAA. | No findings |

Table 195.: AG Report on Performance information & Compliance 2014/15

COMPONENT B: AUDITOR GENERAL OPINION 2014/15

6.2 AUDITOR-GENERAL REPORT 2014/15

| Auditor-General Report on Financial Performance 2014/15 | |
|--|---|
| Financial Statements presents fairly in all material aspects, the financial position of the Hessequa Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRa | Unqualified Audit opinion (Clean Audit) |

Table 196.: AG Report on Financial Performance 2014/15



Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Hessequa Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Hessequa Municipality set out on pages 7 to 82, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in notes 47 and 48 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Material losses and impairments

9. As disclosed in note 53 to the financial statements, the municipality suffered a significant water loss amounting to 730 229 kilolitres (34,5%) as a result of leakages and tampering with meters.
10. As disclosed in note 4 to the financial statements, the receivables of R31,7 million from exchange transactions (consumer debtors) were significantly impaired by R14,95 million (47%). Furthermore, as disclosed in note 5, the receivables from non-exchange transactions, which included traffic fines and rate debtors, were significantly impaired by R42,5 million (69,8%).

Material underspending of the budget

11. As disclosed in the appropriation statement of the financial statements, the municipality materially underspent its finally approved capital budget of R81,3 million by approximately R52,4 million (64,5%). The explanations for the significant under-expenditure are disclosed in note 57 to the financial statements.

Additional matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure note

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Unaudited supplementary schedules

14. The supplementary information set out in appendices A to F on pages 83 to 93 does not form part of the financial statements and is presented as additional information. I have not audited these appendices and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2015:
 - Objective: Maintenance and development of infrastructure, as set out on pages 10 to 12
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify material findings on the usefulness and reliability of the reported performance information for the following objective:
 - Objective: Maintenance and development of infrastructure, as set out on pages 10 to 12

Additional matters

21. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matters:

Achievement of planned targets

22. Refer to the annual performance report on pages 5 to 13 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the objective relating to maintenance and development of infrastructure. As management subsequently corrected the misstatements, I did not report material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

24. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General
Cape Town

30 November 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure A: Hessequa Annual Financial Statements – 30 June 2015



Annexure B: Oversight Report (to be included after oversight process is finalised)

